

Perimeter Medical Imaging AI Announces Closing of Strategic Private Placement to Social Capital

TORONTO & DALLAS--(BUSINESS WIRE)-- Perimeter Medical Imaging AI, Inc. (TSX-V:PINK)(OTC:PYNKF) (FSE:4PC) ("Perimeter" or the "Company"), a medical technology company driven to transform cancer surgery with ultra-high-resolution, real-time, advanced imaging tools to address high unmet medical needs, is pleased to announce the closing of its previously announced private placement of units (each, a "Unit") for gross proceeds of C\$48.7 million to the Company (the "Private Placement"). The Private Placement included the C\$43.4 million strategic investment in the Company (the "Investment") by Social Capital.

Jeremy Sobotta, Perimeter's Chief Executive Officer stated, "We are extremely excited to have completed this transformative, pivotal event for Perimeter and to welcome Social Capital as a shareholder of Perimeter. This strategic partnering with Social Capital comes at a time when we are ramping up our Perimeter S-Series market development activities and commercialization efforts across the U.S., while also supporting the ongoing clinical development of our next-gen AI technologies. We are very optimistic that the Private Placement will allow the Company to unlock additional growth and potential and we thank Social Capital for its support and endorsement of our vision to transform cancer surgery with ultra-high resolution, real-time, advanced imaging tools."

Chamath Palihapitiya, founder and CEO of Social Capital, said, "Perimeter has the opportunity to change how we approach removing cancerous tumors from the body. Starting with breast cancer, Perimeter's OCT technology can potentially eliminate the need for a second or sometimes even third surgery because not all of the cancer was removed the first time – a risk faced by 1 in 4 breast cancer patients in America today. Over time, we hope Perimeter can apply this technology to a range of other tumor removal surgeries. We are excited to begin this partnership with Jeremy and his team to raise the standard of care for cancer patients."

Details Regarding the Private Placement

The Private Placement was completed on a non-brokered basis for gross proceeds of C\$48.7 million at a price of C\$3.00 per Unit for a total of 16,234,333 Units. Each Unit consisted of one common share (each, a "Common Share") and a total of one warrant ("Warrant") to purchase an additional Common Share (a "Warrant Share"). 80% of the Warrants issued in the Private Placement have a strike price of C\$3.99 and 20% of the Warrants issued in the Private Placement have a strike price of C\$4.50. Half of the Warrants at each strike price are subject to accelerated expiry if the 60-day volume weighted average trading price of Perimeter's Common Shares is greater than the strike price during the applicable period. The other half of the Warrants are not subject to accelerated expiry, and instead they may be exercised for cash or exercised using a cashless exercise feature at

any time prior to expiry. Subject to the accelerated expiry clause described above, all Warrants will expire five years following the closing of the Private Placement.

As the result of its C\$43.4 million Investment, Social Capital acquired 14,466,667 Common Shares and 14,466,664 Warrants. Social Capital and Perimeter have also entered into an investor rights agreement whereby Social Capital will have the right to nominate one director to the board of Perimeter, as well as anti-dilution rights to participate in future financings, and customary registration rights. Social Capital's board nomination and anti-dilution rights under the investor rights agreement will last so long as Social Capital holds at least 15% of the Common Shares of Perimeter on an undiluted basis, and Social Capital's registration rights will last so long as Social Capital holds at least 10% of the Common Shares of Perimeter on an undiluted basis.

On a non-diluted basis, Social Capital now holds approximately 23.3% of the outstanding Common Shares making Social Capital a "Control Person" (as that term is defined in the policies of the TSX Venture Exchange (the "TSXV")) of Perimeter. The Investment by Social Capital was consented to in writing by shareholders of Perimeter holding greater than 50% of Perimeter's outstanding Common Shares at the time the Private Placement was announced, including Roadmap Capital Inc., Perimeter's largest shareholder, which entered into a support agreement in favour of the Private Placement at the time the Private Placement was announced.

In addition to the Investment by Social Capital, the Company issued an additional 1,767,666 Units to other investors for gross proceeds of C\$5.3 million (resulting in aggregate gross proceeds of C\$48.7 million).

The net proceeds of the Private Placement will be used for working capital, commercialization of Perimeter's technology, clinical studies and the further development of Perimeter's technology, and general corporate purposes.

All Common Shares and Warrants issued pursuant to the Private Placement will be subject to a statutory hold period of four months plus one day which expires on May 27, 2022.

In connection with the Closing of the Private Placement, the Company paid a finder's fee equal to 3% of the proceeds from the sale of Units to Social Capital by issuing 434,000 Common Shares (the "Finder's Shares") at a deemed price of \$3.00 per Common Share. The Company also paid finder's fees equal to 6% of the proceeds from the sale Units to certain investors introduced to Perimeter by other finders by paying cash in the amount of C\$197,399.88.

The Common Shares comprising part of the Units, the Warrants and the Warrant Shares (if such Warrant Shares are issued before the date that is four months and one day following the applicable Closing Date) and the Finder's Shares shall be subject to a hold period ending on the date that is four months and one day following the applicable Closing Date.

Insider Participation in the Private Placement

Jeremy Sobotta, Chief Executive Officer; Tom Boon, Chief Operating Officer; Andrew Berkeley, Vice President, Business Development; Aaron Davidson, Director; and Suzanne Foster, Director participated in the Private Placement, thereby making the Private Placement

a “related party transaction” as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Mr. Sobotta subscribed for 10,000 Units, Mr. Boon subscribed for 5,000 Units, Mr. Berkeley subscribed for 6,000 Units, Mr. Davidson subscribed for 84,000 Units and Ms. Foster subscribed for 42,000 Units.

Each Common Share of Perimeter provides the holder with the right to one vote per common share. The Private Placement was unanimously approved by the directors of Perimeter and consented to by shareholders of Perimeter holding approximately 50.8% of Perimeter’s outstanding Common Shares at the time the Private Placement was announced.

Other than the subscription agreements between Mr. Sobotta, , Mr. Boon, Mr. Berkeley, Mr. Davidson and Ms. Foster relating to the issuance of the Units pursuant to the Private Placement, Perimeter has not entered into any agreement with an interested party or a joint actor with an interested party in connection with the Private Placement.

The Private Placement was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the Private Placement was a distribution of securities for cash and neither the fair market value of the Shares distributed to, nor the consideration received from, interested parties exceeded \$2,500,000. Neither Perimeter, nor to the knowledge of Perimeter after reasonable inquiry, a related party, has knowledge of any material information concerning Perimeter or its securities that has not been generally disclosed. The material change report in connection with the Private Placement was not filed 21 days in advance of the closing of the Private Placement for the purposes of Section 5.2(2) of MI 61-101 on the basis that the subscriptions under the Private Placement were not available to Perimeter until shortly before the closing.

Early Warning Disclosure as a Result of Completion of the Investment

Pursuant to the Investment, Social Capital acquired 14,466,667 Common Shares and 14,466,664 Warrants. Prior to the completion of the Investment Social Capital did not own any Common Shares. On a non-diluted basis, Social Capital has increased its ownership of Common Shares from 0% to approximately 23.2%. On a partially-diluted basis, assuming exercise of the Warrants held by Social Capital, Social Capital exercises control over 28,933,331 (approximately 37.7%) of the issued and outstanding Common Shares.

As noted above, the Common Shares comprising part of the Units, the Warrants and the shares underlying the Warrants (if such shares are issued before the date that is four months and one day following the applicable closing date) held by Social Capital are subject to a four month plus one day hold period which expires on May 27, 2022.

Social Capital has acquired the Common Shares and Warrants for investment purposes.

The foregoing disclosure is being disseminated pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting*. A copy of the report to be filed with Canadian securities regulators in connection with the acquisition of these securities will be available on Perimeter’s SEDAR profile at www.sedar.com and a copy may be obtained by contacting Perimeter as noted under “Contact” below.

About Social Capital

At Social Capital, we make big bets on transformational ideas, technology, and people. We strategically invest in smart, profit-minded opportunities and forward-thinking social investments that have the potential to shape a better future. We do this from a balance sheet of permanent capital to support entrepreneurship at all stages. This allows us more flexibility to double down on our convictions, without the limitations of traditional fund structures, and gives founders the runway and resources necessary to succeed. We believe in the outsized potential of for-profit businesses to drive impact in the world. We aim to set a new standard for what capitalism can be.

Social Capital has a head office at 506 Santa Cruz Avenue, Suite 300, Menlo Park, California 94025.

About Perimeter Medical Imaging AI, Inc.

With headquarters in Toronto, Canada and Dallas, Texas, [Perimeter Medical Imaging AI](#) (TSX-V:PINK) (OTC:PYNKF) (FSE:4PC) is a medical technology company that is driven to transform cancer surgery with ultra-high-resolution, real-time, advanced imaging tools to address areas of high unmet medical need. The company's ticker symbol "PINK" is a reference to the pink ribbons used during Breast Cancer Awareness Month, underscoring the company's dedication to helping surgeons, radiologists, and pathologists use Perimeter's imaging technology and AI in the fight against breast cancer, which is estimated to [account for 30%](#) of all female cancer diagnoses this year.

Perimeter has an office at 8585 N. Stemmons Freeway, Suite 106N, Dallas, TX 75247.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains statements that constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. In this news release, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future financial position, business strategy and strategic goals, competitive conditions, research and development activities, projected costs and capital expenditures, research and clinical testing outcomes, taxes and plans and objectives of, or involving, Perimeter. Without limitation, information regarding the use of proceeds of the Private Placement is forward looking information. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, any particular result will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur. Forward-looking information is based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions, and other unpredictable factors, many of which are beyond Perimeter's control. Such forward-looking statements reflect Perimeter's current view with respect to future events, but are inherently subject to uncertainties and contingencies.

Further risks, uncertainties and assumptions include, but are not limited to, those applicable to Perimeter and described in Perimeter's Management Discussion and Analysis for the year ended December 31, 2020, which is available on Perimeter's SEDAR profile at www.sedar.com, and could cause actual events or results to differ materially from those projected in any forward-looking statements. Perimeter does not intend, nor does Perimeter undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events, or circumstances or otherwise, except if required by applicable laws.

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