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Perimeter Medical Imaging AI Reports Third Quarter 2021 Financial Results and Provides Corporate Update

TORONTO--(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, today reported financial results for its third quarter ended September 30, 2021 and provided a corporate update.

Company Highlights

- [Perimeter Medical Imaging AI Announces Important Milestone in ATLAS AI Project with FDA Investigational Device Exemption (IDE) Approval to Launch Clinical Trial Using Perimeter B-Series OCT with ImgAssist AI in Breast Conservation Surgery](#)

Jeremy Sobotta, Perimeter's Chief Executive Officer stated, "Our sales and marketing team continues to expand its market development activities to support the adoption of our flagship, commercially available Perimeter S-Series OCT technology by oncoplastic surgeons who recognize that our innovative medical imaging technology could potentially represent the next 'game changer' in margin visualization. As we reach out to physicians, we consistently hear about the great medical need for tools in the OR to help surgeons identify if they have adequately removed cancerous tissue 'real time' during a procedure. Perimeter S-Series delivers 2mm subsurface imaging of excised tissue margins, allowing surgeons to identify and annotate microscopic tissue structures and make more informed decisions during a tissue excision procedure."

Mr. Sobotta continued, "We also made great strides in our ATLAS AI project as we advance the clinical development of the 'next-gen' Perimeter B-Series OCT with our proprietary ImgAssist AI. With FDA approval of our IDE application received just after quarter-end, activities are currently underway to support a randomized, multi-site, pivotal study to assess the impact on re-operation rates when surgeons use OCT combined with AI during breast conservation surgery and evaluate our technology against the current standard of care. We expect that the first patient in this study will be randomized before year-end."

Quarterly Updates

- Subsequent to quarter end, on November 2, 2021, Perimeter announced that the U.S. Food and Drug Administration (FDA) approved an investigational device exemption (IDE) application for the Perimeter B-Series OCT with ImgAssist AI technology, enabling its use in the upcoming pivotal study as part of the ATLAS AI Project. It is anticipated that over 300 patients across 8 U.S. clinical sites will participate in the pivotal study to be led by Principal Investigator, Dr. Alastair Thompson at Baylor College of Medicine.

- On August 25, 2021, Perimeter provided a corporate update on the ramp-up of its commercial organization. Under the leadership of Steve Sapot, Perimeter's Chief Commercial Officer, the Company continues to build the infrastructure to support and expand its sales and marketing team, including key market development managers tasked with launching Perimeter's novel S-Series OCT medical imaging technology in the U.S. market.
- On August 10, 2021, Perimeter announced that its common shares are now eligible for electronic clearing and settlement through The Depository Trust Company ("DTC") in the United States. This electronic method of clearing securities speeds up the receipt of stock and cash and thus can accelerate the settlement process for investors and brokers, enabling the stock to be traded over a wider selection of brokerage firms.
- Perimeter also continued to strengthen its team through key leadership appointments and significant expansion of the Company's commercial infrastructure. On July 13, 2021, Perimeter announced the appointment of Dr. Sarah Butler as VP, Clinical and Medical Affairs.

Summary of Third Quarter 2021 Financial Results

All of the amounts are expressed in Canadian dollars unless otherwise indicated and are presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting.

Operating expenses for the three months ended September 30, 2021 were $3,748,590 compared to $2,201,256 during the same period in 2020.

The net loss for the three months ended September 30, 2021 was $3,880,172 compared to the net income of $800,030 for the three months ended September 30, 2020.

For the nine months ended September 30, 2021, cash used in operating activities was $10,032,107. The cash use during the period was mainly driven by costs associated with research and development as well as expenditures supporting commercial operations.

As of September 30, 2021, cash and cash equivalents were $7,775,195 and investments were $794,000.

For detailed financial results, please see Perimeter's filings at www.sedar.com and on the company's website at https://ir.perimetermed.com/.

About Perimeter S-Series OCT

Cleared by the U.S. FDA, Perimeter S-Series Optical Coherence Tomography (OCT) is a novel medical imaging system that provides clinicians with cross-sectional, real-time margin visualization (1-2 mm below the surface) of an excised tissue specimen. Giving physicians the ability to visualize microscopic tissue structures "real time" in the operating room has the potential to result in better long-term outcomes for patients and lower costs to the healthcare system.

About Perimeter B-Series OCT with ImgAssist AI

Perimeter is advancing the development of its proprietary, next-gen "ImgAssist" artificial intelligence technology under its ATLAS AI project, which is made possible, in part, by a US$7.4 million grant awarded by the Cancer Prevention and Research Institute of Texas (CPRIT). The U.S. FDA granted Breakthrough Device Designation for Perimeter B-Series OCT coupled with ImgAssist AI, and Perimeter is conducting a randomized, multi-site, pivotal study to evaluate it against the current standard of care and assess the impact on re-operation rates for patients undergoing breast conservation surgery.

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.

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 future sales and marketing activities, Perimeter's technology platform, including Perimeter S-Series OCT, Perimeter B-Series 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, research and development activities, the Company's plans to seek further regulatory clearances for additional indications, the details of the upcoming pivotal study as part of the ATLAS AI Project, as well as the Company's plans for development of the Products 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, such future performance 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 significant medical, scientific,

business, economic, competitive, political, and social uncertainties and contingencies. In making forward-looking statements, Perimeter may make various material assumptions, including but not limited to (i) the accuracy of Perimeter's financial projections; (ii) obtaining positive results from trials; (iii) obtaining necessary regulatory approvals; and (iv) general business, market and economic conditions. 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. In particular, we note the risk that our technology may not achieve the anticipated benefits in terms of surgical outcomes. 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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