Perimeter Medical Imaging AI Announces Second Quarter 2020 Financial Results

written by Raj Shah | October 16, 2020
October 15, 2020 (Source) – Perimeter Medical Imaging AI, Inc. (TSXV:PINK)(FSE:4PC), a medical technology company driven to transform cancer surgery with ultra-high-resolution, real-time, advanced imaging tools to address areas of high unmet medical need, today reported financial results for its second quarter ending June 30, 2020 and provided an update on its operations.

Jeremy Sobotta, Perimeter's President and Chief Financial Officer, stated, "We have achieved a number of key milestones in the last few months, including successfully transitioning to a public company and raising approximately $9.4 million in net proceeds from a private placement offering. With the potential for further capital proceeds of approximately $13.5 million from the exercise of associated warrants, along with approximately $8 million of available funding from the grant received from the Cancer Prevention and Research Institute of Texas, we believe Perimeter is well capitalized in order to support our clinical development and commercialization plans."

Corporate Highlights

On September 1, 2020, Perimeter announced that Steve Sapot was appointed as its Chief Commercial Officer. Previously, Mr. Sapot was Senior Vice President of Medical Sales at Faxitron, a Hologic Company. His wealth of experience includes leading and scaling sales teams and commercializing capital equipment in breast cancer surgery.

In July 2020, Perimeter announced the initiation of its ATLAS AI Project, which will collect images of breast tumors to both train and test its ImgAssist AI technology that is currently under development. Perimeter will install its OTIS™ high-resolution imaging devices at partner sites, and enrollment is already underway at Baylor College of Medicine and M.D. Anderson Cancer Center. The ATLAS AI Project is backed by a US$7.4 million grant from the Cancer Prevention and Research Institute of Texas (CPRIT).

Perimeter announced two new appointments to its Board of Directors. Mr. Ian Mortimer, President and Chief Financial Officer at Xenon Pharmaceuticals Inc. (XENE) and Mr. Aaron Davidson, CFO and Senior Vice President of Corporate Development at Profound Medical Inc. (PROF)(PRN) joined the Perimeter Board in July and August, respectively.

Summary of Second Quarter 2020 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.

On June 29, 2020, Perimeter completed a reverse take-over of New World Resource Corp. via the plan of arrangement (the “Plan of Arrangement”) as detailed in the arrangement agreement dated June 3, 2019 and amended November 29, 2019 and April 23, 2020 between Perimeter and New World Resources Corp. (available Perimeter’s SEDAR profile at www.sedar.com). As a result, the Company is now listed as an issuer on the TSX Venture Exchange. Immediately following closing of the Plan of Arrangement,

Perimeter closed a non-brokered private placement financing for net proceeds of $9,408,269.

Operating expenses for the three months ended June 30, 2020 and 2019 and were $1,981,099 compared to $2,189,673 during the same period in 2019, a 10% decrease.

The net loss for the three months ended June 30, 2020 was $4,632,599 compared to $3,738,227 in the same period in 2019.

Liquidity and Outstanding Share Capital

As at June 30, 2020, cash and cash equivalents were $11.2 million.

As at June 30, 2020, Perimeter had 38,680,784 common shares issued and outstanding.

For detailed second quarter financial results, please see Perimeter's documents that were filed on October 15, 2020 at www.sedar.com and on the company's website at https://ir.perimetermed.com/.

About Perimeter Medical Imaging AI, Inc.

Perimeter Medical Imaging AI (TSXV:PINK; FSE:4PC) is a Toronto-based company with U.S. headquarters in Dallas, Texas that is developing, with plans to commercialize, advanced imaging tools that allow surgeons, radiologists, and pathologists to visualize microscopic tissue structures during a clinical procedure. Perimeter's OTIS™ platform is a point-of-care imaging system that provides clinicians with real-time, ultra-high-resolution, sub-surface image volumes of the margin (1-2 mm below the surface) of an excised tissue specimen. The ability to visualize microscopic tissue structures during a clinical procedure in addition to standard of care tissue assessment for decision making during the procedure has the potential to result in

better long-term outcomes for patients and lower costs to the healthcare system. Perimeter's OTIS™ platform is cleared by FDA as an imaging tool in the evaluation of excised human tissue microstructure by providing two-dimensional, cross-sectional, real-time depth visualization, with image review manipulation software for identifying and annotating regions of interest. In addition, Perimeter is developing advanced artificial intelligence/machine learning image assessment tools intended to increase the efficiency of review.

Perimeter's ticker symbol "PINK" is a reference to the pink ribbons used during Breast Cancer Awareness Month by the Canadian Cancer Society and the American Cancer Society, driving home the company's dedication to helping surgeons, radiologists and pathologists use Perimeter's imaging technology and AI (Artificial Intelligence) in the fight against breast cancer, which is estimated to account for 30% of all female cancer diagnoses this year.

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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 may 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, financial results, research and clinical testing outcomes, taxes and plans and objectives of, or involving, Perimeter. Without limitation, information regarding potential future cash proceeds from the exercise of warrants; available funding under the CPRIT grant; and research and development activities, 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 the joint information circular dated May 12, 2020, prepared in respect of the securityholder meetings held on June 17, 2020 a copy of 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.