

PERIMETER MEDICAL IMAGING AI, INC.

Unaudited Condensed Consolidated Interim Financial Statements

March 31, 2026

Presented in US Dollars

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PERIMETER MEDICAL IMAGING AI, INC.

Unaudited Condensed Consolidated Interim Statements of Financial Position

As at March 31, 2026 and December 31, 2025

(Dollar amounts in US Dollars)

	Note	March 31, 2026	December 31, 2025
ASSETS			
Current assets			
Cash	\$	421,496	\$ 2,471,578
Accounts receivable		115,793	230,348
Other receivables	8	49,236	33,260
Inventory		161,528	65,841
Prepaid expenses		751,970	497,486
Total current assets		<u>1,500,023</u>	<u>3,298,513</u>
Non-current assets			
Equipment	9	3,233,758	3,428,739
Total non-current assets		<u>3,233,758</u>	<u>3,428,739</u>
Total assets	\$	<u>4,733,781</u>	<u>\$ 6,727,252</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	\$	2,294,542	\$ 1,677,555
Deferred revenue	6	367,403	365,399
Current portion of lease liability		57,837	60,605
Warrant liability	10	279	5,003
Total current liabilities		<u>2,720,061</u>	<u>2,108,562</u>
Non-current liabilities			
Deferred revenue	6	336,092	432,639
Lease liability		46,178	58,718
Total non-current liabilities		<u>382,270</u>	<u>491,357</u>
Shareholders' equity			
Share capital	11	94,313,943	94,037,852
Contributed surplus	11	12,742,001	12,537,845
Accumulated deficit		(102,647,406)	(99,669,261)
Accumulated currency translation adjustment		(2,777,088)	(2,779,103)
Total shareholders' equity		<u>1,631,450</u>	<u>4,127,333</u>
Total liabilities and shareholders' equity	\$	<u>4,733,781</u>	<u>\$ 6,727,252</u>

Going concern (Note 3)

Commitments and contingencies (Note 15)

Subsequent events (Note 16)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Approved on behalf of the Board of Directors:

/s/ Aaron Davidson

Director

/s/ Adrian Mendes

Director

PERIMETER MEDICAL IMAGING AI, INC.

Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

	Note	Three months ended	
		March 31, 2026	March 31, 2025
Revenue	7	\$ 384,604	\$ 550,269
Cost of goods sold			
Direct costs		56,173	163,124
Depreciation	9	110,563	87,768
		<u>166,736</u>	<u>250,892</u>
Gross Profit		217,868	299,377
Operating Expenses			
Sales and marketing		695,399	1,262,493
Research and development		895,677	1,604,543
General and administrative		1,498,096	1,651,536
Depreciation	9	109,066	119,645
Total Operating Expenses		<u>3,198,238</u>	<u>4,638,217</u>
Net foreign exchange loss		(2,116)	(7,427)
Net finance income	12	4,341	29,140
Loss before income tax		<u>(2,978,145)</u>	<u>(4,317,127)</u>
Income tax expense		-	-
Loss for the period		<u>(2,978,145)</u>	<u>(4,317,127)</u>
Other comprehensive income items that may be reclassified subsequently to profit:			
Foreign currency translation gain		2,015	32,196
Comprehensive loss		<u>\$ (2,976,130)</u>	<u>\$ (4,284,931)</u>
Basic and diluted loss per common share	13	<u>\$ (0.02)</u>	<u>\$ (0.05)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

PERIMETER MEDICAL IMAGING AI, INC.

Unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
 For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

	Note	Shares Issued	Share Capital	Contributed Surplus	Accumulated currency translation adjustment	Accumulated deficit	Total
Balance as at January 1, 2026		131,120,616	\$ 94,037,852	\$ 12,537,845	\$ (2,779,103)	\$ (99,669,261)	\$ 4,127,333
Exercise of warrants for cash, net of issuance cost	11	825,000	276,091	(64,766)	-	-	211,325
Stock-based compensation	11	-	-	268,923	-	-	268,923
Foreign currency translation adjustment		-	-	(1)	2,015	-	2,014
Net loss for the period		-	-	-	-	(2,978,145)	(2,978,145)
Balance as at March 31, 2026		131,945,616	\$ 94,313,943	\$ 12,742,001	\$ (2,777,088)	\$ (102,647,406)	\$ 1,631,450
Balance as at January 1, 2025		93,513,842	\$ 90,598,073	\$ 9,416,494	\$ (2,806,846)	\$ (86,752,903)	\$ 10,454,818
Stock-based compensation	11	-	-	326,610	-	-	326,610
Foreign currency translation adjustment		-	-	-	32,196	-	32,196
Net loss for the period		-	-	-	-	(4,317,127)	(4,317,127)
Balance as at March 31, 2025		93,513,842	\$ 90,598,073	\$ 9,743,104	\$ (2,774,650)	\$ (91,070,030)	\$ 6,496,497

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

PERIMETER MEDICAL IMAGING AI, INC.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

	Note	Three months ended	
		March 31, 2026	March 31, 2025
Cash flows from (used in) operating activities:			
Net loss		\$ (2,978,145)	\$ (4,317,127)
Adjustments for:			
Depreciation	9	219,629	207,413
Stock-based compensation	11	268,923	326,610
Net finance income	12	(4,341)	(29,140)
Foreign exchange (loss) gain		(16,726)	8,520
		<u>(2,510,660)</u>	<u>(3,803,724)</u>
Changes in:			
Accounts receivable		114,555	(86,591)
Other receivables	8	(15,976)	1,049,142
Inventory		(95,687)	121,042
Prepaid expenses		(254,484)	737,369
Deferred revenue		(94,543)	35,730
Accounts payable and accrued liabilities		616,987	(1,831,274)
Net cash used in operating activities		<u>(2,239,808)</u>	<u>(3,778,306)</u>
Cash flows from investing activities:			
Interest (loss) income		(426)	22,185
		<u>(426)</u>	<u>22,185</u>
Cash flows from financing activities:			
Net proceeds from warrants and options exercised		211,325	-
Payment of lease liabilities		(18,141)	(18,210)
		<u>193,184</u>	<u>(18,210)</u>
Net decrease in cash		<u>(2,047,050)</u>	<u>(3,774,331)</u>
Cash, beginning of period		2,471,578	6,184,046
Effect of foreign exchange on cash		(3,032)	24,306
Cash, end of period		<u>\$ 421,496</u>	<u>\$ 2,434,021</u>

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

1. Reporting entity

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.

2. Basis of presentation

These unaudited condensed consolidated interim financial statements for the three months ended March 31, 2026 and 2025 (the "interim financial statements") have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Boards ("IASB").

These interim financial statements do not include all the disclosures required by IFRS Accounting Standards for annual consolidated financial statements and accordingly should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025, prepared in accordance with IFRS Accounting Standards. The accounting policies used are consistent with those used in the audited financial statements.

Beginning January 1, 2026, the Company adopted Amendments to IFRS 9 and IFRS 7, *Classification and measurement of financial instruments*, specifying how an entity should classify some financial assets, especially on the recognition of financial assets and liabilities when settled using electronic payments. These amendments were assessed and incorporated into the Company's accounting policies and adopted for the three months ended March 31, 2026. These standards did not have a material impact on the Company's Financial Statements.

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The Company is assessing the impact and efforts related to adopting IFRS 18.

The accompanying interim financial statements include the Company and its subsidiary on a consolidated basis. All intercompany transactions and balances are eliminated on consolidation. The accompanying interim financial statements were reviewed, approved and authorized for issue by the Company's Board of Directors on May 28, 2026.

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

3. Going concern

These interim financial statements have been prepared in accordance with the basis of presentation outlined in Note 2 on the assumption that the Company is a going concern and will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the three months ended March 31, 2026, the Company reported a net loss of \$2,978,145 (March 31, 2025 – \$4,317,127) and cash used in operating activities of \$2,239,808 (March 31, 2024 - \$3,778,306).

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 in order to continue its product development, including developing patents and commercializing advanced in-procedural medical imaging tools.

The Company completed additional financing in May 2026, subsequent to the quarter end, refer to note 16. Additionally, 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 favourable 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.

4. Functional and presentation currency

The Company has a functional currency of Canadian dollars, and the functional currency of its subsidiary is US dollars. Functional currencies are determined based on facts and circumstances relevant for each of the entities. The Company's presentation currency of US dollars differs from its functional currency, and as such the assets and liabilities of the Company are translated from the functional currency into the presentation currency at the exchange rates as at the reporting date. The income and expenses of the Company are translated at rates approximating the exchange rates at the dates of the transactions. Exchange differences arising from the translation of the financial statements of the Company are recognized in other comprehensive loss.

Transactions in currencies other than the functional currency of the Company or its subsidiary are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenue and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Foreign exchange gains and losses arising on translation into the Company's functional currency are recognized as foreign exchange gain and loss in the consolidated statement of loss.

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

5. Critical accounting estimates and judgements

The interim financial statements for the three months ended March 31, 2026, have been prepared using the same policies as the annual consolidated financial statements of the Company. Refer to Note 6 of the Company's annual audited consolidated financial statements for the year ended December 31, 2025, for more information on accounting estimates and judgements applied.

6. DEFERRED REVENUE

	March 31, 2026		December 31, 2025	
Current:				
Leased equipment	\$	56,178	\$	58,006
Exchange service plan		284,960		281,128
Maintenance plan		26,265		26,265
Total Current	\$	367,403	\$	365,399
Leased equipment		76,634		90,551
Exchange service plan		229,453		303,308
Maintenance plan		30,005		38,780
Non-current:	\$	336,092	\$	432,639
Total	\$	703,495	\$	798,038

7. REVENUE

	March 31, 2026		March 31, 2025	
Sale of equipment	\$	-	\$	230,000
Operating leases		106,251		135,691
Sale of consumables		176,698		145,391
Preventative maintenance services		40,359		14,985
ESP warranty income		61,296		24,202
Total revenue	\$	384,604	\$	550,269

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; accordingly, no royalties are due to CPRIT at this time.

8. OTHER RECEIVABLES

Other receivables balance is comprised of the following:

	March 31, 2026		December 31, 2025	
Harmonized sales tax receivable	\$	44,897	\$	25,178
Interest receivable		4,339		8,082
Other receivables	\$	49,236	\$	33,260

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

9. PROPERTY AND EQUIPMENT

	OCT Equipment	OCT Equipment (under operating leases)	Leasehold improvements	Research equipment	Computer equipment	Office equipment & Tooling	Right-of-use assets	Construction in Progress	Total
Cost:									
As at January 1, 2026	\$ 1,895,165	\$ 2,355,221	\$ 146,634	\$ 22,656	\$ 52,159	\$ 21,799	\$ 257,374	\$ 1,666,535	\$ 6,417,543
Additions/Renewals	-	-	-	-	-	-	-	-	-
Re-manufacture	-	-	-	-	-	-	-	25,761	25,761
Transfer	117,764	-	-	-	-	-	-	(117,764)	-
Effect of movement in exchange rates	-	-	(375)	(378)	(869)	(366)	(2,063)	-	(4,051)
As at March 31, 2026	2,012,929	2,355,221	146,259	22,278	51,290	21,433	255,311	1,574,532	6,439,253
Depreciation:									
As at January 1, 2026	\$ 1,360,836	\$ 1,250,906	\$ 118,216	\$ 22,656	\$ 51,617	\$ 14,678	\$ 169,895	\$ -	\$ 2,988,804
Additions/Renewals	93,300	110,563	3,275	-	542	427	11,522	-	219,629
Transfer	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Effect of movement in exchange rates	(1)	-	(208)	(378)	(869)	(252)	(1,230)	-	(2,938)
As at March 31, 2026	1,454,135	1,361,469	121,283	22,278	51,290	14,853	180,187	-	3,205,495
Net book value:									
At March 31, 2026	\$ 558,794	\$ 993,752	\$ 24,976	\$ -	\$ -	\$ 6,580	\$ 75,124	\$ 1,574,532	\$ 3,233,758
	OCT Equipment	OCT Equipment (under operating leases)	Leasehold improvement	Research equipment	Computer equipment	Office equipment & Tooling	Right-of-use asset	Construction in Progress	Total
Cost:									
As at January 1, 2025	\$ 2,222,380	\$ 1,771,616	\$ 145,594	\$ 21,606	\$ 49,742	\$ 20,786	\$ 224,042	\$ 2,051,120	\$ 6,506,886
Additions	-	-	-	-	-	-	27,598	128,195	155,793
Transfer	(327,215)	583,605	-	-	-	-	-	(256,390)	-
Disposals	-	-	-	-	-	-	-	(256,390)	(256,390)
Effect of movement in exchange rates	-	-	1,040	1,050	2,417	1,013	5,734	-	11,254
As at December 31, 2025	\$ 1,895,165	\$ 2,355,221	\$ 146,634	\$ 22,656	\$ 52,159	\$ 21,799	\$ 257,374	\$ 1,666,535	\$ 6,417,543
Depreciation:									
As at January 1, 2025	\$ 1,081,409	\$ 766,490	\$ 96,141	\$ 21,606	\$ 49,227	\$ 11,854	\$ 121,710	\$ -	\$ 2,148,437
Additions	378,974	384,869	21,674	-	-	2,190	45,643	-	833,350
Transfer	(99,547)	99,547	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Effect of movement in exchange rates	-	-	401	1,050	2,390	634	2,542	-	7,017
As at December 31, 2025	\$ 1,360,836	\$ 1,250,906	\$ 118,216	\$ 22,656	\$ 51,617	\$ 14,678	\$ 169,895	\$ -	\$ 2,988,804
Net book value:									
As at December 31, 2025	\$ 534,329	\$ 1,104,315	\$ 28,418	\$ -	\$ 542	\$ 7,121	\$ 87,479	\$ 1,666,535	\$ 3,428,739

Construction in progress consists of OCT equipment which the Company has not deployed to its intended location and condition necessary for it to be capable of operating in the manner as intended by management. As such, no depreciation has been recorded on this equipment

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

10. FINANCIAL INSTRUMENTS**Accounting classification and fair values**

The Company's only financial instrument measured at fair value on a recurring basis is its warrant liability, which is classified as mandatorily at fair value through profit or loss (FVTPL) and categorized within Level 2 of the fair value hierarchy (see Note 11). As at March 31, 2026, the warrant liability had a carrying amount and fair value of \$279, compared to \$5,003 as at December 31, 2025, representing a decrease of \$4,724 during the three-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.

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 warrant liability is comprised of warrants designated as derivatives (see Note 11). The warrant liability is classified as FVTPL and valued using Level 2 fair value hierarchy in the unaudited condensed consolidated interim statement of financial position. The valuation technique used to measure the fair value of the warrant liability at March 31, 2026 was the Black-Scholes option pricing model using a weighted average risk-free rate of the bond-equivalent yield of 2.95 percent (March 31, 2025: 2.46 percent), an expected life of the time to maturity of .83 years (March 31, 2025: 1.8 years), and an expected volatility of 85 percent (March 31, 2025: 80 per percent).

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.

There were no transfers between levels for the periods reported.

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

11. SHARE CAPITAL

A. Authorized

Unlimited common shares without par value.

B. Share capital

All common shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to one vote per share at general meetings of the Company.

During the three-month period ended March 31, 2026, there were no shares issued or options exercised.

During the three-month period ended March 31, 2025, there were no shares issued or options exercised.

On January 27, 2022, the Company executed a private placement of units (each, a "Unit") for gross proceeds of \$38,314,649 (CAD\$48,702,999) (the "Private Placement") on a non-brokered basis at a price of \$2.36 (CAD\$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"). Of the Warrants issued in the Private Placement, 80.0 percent have a strike price of \$3.14 (CAD\$3.99) and 20.0 percent have a strike price of \$3.54 (CAD\$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. Due to the Company's option to accelerate the expiry of these Warrants, and that there will be a fixed number of common shares issued for a fixed amount, the relative standalone fair value of these Warrants is included in the common share equity portion of the transaction price.

The other half of the Warrants are not subject to accelerated expiry, and instead they may be exercised at the option of the holder for cash or exercised using a cashless exercise feature at any time prior to expiry. Due to the holder's option to exercise on a cashless basis, the number of common shares to be issued upon exercise is not fixed. As such, as at January 27, 2022, the relative standalone fair value proportion of the transaction price of these Warrants was \$8,268,490 (CAD\$11,199,362) and allocated to warrant liability and classified as FVTPL.

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. The Company derecognized the warrant liability upon cancellation, resulting in a gain of \$4,706 recognized in statement of loss, as the warrants were surrendered for no consideration. Concurrently, the warrants previously recognized in equity was released within share capital upon their cancellation.

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

C. Warrants

The following schedule summarizes the warrant transactions for the three months ended March 31, 2026 and 2025:

	March 31, 2026		March 31, 2025	
	Number of warrants	Weighted-average exercise price	Number of warrants	Weighted-average exercise price
Outstanding at January 1	54,400,320	\$ 1.14	16,362,594	\$ 3.20
Exercised	(825,000)	0.26	-	-
Cancelled	(14,466,667)	3.22	-	-
Outstanding as of March 31	39,108,656	\$ 0.39	16,362,594	\$ 3.20

As at March 31, 2026, warrants were outstanding enabling holders to acquire common shares as follows:

Exercise Price \$	Number of Warrants Outstanding	Weighted Average Remaining Contractual Life
0.22	465,879	0.03
0.25	19,757,305	2.37
0.26	17,024,469	1.82
0.88-0.96	93,334	0.01
3.14	1,414,134	0.03
3.54	353,535	0.01
	39,108,656	

D. Options

The Company may grant stock options pursuant to a Stock Option Plan (the "Plan"). The Board of Directors administers the Plan, pursuant to which the Board of Directors may grant to directors, officers, employees, consultants, and advisors from time-to-time stock options not to exceed 20 percent of the shares of the Company calculated at the date of shareholder approval. The options can be granted for a maximum of 10 years and vest at the discretion of the Board of Directors.

On January 1, 2026, the Company cancelled 1,935,553 options held by employees and consultants (with original exercise prices ranging from \$0.38 to \$2.85) and simultaneously granted a corresponding number of options at an exercise price of \$0.30 per share. The options were issued on a one-for-one basis to the same holders and, for most tranches, retained the original expiry dates of the cancelled options. Vesting start date for the options is January 1, 2026. Because the cancellation and reissuance occurred together the transaction is accounted for as a modification of the original awards per IFRS 2. Accordingly,

- The original grant-date fair value of the cancelled options continues to be expensed over the original vesting period of those awards. No previously recognized expense is reversed.

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

- The Company determined the fair value of the cancelled options immediately before the modification, and the fair value of the Replacement Options immediately after the modification, using the Black-Scholes option pricing model. The Black-Scholes inputs used in both valuations were consistent with the Company's usual methodology used for estimating inputs and with the requirements of IFRS 2.
- The difference between the post-modification fair value of the Replacement Options and the pre-modification fair value of the cancelled options represents the incremental fair value of the modification. This incremental amount is recognized as additional share-based payment expense immediately for the portion attributable to options that were vested at the modification date, and over the remaining vesting period for the portion attributable to unvested options.
- No cash consideration was paid to any option holder in connection with the cancellation. Accordingly, there is no deduction from equity and no settlement charge to profit or loss in respect of the cancellation itself.

In a separate transaction, on February 13, 2026, employees were granted an annual grant issuance to an aggregate of 4,095,381 shares. This issuance represents a new equity-settled share-based payment arrangement and is accounted for as a new grant under IFRS 2. The following schedule summarizes the share purchase option transactions for the three months ended March 31, 2026 and 2025:

	March 31, 2026		March 31, 2025	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Outstanding as at January 1,	7,346,679	\$ 1.04	8,565,265	\$ 1.09
Issued	6,030,934	0.29	-	-
Cancelled	(1,935,553)	1.22	-	-
Forfeited	(393,441)	1.71	(197,552)	1.24
Outstanding as at March 31	11,048,619	\$ 0.82	8,367,713	\$ 1.46
Exercisable as at March 31	4,037,632	\$ 1.41	4,334,977	\$ 1.70

As at March 31, 2026, options were outstanding enabling holders to acquire common shares as follows:

Exercise price \$	Number of options outstanding	Weighted-average remaining contractual life (years)	Number of options exercisable
0-0.59	6,247,913	9.72	336,623
0.6-0.89	460,953	6.79	343,526
0.9-1.1	604,583	3.89	600,416
1.13	3,190,910	7.46	2,225,309
1.16	140,002	6.98	127,499
1.44-1.51	305,000	4.56	230,000
2.31	99,258	5.58	174,259
	11,048,619		4,037,632

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

12. NET FINANCE INCOME

Net finance income for the reporting periods consists of the following:

	Three months ended	
	March 31, 2026	March 31, 2025
Interest expense on lease liabilities	\$ (4,277)	\$ (5,800)
Revaluation of warrant liability	4,706	2,627
Other finance income	3,912	32,313
	\$ 4,341	\$ 29,140

13. LOSS PER SHARE

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of the Company as the numerator, i.e., no adjustments to the loss was necessary in 2026 or 2025. The following details the loss per share calculations, basic and diluted, for the three months ended March 31, 2026 and 2025:

	Three months ended	
	2026	2025
Loss attributable to common shareholders (basic and diluted)	\$ (2,978,145)	\$ (4,317,127)
Weighted average number of common shares (in number of common shares):		
Beginning of the period	131,120,616	93,513,843
Shares issued on exercise of warrants	825,000	-
Basic and diluted	131,945,616	93,513,843
Loss per share:		
Basic and diluted	\$ (0.02)	\$ (0.05)

As the Company experienced a loss in both periods, all potential common shares outstanding from dilutive securities are considered anti-dilutive and are excluded from the calculation of loss per share. Potential anti-dilutive securities outstanding not included in loss per share calculations as at March 31, 2026 are shares issuable on the exercise of warrants, 39,108,656 (March 31, 2025: 16,362,594); and of options, 11,048,619 (March 31, 2025: 8,367,713).

14. RELATED PARTIES**Transactions with key management personnel**

As at March 31, 2026 and 2025, the Company has no receivable or payable amounts with key management personnel or directors.

PERIMETER MEDICAL IMAGING AI, INC.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2026 and 2025

(Dollar amounts in US Dollars)

Key management personnel compensation

	March 31, 2026		March 31, 2025	
Short-term employment benefits	\$	179,425	\$	252,813
Director's fees		49,234		46,826
Share based payments		68,044		196,250
Total	\$	296,703	\$	495,889

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 (see Note 11).

15. COMMITMENTS AND CONTINGENCIES

As at March 31, 2026, the Company has contracts to purchase OCT equipment from medical equipment suppliers amounting to \$2,048,267. As at March 31, 2026, the Company had \$235,280 in deposits on hold to credit against the purchase order.

On March 31, 2025, the Company entered into a deferring billing arrangement with a contract manufacturer deferring payment for engineering technical transfer work into 2026, up to \$290,000. Work completed through March 31, 2026 is reflected in the interim financial statements. In Q1 2026 the Company started to pay down the deferred billing.

16. SUBSEQUENT EVENTS

On May 5th, 2026, the Company announced the successful closing Life Offering up to the maximum offering size of 21,489,000 Units (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 April 21, 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 \$0.415 per unit. Each unit comprises one common share and one warrant, with each whole warrant exercisable into one additional common share at \$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.