

Perimeter Medical Imaging AI, Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") for Perimeter Medical Imaging AI, Inc. ("Perimeter" or the "Company") should be read in conjunction with our Third Quarter 2026 Unaudited Interim Condensed Consolidated Financial Statements and notes thereto, which have been prepared in accordance with the International Accounting Standards Board. All of the amounts are expressed in US dollars unless otherwise indicated. References to "Perimeter" or "the Company" mean Perimeter and/or its management.

This MD&A contains certain information that may constitute forward-looking information within the meaning of Canadian securities laws which the Company refers to as forward-looking information. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not statements about the present or historical facts. 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, financial results, research and clinical testing outcomes, taxes and plans and objectives of, or involving, Perimeter. Without limitation, information regarding future sales and marketing activities, Perimeter's technology platform, including Perimeter S-Series OCT, Perimeter Claire™ OCT, Perimeter ImgAssist (the "Products"), sales, placements and utilization rates, reimbursement for the various procedures, future revenues arising from the sales of the Company's Products, future potential partnerships, research and development activities, information regarding ongoing clinical studies, the Company's plans to seek further regulatory clearances for additional indications, as well as the Company's plans for development of its proprietary, next generation machine learning tools and artificial intelligence technology is forward-looking information.

Forward-looking information is based on certain factors and assumptions regarding, among other things, market acceptance and the rate of market penetration of Perimeter's Products, the success of Perimeter's partnerships and distribution arrangements, the effect of reimbursement codes for procedures involving use of the Products and the clinical results of the use of the Products. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and actual results may vary materially from the disclosure herein. The successful commercialization of any one of the Products will depend on a number of financial, logistical, technical, legal, regulatory, competitive, economic, and other factors, the outcome of which cannot be predicted, and some of which will be out of the Company's control. Due to the early stage of commercialization for certain Products, it is difficult for the Company to accurately predict its future revenues or results of operations or the timing of its current research and development programs. In addition, despite the Company's current focus on the commercialization of its products, the Company continues to invest in additional research and development in order to expand the applications of its platform, and these activities may require significant cash commitments which may, in turn, affect the profitability of the Company.

Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what the Company currently expects. These factors include: the Company's ability to obtain additional financing on terms favorable to it, if at all; transition from research and development activities to commercial activities; market acceptance and adoption of the Products; risks relating to the Company's implementation of a sales and marketing model with respect to its platform; the risk that changes to current healthcare reimbursement codes or healthcare spending will negatively affect the acceptance or usage of the Products; quarter to quarter fluctuations in financial results due to numerous external risk factors; risks related to third-party contractual performance; risks

associated with the introduction of products or existing products by competitors that compete with the Products; risks associated with conducting business internationally; risks related to medical or scientific advances that could render the Products obsolete; market acceptance and adoption of its platform; dependence on key supplier for components of certain Products; regulatory and clinical risks; risks relating to the protection of its patents, trade secrets, trademarks and other intellectual property ("IP") and third party IP; risks inherent in the conduct of research and development activities, including the risk of unfavorable or inconclusive clinical trial outcomes; potential product liability, competition and the risks posed by potential technological advances; and relating to fluctuations in the exchange rate between the U.S. and the Canadian dollar.

Undue importance should not be placed on forward-looking information, nor should reliance be placed upon this information as of any other date. Unless required by law, Perimeter does not undertake to update this information at any particular time. These forward-looking statements are made as of the date of this MD&A. Unless otherwise indicated, this MD&A was prepared by management from information available through September 30, 2026 and was approved by the Board of Directors (the "Board") on that date.

COMPANY OVERVIEW

Perimeter Medical Imaging AI, Inc. (the "Company" or "Perimeter") is a medical technology company driven to transform cancer surgery with ultra-high resolution, real-time, advanced imaging tools that address unmet medical needs. Perimeter is listed as a Tier 1 issuer on the TSX Venture Exchange ("TSXV") under the symbol PINK. The Company's registered office is located at 1600 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2. The Company's head office is located at 555 Richmond Street West, Suite 511, Toronto, Ontario M5V 3B1.

The Company was formed in British Columbia on June 29, 2020, pursuant to an amalgamation agreement between a non-reporting issuer New World Resource Corp. ("New World") and Perimeter Medical Imaging Inc., when the Company completed a reverse takeover ("RTO") transaction on June 29, 2020.

The Company has one wholly owned subsidiary, Perimeter Medical Imaging Corp., a Delaware corporation.

BUSINESS OF PERIMETER

Product Overview

Perimeter is a commercial-stage medical technology company. Perimeter's initial product, the S-Series OCT, provides cross-sectional, real-time margin visualization of excised tissue specimens in the operating room at 10 times higher image resolution than X-ray and ultrasound, and 100 times greater image resolution than MRI.

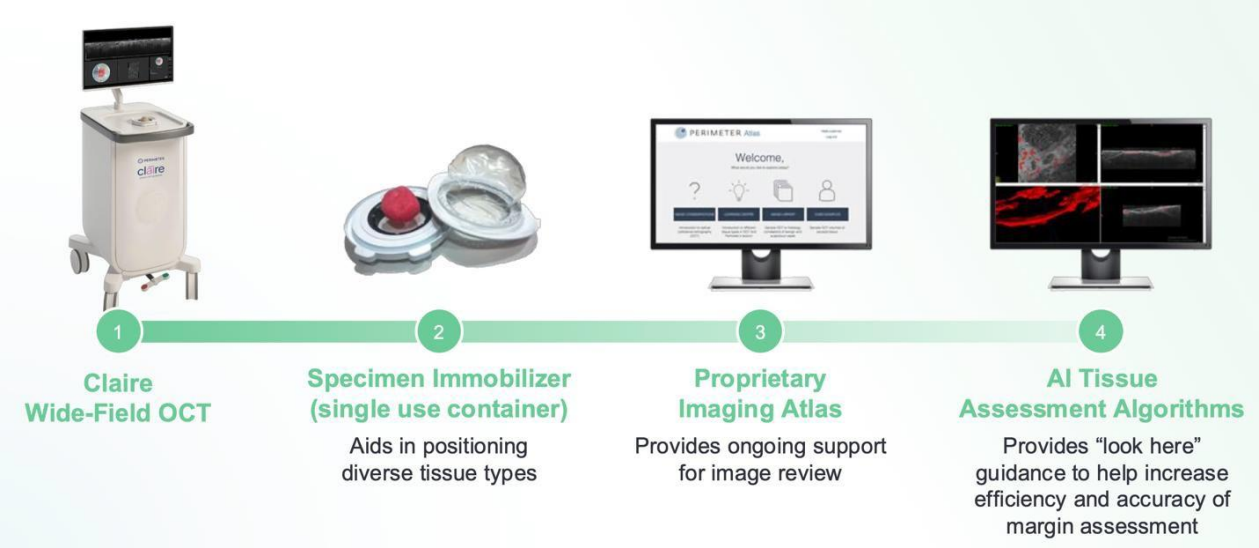
Recognizing the unmet need in the field of breast cancer margin visualization, Perimeter completed a clinical trial to develop the next generation of Perimeter's commercially available S-Series OCT device. The objective of this multi-site pivotal study was to evaluate Claire™ OCT against the current standard of care and assess the impact on re-operation rates for patients undergoing breast conservation surgery. Supported by the positive results of the pivotal study, the FDA approved Claire OCT for intraoperative breast cancer margin assessment in March 2026, and Perimeter is now making final preparations for the planned U.S. commercial launch of the technology.

Perimeter's Medical Imaging Platform

The console of Perimeter's OCT imaging system includes:

- an intraoperative device for automated scanning of the specimen that provides a rapid subsurface map of up to a 10 cm by 10 cm surface area;
- a specimen handling consumable device designed to hold and maintain orientation of the specimen;
- a proprietary image library and training set, and
- AI Tissue Assessment Algorithms

An excised tissue specimen is placed in the consumable container and scanned during the surgical procedure, with results available for display on the device's touchscreen typically within one to two minutes, enabling collaboration between surgeons, radiologists, and pathologists. A graphical user interface allows the surgeon/user to navigate through different areas of the specimen and to adjust display parameters on selected images of interest.



Perimeter's technology is designed to integrate into current clinical workflows. Following surgical excision, the excised tissue is scanned for confirmation prior to completion of the surgery. This real-time imaging provides the surgeon with information needed to determine whether additional intervention is required. Several key features include:

- **Margin visualization:** 2 mm deep subsurface imaging to visualize microscopic tissue structures in real-time.
- **Automated image capture:** Automated scanning of individual margins with no increased operator workload from manipulating an imaging probe.
- **Full specimen coverage:** High resolution images of one to six margins, with 10 times higher resolution than ultrasound or X-ray.
- **Orientation management:** Preserves and conveys specimen orientation, with ability to label and

capture images of individual margins.

- **Non-destructive:** Images tissue without compromising standard histopathology.
- **No oral or injectable required:** Because patient dosing is not required, so there are no drug-related side-effects.

Perimeter has six issued patents in total in the U.S. and internationally. Three of the granted patents are expected to expire in 2033, one in 2037, and two in 2038.

Perimeter S-Series OCT

Cleared by the U.S. Food and Drug Administration ("FDA") with a general tissue indication, the Perimeter S-Series OCT system is commercially available across the United States. Perimeter S-Series OCT provides cross-sectional images of tissues down to 2 mm depth, with 10-times higher image resolution than standard x-ray and ultrasound. This innovative technology gives physicians the ability to visualize microscopic tissue structures at the point-of-care – during the primary surgery compared to days later when pathology reports are available – which has the potential to result in better long-term outcomes for patients and lower costs to the healthcare system.

Perimeter's Next-Generation Machine Learning and AI Technology

Perimeter advanced its proprietary, next-generation machine learning tools and AI technology, called "ImgAssist AI," through clinical development under its ATLAS AI project, which is supported, in part, by a $7.4 million grant awarded by the Cancer Prevention and Research Institute of Texas ("CPRIT"), a leading state body that funds cancer research.

Perimeter's ImgAssist AI technology has the potential to increase the efficiency of image review and be an additional powerful tool when combined with Perimeter OCT to aid physicians with real-time margin visualization and assessment – with the goal of improving surgical outcomes for patients and reducing the likelihood of needing additional surgeries.

During the initial stages of the ATLAS AI Project more than 400 volumes of images of excised breast tissue were collected at leading cancer centers in Texas using the Perimeter S-Series OCT. This database of breast tissue images was then precisely labeled, reviewed and approved by a board-certified pathologist and subsequently used to train and test the accuracy of Perimeter's proprietary ImgAssist AI algorithm.

The output of the initial stages of the ATLAS AI Project was the standalone ImgAssist AI, which achieved a key performance metric of 0.94 AUC (area under the receiver operating characteristic curve), which is a measure of how well the algorithm can differentiate between suspicious and non-suspicious breast tissue areas. Subsequently, results published in a peer reviewed retrospective study demonstrated that Perimeter's deep learning model showed high levels of sensitivity and specificity, accurately identifying 96.8% of pathology-positive margins.

Perimeter Claire™ OCT

Claire™ OCT combines Perimeter's ImgAssist AI with its patented wide-field OCT imaging to enable high-resolution, real-time evaluation of excised tumor margins. The system delivers 10 times higher resolution than standard x-ray and ultrasound at 2mm imaging depth - the clinically relevant margin width for breast cancer margin assessment. Claire™'s innovative AI technology was trained on Perimeter's proprietary and growing OCT image library of over 2 million breast tissue images.

In April 2021, the FDA granted a Breakthrough Device Designation for Perimeter Claire™ OCT, which incorporates ImgAssist AI, allowing for accelerated interactions with the FDA during product development and prioritized review of future regulatory submissions. In November 2021, the FDA granted an

Investigational Device Exemption (IDE), enabling the ATLAS AI Project to move into the next validation stage of clinical development by evaluating Claire™ OCT in a pivotal study.

Led by Principal Investigator, Dr. Alastair Thompson at Baylor College of Medicine, Perimeter completed in 2024, a multi-center, randomized, two-arm clinical trial to measure the effectiveness of the breakthrough-device-designated Claire™ OCT in reducing the number of unaddressed positive margins in breast lumpectomy procedures when used in addition to standard intraoperative margin assessment. All eight of the initially planned clinical trial sites were activated and, subsequently, Perimeter received FDA approval to expand the number of institutions with the goal of further accelerating enrollment. The pivotal trial met its primary endpoint, achieving a statistically significant (p-value = 0.0050) reduction in patients with residual cancer during surgery. These results demonstrate super-superiority (lower bound of confidence interval for treatment effect greater than a predetermined minimal clinically meaningful difference) of the Claire™ system's ability to aid surgeons in achieving clear surgical margins during surgery, potentially lowering the need for reoperation

In March 2025, Perimeter announced the submission of a Pre-Market Application ("PMA") to the FDA for the Company's next-generation Claire™ OCT for use during BCS in the United States. The Agency approved the PMA for Perimeter's Claire™ OCT in March 2026.

A critical innovation behind Claire™ is its AI engine, trained on millions of proprietary OCT images of cancerous and healthy tissue. This image library can only be generated using Perimeter's patented OCT imaging engine and represents a unique advantage, as every surgical procedure performed with Claire™ generates new data that can be used to improve the AI product, helping to create better outcomes for future patients. Claire™ has been designed and developed on a diverse data set spanning a multitude of patient characteristics to help surgeons assess areas of interest during surgery. This use of AI is what makes Claire™ one of the few AI-enabled class III devices on the U.S. market today. A pre-determined change control plan (PCCP) was authorized as part of the PMA approval and includes planned AI enhancements that can be implemented without additional FDA interaction.

SUMMARY OF KEY DEVELOPMENTS IN 2026

On January 8, 2026, Perimeter entered into an agreement with Intermountain Health to enable the deployment of the S-Series OCT advanced imaging technology for tissue visualization in the operating rooms at Intermountain Health LDS Hospital and Intermountain Health American Fork Hospital.

On February 17, 2026, the Company announced that it may cancel up to 2,175,619 previously issued stock options (the "Original Options"), exercisable at prices ranging from C$0.38 to C$2.85, granted to 27 employees and consultants of the Company. In replacement for such cancelled Original Options, the Company intends to grant up to 2,175,619 stock options (the "Replacement Options") to such employees and consultants entitling them to acquire up to 2,175,619 common shares at a price of C$0.30 per common share. Employees and consultants elected to cancel and replace 1,935,553 options.

On March 3, 2026, The Company received FDA Pre-market Approval (PMA) for Claire™ (formerly the B-Series OCT with ImgAssist AI 2.0), making it the first AI-enabled imaging device approved in the U.S. for intraoperative breast cancer margin assessment.

On March 23, 2026, Perimeter entered into a warrant cancellation agreement with SC Master Holdings LLC ("Social Capital"), pursuant to which Social Capital has agreed to surrender 14,466,667 common share purchase warrants of the Company for cancellation, for no consideration. 80% of the warrants had a strike price of C$3.99 and 20% of the warrants had a strike price of C$4.50. Half of the warrants at each strike price were 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 were not subject to accelerated expiry and instead may have been 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 had an expiration date of January 27,2027.

On April 27, 2026, the Company entered into binding subscription agreements with its CEO and SC Master Holdings LLC for expected proceeds of approximately C$5.5 million. The financing consists of $1,000 principal amount debentures bearing interest at 3.59% and maturing three years after the initial closing date. The debentures are convertible at the holder's option, and automatically upon a redomicile of the Company to the United States, at C$0.415 per unit. Each unit comprises one common share and one warrant, with each whole warrant exercisable into one additional common share at C$0.59 for a five-year term. Accrued interest is payable at maturity or upon redomicile in cash or, at the Company's option, in units priced based on recent trading prices. These interest units similarly consist of one common share and one warrant, with each whole warrant exercisable into one additional common share for five years at an exercise price set at a 43% premium to the unit price. The first tranche closed on April 24, 2026.

On May 5, 2026, the Company announced the successful closing of a Life Offering up to the maximum size of 21,489,000 units at C$0.35 per unit (C$7,521,150). Each unit was comprised of one common share in the capital of the Company (each, a "Common Share") and one Common Share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share until May 5, 2031 at an exercise price of C$0.50 per Common Share. Paradigm Capital Inc. acted as lead agent and sole bookrunner, together with Brookline Capital Markets, a division of Arcadia Securities, LLC (collectively, the "Agents"), in connection with the Life Offering.

On June 8, 2026 Perimeter closed the second and final tranche of its previously announced non-brokered private placement (the "**Debenture Offering**") of convertible debentures of the Company (the "**Convertible Debentures**"). Under the second tranche of the Debenture Offering, the Company has issued C$3,280,000 principal amount of Convertible Debentures. Under the first tranche of the Debenture Offering, the Company issued C$2,760,000 principal amount of Convertible Debentures to Adrian Mendes, its Chief Executive Officer. Under the Debenture Offering, the Company has issued an aggregate of C$6,040,000 principal amount of Convertible Debentures. Each Convertible Debenture consists of C$1,000 principal amount of 3.59% convertible debentures of the Company, maturing on April 27, 2029 (the "**Maturity Date**"). The outstanding principal under the Convertible Debentures is (i) convertible at the option of the holder, at any time prior to the close of business on the last business day immediately preceding the Maturity Date, into units of the Company (the "**Debenture Units**") at the conversion price of C$0.415 per Debenture Unit (the "**Conversion Price**") or (ii) automatically converted into Debenture Units at the Conversion Price upon the occurrence of, and immediately following, any transaction that results in the Company continuing from the jurisdiction of British Columbia, Canada to the United States, any state thereof, or the District of Columbia (a "**Redomiciling Transaction**"). Each Debenture Unit will be comprised of one common share in the capital of the Company (each, a "**Common Share**") and one Common Share purchase warrant (each, a "**Debenture Warrant**"). Each Debenture Warrant shall entitle the holder to acquire one Common Share until April 27, 2031, at an exercise price of C$0.59. The accrued and unpaid interest under the Convertible Debentures will be satisfied on the Maturity Date or upon the occurrence of a Redomiciling Transaction in either cash or, at the option of the Company and subject to the approval of the TSX Venture Exchange (the "**TSXV**"), by the issue of the equivalent value in units of the Company ("**Interest Units**") at a price per Interest Unit equal to the volume-weighted average price of the Common Shares on the TSXV for the five trading days preceding the applicable conversion date (provided that such price is not less than the Market Price (as such term is defined in the policies of the TSXV) of the Common Shares at the time of conversion) (the "**Interest Conversion Price**"). Each Interest Unit will consist of one Common Share and one Common Share purchase warrant (each, an "**Interest**

Warrant"). Each Interest Warrant shall entitle the holder to acquire one Common Share until April 27, 2031, at an exercise price equal to a 43.0% premium to the Interest Conversion Price. The Company paid a finder's fee to Roadmap Capital Inc. equal to 7% of the proceeds from the sale of Convertible Debentures to a certain investor by paying cash in the amount of C$35,000. The Company intends to use the proceeds of the Debenture Offering for working capital and general corporate purposes. All securities issued pursuant to the Debenture Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable Canadian securities laws. SC Master Holdings LLC ("**Social Capital**"), a related party of the Company, purchased a total of C$2,780,000 principal amount Convertible Debentures under the second tranche of the Debenture Offering. The placement to such person constituted a "related party transaction" within the meaning of TSXV Policy 5.9 and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the placement as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involved the related party, exceeded 25% of the Company's market capitalization (as determined under MI 61-101). The Company filed a material change report more than 21 days before the closing of the second tranche of the Debenture Offering.

On June 5, 2026, the Company approved the grant of 8,969,181 stock options to certain directors and officers, and 260,000 options to employees as a key retention incentive tool. Each stock option entitles the holder to acquire one Common Share of the Company. Director and officer options are priced at an exercise price equal to C$0.35 per Common Share, vesting starting immediately at 1/48th over 4 years will expire 10 years from the date of grant. Employee options are priced at C$0.31 per Common Share, 25% of the Options will vest on the 1-year anniversary of grant and the remaining Options will vest monthly in 1/48th increments over the following 3 years and will expire 10 years from the date of grant.

On June 9, 2026, the Company announced it has been selected to receive a contribution from the INOVAIT Pilot Fund to advance next-generation AI capabilities for its flagship product Claire™, which received U.S. Food and Drug Administration approval earlier this year as the first AI-enabled imaging device for use during breast cancer surgery. The project was one of 10 selected for funding in the latest round of the INOVAIT Pilot Fund call for applications. The project will focus on building more robust and scalable AI to support continued improvement of Perimeter's OCT+AI platform. The Company expects to receive up to nearly C$148,000 in INOVAIT contributions. An additional C$100,000 Mitacs Business Strategy Internship award will support graduate student participation through the university collaboration. The project is conducted in partnership with Dr. Ervin Sejdić, Professor in the Edward S. Rogers Sr. Department of Electrical and Computer Engineering at the University of Toronto.

On August 13, 2026, the Company announced that Intermountain Health, the largest nonprofit health system in the Mountain West region, became the first health system in the U.S. to commercially deploy the Claire™ OCT System, the only FDA-approved, AI-enabled imaging device for margin assessment during breast-conserving surgery. Claire is designed to help surgeons identify difficult-to-see cancer in real time in the operating room and is currently deployed at Intermountain's LDS Hospital and American Fork Hospital under a systemwide agreement with the Company. The deployment marks the movement of Claire from clinical trial to clinical practice.

On October 2, 2026, the Company appointed Michelle Caron, CPA, to its Board of Directors. Ms. Caron is the Chief Financial Officer of A10 Networks and has more than 28 years of finance experience, including senior finance roles within Danaher Corporation's life sciences businesses, most recently as Chief Financial Officer of Beckman Coulter Life Sciences. The Company believes her financial leadership experience will

support its continued commercial growth and the advancement of Claire.

On October 30, 2026, the Company announced that Claire received a special mention in TIME's Best Inventions of 2026, a TAG Award in the Real-Time Surgical Intelligence category, and Gold and Best of Category honors in the Globee® Awards for Innovation. Claire was also named a finalist in the 2026 Fierce Life Sciences Innovation Awards and in D CEO's 2027 Innovation Awards. The recognitions follow Claire's FDA premarket approval and its first U.S. commercial deployment at Intermountain Health in 2026.

RESULTS OF OPERATIONS

The following is a discussion of the results for the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025:

	Three months ended		Nine months ended	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Revenue	$ 595,125	$ 536,100	$ 1,482,885	$ 1,592,166
Cost of goods sold				
Direct Costs	50,545	165,048	165,265	389,386
Depreciation	112,148	99,646	333,273	279,141
	162,693	264,694	498,538	668,527
Gross Profit	432,432	271,406	984,347	923,639
Operating Expenses				
Sales and marketing	793,125	780,134	2,320,485	3,051,369
Research and development	1,160,514	1,003,447	2,876,082	4,119,252
General and administrative	1,540,572	1,112,994	4,426,864	4,395,582
Depreciation	109,250	108,052	320,754	343,670
Total Operating Expenses	3,603,461	3,004,627	9,944,185	11,909,873
Net foreign exchange loss	217	5,862	(2,019)	(21,697)
Net finance (expense) income	23,240	2,934	299,690	75,960
Loss before income tax	(3,147,572)	(2,724,425)	(8,662,167)	(10,931,971)
Income tax expense	-	-	-	-
Net loss	(3,147,572)	(2,724,425)	(8,662,167)	(10,931,971)
Other comprehensive (loss) income items that may be reclassified subsequently to profit:				
Foreign currency translation - net of tax	40,588	(26,436)	2,092	(8,865)
Comprehensive loss	$ (3,106,984)	$ (2,750,861)	$ (8,660,075)	$ (10,940,836)
Basic and diluted loss per common share	$ (0.02)	$ (0.03)	$ (0.06)	$ (0.10)

DISCUSSION OF OPERATIONS:

Revenue

Revenue increased $59,025 to $595,125, for the three months ended September 30, 2026, compared to $536,100 for the three months ended September 30, 2025. The increase is a result of the net of an increase in consumable sales and service and warranty revenue offset by a decrease of equipment sold for the three months ending September 30, 2026 compared to the three months ending in September 30, 2025.

Revenue decreased $109,281 to $1,482,885 for the nine months ended September 30, 2026, compared to $1,592,166 for the nine months ended September 30, 2025. The decrease is primarily due to $385,000 in equipment sales in the nine months ended September 30, 2025 offset by revenue recognized in 2026 for consumables

Cost of Goods

The cost of goods sold consists of direct costs of material, service labor and depreciation on commercial equipment placed at healthcare sites recognized as operating leases.

Cost of goods sold decreased $102,001 to $162,693 for the three months ended September 30, 2026, compared to $264,694 for the three months ended September 30, 2025 primarily due to material costs from sale of equipment in 2025.

Cost of goods sold decreased $169,989 to $498,538 for the nine months ended September 30, 2026, compared to $668,527 for the nine months ended September 30, 2025, due to the net of material cost from the OCT equipment sold in 2025 and the increase in depreciation from placements in 2026.

Operating expenses

Operating expenses increased $598,834 to $3,603,461 for the three months ended September 30, 2026, compared to $3,004,627 for the three months ended September 30, 2025. The increase in total operating expenses was largely the result of stock-based compensation.

Operating expenses decreased $1,965,688 to $9,944,185 for the nine months ended September 30, 2026, compared to $11,909,873 for the nine months ended September 30, 2025. The decrease in total operating expenses was largely the result of lower salary and related personnel expenses, professional fees and subcontractor expense.

Sales and Marketing

Sales and marketing expenses increased $12,991 to $793,125 for the three months ended September 30, 2026, compared to $780,134 for the three months ended September 30, 2025. The increase was primarily professional fees.

Sales and marketing expenses decreased $730,884 to $2,320,485 for the nine months ended September 30, 2026, compared to $3,051,369 for the nine months ended September 30, 2025. The decrease was primarily due to lower salary and personnel related expenses.

Research & Development

Research and development expenses increased $157,067 to $1,160,514 for the three months ended September 30, 2026, compared to $1,003,447 for the three months ended September 30, 2025. The increase was primarily from contractors' expense and professional fees.

Research and development expenses decreased $1,243,170 to $2,876,082 for the nine months ended September 30, 2026, compared to $4,119,252 for the nine months ended September 30, 2025. The decrease was primarily from the completion of the clinical trial and regulatory activities associated with FDA filing of Claire™ in 2025.

General and Administrative

General and Administrative expenses increased $427,578 to $1,540,572 for the three months ended September 30, 2026, compared to $1,112,994 for the three months ended September 30, 2025. The increase was primarily due to stock-based compensation.

General and Administrative expenses increased $31,282 to $4,426,864 for the nine months ended September 30, 2026, compared to $4,395,582 for the nine months ended September 30, 2025. The increase was primarily due to stock-based compensation.

Depreciation

For the three months ended September 30, 2026, depreciation expense increased $1,198 to $109,250, compared to $108,052 for the three months ended September 30, 2025.

For the nine months ended September 30, 2026, depreciation expense decreased $22,916 to $320,754, compared to $343,670 for the nine months ended September 30, 2025. The decrease was due to converting commercial demo OCT units to placement units in 4Q 2025.

Net finance income

Net finance income increased $20,306 to $23,240 for the three months ended September 30, 2026, compared to $2,934 for the three months ended September 30, 2025. The increase in net finance income was primarily the result of the revaluation of the derivative of convertible debenture.

Net finance income increased $223,730 to $299,690 for the nine months ended September 30, 2026, compared to $75,960 for the nine months ended September 30, 2025. The increase in net finance income was primarily the result of the revaluation of the derivative of convertible debenture.

Net loss

Net loss for the period increased $423,147 to $3,147,572 compared to $2,724,425 for the three months ended September 30, 2025. The increase in net loss was primarily the result of increased operating costs for the three months ended September 30, 2026 compared to the three months ended September 30, 2025.

Net loss for the period decreased $2,269,804 to $8,662,167 compared to $10,931,971 for the nine months ended September 30, 2025. The decrease in net loss was primarily the result of lower operating costs for the nine months ended September 30, 2026, compared to the nine months ended September 30,2025.

FINANCIAL POSITION

The following is a discussion of the changes to the Company's financial position as of September 30, 2026, as compared to December 31, 2025:

		September 30, 2026		December 31, 2025
ASSETS				
Current assets				
Cash	$	3,771,015	$	2,471,578
Accounts receivable		225,040		230,348
Other receivables		72,033		33,260
Inventory		87,472		65,841
Prepaid expenses		663,605		497,486
Total current assets		4,819,165		3,298,513
Non-current assets				
Property, plant and equipment		2,798,471		3,428,739
Total non-current assets		2,798,471		3,428,739
Total assets	$	**7,617,636**	$	**6,727,252**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	1,557,940	$	1,677,555
Current portion of deferred revenue		333,003		365,399
Convertible debenture- host		2,315,686		-
Convertible debenture -embedded derivative		1,622,224		-
Current portion of lease liability		29,256		60,605
Warrant liability		-		5,003
Total current liabilities		5,858,109		2,108,562
Non-current liabilities				
Deferred revenue		195,872		432,639
Lease liability		47,575		58,718
Total non-current liabilities		243,447		491,357
Shareholders' equity				
Share capital		96,963,395		94,037,852
Contributed surplus		15,661,124		12,537,845
Accumulated deficit		(108,331,428)		(99,669,261)
Accumulated currency translation adjustment		(2,777,011)		(2,779,103)
Total shareholders' equity		1,516,080		4,127,333
Total liabilities and shareholders' equity	$	**7,617,636**	$	**6,727,252**

Assets

Cash increased $1,299,437 to $3,771,015 as at September 30, 2026, compared to $2,471,578 at December 31, 2025, due to proceeds from the exercise of warrants, the Life offering and convertible debentures offset by a decrease in cash used to support operating activities.

Accounts receivable decreased $5,308 to $225,040 as at September 30, 2026, compared to $230,348 at December 31, 2025, driven by timing of collections on outstanding receivables from customers.

Other receivables increased $38,773 to $72,033 as at September 30, 2026, compared to $33,260 at December 31, 2025, due to the timing of harmonized sales tax and expected INOVAIT grant reimbursement.

Inventory increased $21,631 to $87,472 as at September 30, 2026, compared to $65,841 at December 31, 2025, due to purchase of specimen immobilizers and partially offset by sales of specimen immobilizers.

Prepaid expenses increased $166,119 to $663,605 as at September 30, 2026, compared to $497,486 at December 31, 2025. The increase is driven by Directors & Officers insurance and software subscriptions.

Property, plant and equipment decreased $630,268 to $2,798,471 as at September 30, 2026, compared to $3,428,739 at December 31, 2025, mainly due to depreciation expense for the nine months ended September 30, 2026.

Liabilities

Accounts payable and accrued liabilities decreased $119,615 to $1,557,940 as at September 30, 2026, compared to $1,677,555 at December 31, 2025, primarily due to timing of general accrued operating expenses.

Deferred revenue decreased $269,163 to $528,875 as at September 30, 2026 compared to $798,038 as at December 31, 2025, primarily due to warranty service plan on placed equipment.

Convertible debenture liability increased to $3,937,910 as at September 30, 2026 compared to Nil as at December 31, 2025, due to the completion of the convertible debenture financing.

Lease liability decreased $42,492 to $76,831 as at September 30, 2026, compared to $119,323 as at December 31, 2025, due to contractually scheduled payments.

Warrant liability decreased $5,003 to nil as at September 30, 2026, compared to $5,003 at December 31, 2025, due to the cancellation of 14,466,667 warrants in March 2026 and the fair value revaluation of the remaining warrants.

Shareholders' equity

Share capital increased $2,925,543 to $96,963,395 as at September 30, 2026, from $94,037,852 at the end of 2025 due to an exercise of 825,000 warrants and issuance of 21,489,000 common shares.

Contributed surplus increased $3,123,279 to $15,661,124 as at September 30, 2026, compared to $12,537,845 at December 31, 2025, due to stock-based compensation expense and the issuance of 21,489,000 investor warrants and 1,476,755 broker warrants through the LIFE offering.

Accumulated deficit increased $8,662,167 to $108,331,428 as at September 30, 2026, compared to $99,669,261 at December 31, 2025, due to the net loss for the nine months ended September 30, 2026.

SUMMARY OF QUARTERLY RESULTS

The table below summarizes information regarding Company's loss from operations and other financial information for the quarters presented in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Boards ("IASB"):

Three months ended	**September 30, 2026**	**June 30, 2026**	**March 31, 2026**
Revenue	$ 595,125	$ 503,156	$ 384,604
Expenses	3,603,461	3,142,487	3,198,238
Other (income) expenses	23,457	(271,988)	(2,225)
Net loss for the period	$ (3,147,572)	$ (2,536,450)	$ (2,978,145)
Basic and diluted loss per share	$ (0.02)	$ (0.02)	$ (0.02)

Three months ended	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**
Revenue	$ 711,546	$ 536,100	$ 505,796
Expenses	2,493,758	3,004,627	4,259,028
Other (income) expenses	(33,345)	(8,796)	(23,754)
Net loss for the period	$ (1,984,058)	$ (2,724,425)	$ (3,882,419)
Basic and diluted loss per share	$ (0.02)	$ (0.04)	$ (0.04)

Three months ended	**March 31, 2025**	**December 31, 2024**	**September 30, 2024**
Revenue	$ 550,269	$ 293,133	$ 208,420
Expenses	4,638,217	4,652,889	4,542,576
Other (income) expenses	(21,713)	(934,122)	268,010
Net loss for the period	$ (4,317,127)	$ (3,421,904)	$ (4,671,240)
Basic and diluted loss per share	$ (0.05)	$ (0.06)	$ (0.07)

LIQUIDITY AND CAPITAL RESOURCES

Since its inception, Perimeter has financed its operations primarily through the issuance of securities and convertible debt, investment tax credits, government funding, and interest income. Given the Company's history of continuing losses and its accumulated deficit, revenues will need to begin and continue to increase over a sustained period.

The Company does not yet generate sufficient cash flow from operations to meet its planned growth and to fund development activities. The Company relies on funding from outside sources to execute its current and future business development plans, which include but are not limited to potential acquisitions, design and development and clinical trials, the investment required for the potential revenue generating assets utilized in the placement and rental models and the required funding for the recruitment and development of a commercial team. The Company is dependent on the willingness of investors or strategic partners to continue to invest in the Company or to enter strategic relationships to continue further development of the Company's products.

Based on the cash of $3,771,015 as of September 30, 2026, additional financing will be required before the Company expects to generate positive cash flow. For the nine months ended September 30, 2026, the Company reported a net loss of $8,662,167 (September 30, 2025 – $10,931,971) and cash used in operating activities of $7,983,318 (September 30, 2025 - $7,841,497).

The Company's ability to continue as a going concern is dependent on its ability to realize positive cash flows from operations. The ability to generate positive cash flows from operations is dependent on obtaining financing to continue its product development, including developing patents and commercializing advanced in-procedural medical imaging tools.

The Company intends to continue to pursue opportunities to raise additional capital in the form of equity and/or debt to fund its product development, clinical research, and commercialization activities. There is no assurance of the success or sufficiency of any of these initiatives. Failure to raise such financing or obtain it on favorable terms would result in the delay or indefinite postponement of business objectives.

The above conditions indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. The interim financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these interim financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses, and the interim statement of financial position classification used. Such adjustments could be material.

The Company invests its cash in daily interest accounts at chartered banks in Canada and the USA.

Selected consolidated financial information

The table below summarizes information regarding Perimeter's change in cash and cash equivalents:

	Nine months ended	
	September 30,2026	**September 30,2025**
Operating activities	$ (7,983,318)	$ (7,841,497)
Investing activities	41,238	37,699
Financing activities	9,252,877	3,343,121
Net increase (decrease) in cash and cash equivalents	$ 1,310,797	$ (4,460,677)

Operating Activities

For the nine months ended September 30, 2026, cash used in operating activities increased $141,821 to $7,983,318 compared to $7,841,497 for the nine months ended September 30, 2025. Cash used in operating activities was unfavorably impacted by changes in working capital during the period.

Investing Activities

For the nine months ended September 30, 2026, cash provided by investing activities was $41,238 compared to cash from investing activity of $37,699 for the nine months ended September 30, 2025, mainly due to higher interest received on the Company's cash held in interest bearing bank accounts.

Financing Activities

For the nine months ended September 30, 2026, cash provided by financing activities was $9,252,877 compared to cash generated by financing activities of $3,343,121 for the nine months ended September 30, 2025. The increase in cash from financing activities was due to proceeds from the exercise of warrants, issuance of common shares and convertible debentures.

Contractual Obligations

The table below summarizes the maturity profile of the Company's financial liabilities as at September 30, 2026, based on contractual undiscounted payments:

		Contractual cash flows					
September 30, 2026	**Carrying Amount**	**Total**	**2 months or less**	**3-12 months**	**1-2 years**	**Thereafter**
Accounts payable and accrued liabilities	$ 1,557,940	1,557,940	1,557,940	-	-	-
Lease liabilities	76,831	82,638	12,279	47,223	23,136	-
	$ 1,634,771	1,640,578	1,570,219	47,223	23,136	-

OUTSTANDING SHARES

As of September 30, 2026, the Company had the following securities outstanding:

	Number
Common Shares	153,434,616
Warrants	62,074,408
Options	20,670,820

OFF-BALANCE SHEET ARRANGEMENTS

On February 22, 2020, the Company entered into a product development grant agreement with CPRIT. Pursuant to the terms of the agreement, CPRIT granted the Company up to $7,446,844 to fund activities related to its artificial intelligence software. The agreement expired on August 31, 2025. For twelve years following the first commercial sale of commercial products (i.e., anything that is based on, utilizes or is developed from, or materially incorporates, the results of the grant-funded project and that is capable of being sold, licensed, transferred or conveyed to another party or is capable of otherwise being exploited or disposed of, whether in exchange for consideration or not), the Company is required to pay CPRIT a royalty of 2.5 percent of revenue until such time that 250.0 percent of grant proceeds have been repaid and 0.5 percent thereafter for the remaining twelve-year term.

On March 3, 2026, the Company received FDA premarket approval for Claire™ (formerly B-Series), the AI-enabled imaging device. Claire™, funded under a Cancer Prevention and Research Institute of Texas ("CPRIT") grant, marks a significant milestone in the technology's path to commercialization CPRIT royalty expense for the three and nine months ended September 30, 2026 is $4,606.

FINANCIAL INSTRUMENTS

A. Accounting classification and fair values

The Company's financial instruments measured at fair value on its warrant liability and its embedded derivative of the hybrid convertible debenture.

The warrant liability is classified as mandatorily at fair value through profit or loss (FVTPL) and categorized within Level 2 of the fair value hierarchy. As at September 30, 2026, the warrant liability had a carrying amount and fair value of $nil, compared to $5,003 as at December 31, 2025, representing a decrease of $5,003 during the nine-month period. There were no transfers between levels of the fair value hierarchy during the period. Financial assets and financial liabilities measured at amortized cost are not included, as their carrying amounts are a reasonable approximation of fair value.

The Company estimates the fair value of its embedded derivative from the convertible debentures using a Longstaff-Schwartz least-squares Monte Carlo ("LSM) model, which includes several inputs and assumptions including the Company's common share price at the time of valuation, the implied volatility of the Company's common stock and warrants, the risk-free interest rate, and the Company's estimated

credit spread. At September 30, 2026, the warrant value is calculated dynamically at each potential conversion date with the Monte Carlo model using Black Scholes. This is categorized within Level 2 of the fair value hierarchy

The following schedule summarizes the inputs used to determine the fair value of the embedded derivative at inception and at subsequent measurement date as at September 30, 2026:

Key Inputs	At inception	As of September 30, 2026
Share price	$0.30 - $0.33	$0.27
Warrant fair value	$0.18 - $0.20	N/A
Equity volatility	89.70% - 89.71%	109.36%
Unit volatility	116.07% - 116.74%	N/A
Credit spread	27.62% - 28.86%	27.66%
Risk-free rate	2.92% - 2.96%	3.39%

B. Measurement of fair values

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – Inputs to the valuation methodology are quoted prices unadjusted for identical assets or liabilities in active markets.

Level 2 – Inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company did not have any Level 3 financial instruments or significant unobservable inputs used for the reporting periods. Financial instruments not measured at fair value utilized a discounted cash flows technique. The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

C. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency and interest rate risk), credit risk and liquidity risk. Risk management is the responsibility of the corporate finance function, which has the appropriate skills, experience, and supervision. The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on identifying and analyzing the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management practices and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company does not actively engage in the trading of financial assets for speculative purposes. The

most significant financial risks to which the Company is exposed are described below.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Components of market risk to which the Company is exposed are discussed below. Financial instruments affected by market risk primarily include cash and cash equivalents, and accounts payable.

Foreign currency risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the Canadian dollar, the functional currency of the Company. The currency in which these transactions are primarily denominated is US dollars.

Foreign currency sensitivity analysis

As at September 30, 2026, the Company's net exposure to currency risk through its current assets and liabilities denominated in US dollars was $490,308 (December 31, 2025: $1,287,301). An appreciation (depreciation) of the Canadian dollar against the US dollar would have resulted in an increase (decrease) of approximately $(34,770) (December 31, 2025: $(88,245)) in the Company's comprehensive income as a result of the Company's net exposure to currency risk through its current assets and current liabilities denominated in US dollars. This analysis is based on a foreign currency exchange rate variance of 5% which the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The Company's net exposure to other foreign currencies is not significant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to the Company's convertible note liability valuation with potential variability in the calculated effective interest rate (EIR) on a quarterly basis.

ii. Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company is exposed to credit risk from its operating and financing activities, including cash deposits with banks and financial institutions and accounts receivable from customers. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, considering their financial position, experience, and other factors. Credit risk is mitigated by entering into agreements with only stable, creditworthy parties and through frequent reviews of exposures to individual entities. The credit risk in respect of cash balances held with banks and deposits with banks are only with major reputable financial institutions.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and monitors this risk on an ongoing basis to identify any significant increases subsequent to initial recognition.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more

than 60 days past due. The Company considers the financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held).

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company attempts to meet financial obligations through managing cash from operations and financing activities and through cash on hand.

RELATED PARTY TRANSACTIONS

Transactions with key management personnel

As at September 30, 2026, and 2025, the Company has no receivable or payable amounts with key management personnel or directors

Key management personnel compensation

	Nine months ended	
	September 30, 2026	**September 30, 2025**
Short-term employment benefits	$ 544,788	$ 684,356
Director's fees	140,684	143,581
Share based payments	403,304	387,996
Total	1,088,776	1,215,933

Short-term employment benefits of the Company's key management personnel include salaries and non-cash benefits. Key management personnel also participate in the Company's share option program.

RISKS AND UNCERTAINTIES

An investment in the Company's common shares is subject to a number of risks and uncertainties. An investor should carefully consider the risks described in the Company's most recent Annual Information Form, as well as the Company's other public filings with securities regulators before investing in the common shares. If any of such described risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed, and investors may lose a significant proportion of their investment. For a detailed description of risk factors associated with the Company, refer to the "Risk Factors" section of the Company's most recent Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.