



Perimeter Medical Imaging AI, Inc.  
Management's Discussion and Analysis

For the three and nine months ended September 30, 2025

## **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 2025 Interim Condensed Consolidated Financial Statements and notes thereto, which have been prepared in accordance as issued by the International Accounting Standards Board. All 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 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, 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 November 11, 2025 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**

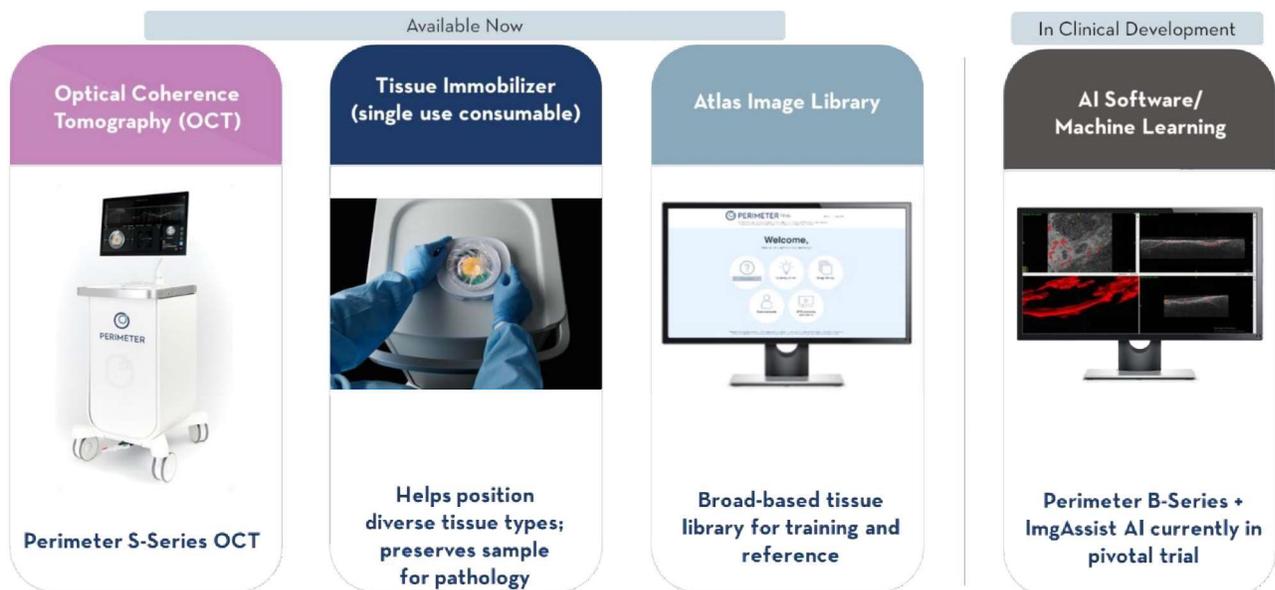
Perimeter's mission, as an innovative medical technology company, is to transform cancer surgery with ultra-high-resolution, real-time, advanced imaging tools to address unmet medical needs. Perimeter's vision is that patients will no longer experience the costly emotional and physical trauma of being called back for a second surgery due to cancer left behind.

## Perimeter's Medical Imaging Platform

The console of Perimeter's Optical Coherence Tomography ("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 designed to hold and maintain the orientation of the specimen; and
- a proprietary image library and training set.

A 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 has been 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 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.

### ***Next-Generation Machine Learning and AI Technology***

Perimeter is advancing its proprietary, next-generation machine learning tools and artificial intelligence (“AI”) technology, called “ImgAssist AI” through clinical development under its ATLAS AI project, which was 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 and signed off 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.

### ***Clinical Development of Perimeter B-Series OCT with ImgAssist AI***

In April 2021, the FDA granted a Breakthrough Device Designation for Perimeter B-Series OCT combined with + 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 Perimeter B-Series OCT with + ImgAssist AI 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 Perimeter B-Series OCT + ImgAssist AI 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 Perimeter B-Series OCT with ImgAssist AI 2.0 system's ability to aid surgeons in achieving clear surgical margins during surgery, potentially lowering the need for reoperation.

In March 2025, Perimeter submitted a Premarket Approval ("PMA") application to the FDA for the B-Series OCT system. The PMA application is currently under review.

## **SUMMARY OF KEY DEVELOPMENTS IN 2025**

In February 2025, Perimeter announced further commercial expansion into New Mexico with CHRISTUS St. Vincent to use the Company's [S-Series OCT](#) technology to visualize tissue margins in the operating room. CHRISTUS St. Vincent offers the only Commission on Cancer (CoC) accredited breast cancer program in northern New Mexico.

In February 2025, Perimeter announced that its common shares will begin trading on the OTCQX® Best Market under the symbol "PYNKF", effective with the open of business on February 27, 2025.

In March 2025, the Company announced that detailed results from the pivotal trial evaluating the use of its next-generation B-Series OCT with ImgAssist AI 2.0 ("Perimeter B-Series") during breast-conserving surgeries ("BCS") will be presented during the scientific session of the [26<sup>th</sup> Annual Meeting of the American Society of Breast Surgeons](#) ("ASBrS") which took place in Las Vegas, NV, April 30, 2025 to May 4, 2025.

In March 2025, Perimeter announced further commercial expansion into the state of Tennessee, where [Covenant Health Fort Sanders Regional](#) is the first hospital in Tennessee to use the Company's [S-Series OCT](#) technology to visualize tissue margins in the operating room.

In March 2025, Perimeter submitted a PMA application to the FDA for the Company's next-generation Perimeter B-Series OCT system, which combines proprietary AI OCT for use during BCS in the United States.

In March 2025, Perimeter filed a preliminary short form prospectus (the "Preliminary Prospectus") with the securities regulatory authorities in the Provinces of British Columbia, Alberta and Ontario in connection with an offering of units of the Company ("Units"), with each Unit consisting of one common share and one common share purchase warrant (the "Offering").

In April 2025, the Company announced that it deployed the first S- Series OCT device in Arizona at Honor Health, a leading healthcare system serving more than five million people in the greater Phoenix and Scottsdale area.

In May 2025, Perimeter released detailed results from the pivotal trial evaluating the use of its next-generation Perimeter B-Series for intraoperative margin assessment BCS. The positive pivotal trial results were presented during the scientific session of the [26<sup>th</sup> Annual Meeting of the American Society of Breast](#)

[Surgeons](#) ("ASBrS") by Dr. Alastair Thompson, the trial's Primary Principal Investigator, Surgeon and Professor, Section Chief of Breast Surgery, Olga Keith Wiess Chair of Surgery at Baylor College of Medicine, Breast Cancer Program Leader at the Dan L Duncan Comprehensive Cancer Center.

Dr. Thompson's ASBrS presentation highlighted:

### **Primary Endpoint**

- Of the 206 patients evaluated, 56 residual diseased margins in 35/206 patients remained after intraoperative Standard of Care ("SOC") alone (17.0% patients with residual diseased margins).
- Use of Perimeter B-Series after SOC evaluation resulted in correct detection of residual disease in 14/35 (40.0%) additional patients, fully clearing 7/35 (20.0%) additional patients of all residual disease, and meeting the prespecified super-superiority performance goal for the primary endpoint (P=0.0050).
- Mean total lumpectomy tissue volume excised in the device arm of the trial was 74.0 cm<sup>3</sup>: 76.4% (56.5 cm<sup>3</sup>) of the volume was from the primary lumpectomies, 19.9% (14.7 cm<sup>3</sup>) from 499 SOC shaves, and only 3.8% (2.8 cm<sup>3</sup>) from 115 Perimeter B-Series shaves.
- The overall Perimeter B-Series margin accuracy was 88.1%.

### **Clinical Benefit**

In total, 26 patients benefited clinically from the identification of residual disease by using Perimeter B-Series after SOC was completed. Importantly, this includes six patients with Perimeter B-Series-aided shaves which contained pathology-confirmed disease missed by both SOC and histopathology at the previous margin.

In May 2025, Perimeter entered into a Development Support Agreement ("DSA") with Salt Lake City-based Intermountain Health, the largest nonprofit health system in the Intermountain West. The agreement created the framework for the two organizations to partner on a number of future studies evaluating the potential value of using Perimeter's OCT and collecting additional data to support the continued development of the Company's artificial intelligence ("AI") algorithms. In the first of these studies, Intermountain Health will support a retrospective analysis of population-level reoperation rates and incremental healthcare costs associated with reoperation for patients who underwent initial BCS at select hospital sites.

In May 2025, Perimeter announced the pricing and terms of its previously announced public offering and in June 2025, the Company completed its previously announced prospectus offering. The Offering was completed on a reasonable "best efforts" agency basis pursuant to an agency agreement (the "Agency Agreement") dated May 29, 2025, between the Company and A.G.P. Canada Investments ULC (the "Agent"). Pursuant to the Offering, the Company has issued an aggregate of 10,432,801 Units at a price of \$0.30 per Unit (the "Offering Price") for aggregate gross proceeds of \$3,129,840.

In June 2025, Perimeter launched the OCT-Tissue Surveillance Registry, a database that aims to collect thousands of images and data from surgical procedures performed using the Company's imaging technology. Perimeter will use the registry to inform future product development and continually enhance the artificial intelligence ("AI") deep-learning model for its investigational next-generation technology.

In July 2025, the Company announced that [Medical City Dallas Hospital](#), an award-winning 899-bed acute care hospital in the Dallas-Fort Worth area, has adopted the Company's current [S-Series OCT](#). The move comes on the heels of the hospital's participation in the pivotal, randomized controlled trial of Perimeter's next-generation B-Series device.

In July 2025, Perimeter closed the second and final tranche of its previously announced prospectus offering. Pursuant to the Offering, the Company has issued an aggregate of 7,416,667 Units at a price of \$0.30 per Unit for aggregate gross proceeds of approximately \$2,225,000. Inclusive of the closing of the initial tranche, the Company has issued an aggregate of 17,849,468 Units pursuant to the Offering, for aggregate gross proceeds of approximately \$5,354,840.

In August 2025, Perimeter announced the appointments of Abbey Goodman as Vice President, Sales, and Paolo DiPasquale as Vice President, Corporate Development, and the retirement of Tom Boon retired as Perimeter's Chief Operating Officer. Perimeter also announced the creation of an Industry Advisory Board ("IAB") to support the Company's growth strategies across all products, channels and geographies. Chairing the IAB will be Diana Chan, Managing Director of BridgeGap Solutions Group.

In August 2025, the Company announced the appointment of Ted James, MD, MHCM, FACS, to the newly created position of Chief Medical Officer ("CMO"). Dr. James recently became System Physician Executive of the Endeavor Health Cancer Institute after serving as Chief of Breast Surgical Oncology and Director of the Breast Center at Beth Israel Deaconess Medical Center (BIDMC), where he oversaw the growth of a nationally accredited multidisciplinary breast program and developed an NIH-funded research portfolio. He was also Vice Chair of Academic Affairs in the Department of Surgery at BIDMC and an Associate Professor of Surgery at Harvard Medical School.

In September 2025, Perimeter announced it has joined the American Society of Breast Surgeons' ("ASBrS") Industry Relations Council ("IRC"). ASBrS is the primary leadership organization for general surgeons who treat patients with breast disease and is committed to continually improving the practice of breast surgery by serving as an advocate for surgeons who seek excellence in the care of breast patients. The [ASBrS Industry Relations Council \(IRC\)](#) is comprised of companies involved in the diagnosis, treatment, and care of breast disease, and who would like to connect in a more significant way with key leaders in breast surgery.

In September 2025, the Company entered into a collaboration with [Jennifer Douglas](#), breast cancer survivor, author, and influential patient advocate. Ms. Douglas will support the Company's patient education and engagement initiatives and join Perimeter's [Industry Advisory Board](#) ("IAB"). Her experience navigating biopsies, treatment decisions, and the emotional toll of the breast cancer journey led her to become a forceful patient advocate. She authored '[A Breast Cancer Journey: Living it One Step at a Time](#),' was named a Breast Cancer Awareness Month influencer by the [Dr. Susan Love Foundation](#) in 2022, and founded the [Encourage](#) community to support patients through all stages of the disease and survivorship. Ms. Douglas also leads virtual and in-person support sessions for the California Breast Cancer Support Group, a nonprofit dedicated to encouraging breast cancer patients throughout California.

In September 2025, Dr. Amelia Tower, a leading breast surgical oncologist presented at the [2025 Annual Clinical Assembly \("ACA"\) of the American College of Osteopathic Surgeons](#) on the use of wide-field optical coherence tomography ("OCT") during breast conserving surgery. In her oral presentation, "Use of Adjunct Wide-field Optical Coherence Tomography to Visualize Margins During Breast Conserving Surgery: A Case Series," Dr. Tower highlighted real-world cases demonstrating the practical application of Perimeter's current product, the [S-Series OCT](#).

In September 2025, Perimeter exhibited at Aptitude Health/TME's Fall Summit, "*Take the Lead in Breast Cancer Care*," in New Orleans. The annual summit gathers about 50 of the nation's leading breast cancer physicians for high-level, multi-disciplinary discussions on advancing care for high-risk and newly diagnosed breast cancer patients.

In October 2025, CEO, Adrian Mendes, presented an update on the Company's business at the Small Cap Growth Virtual Investor Conference ("VIC") and at the [Planet MicroCap Showcase](#).

In October 2025, Perimeter participated in the [American Society of Breast Surgeons'](#) ("ASBrS") Annual Strategic Futures Forum, an invitation-only event that gathers healthcare, medical, and industry leaders to address the future of breast surgery, focused on the whole breast care team.

## RESULTS OF OPERATIONS

The following is a discussion of the results for the three and nine months ended September 30, 2025, as compared to the three and nine months ended September 30, 2024:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
<b>Revenue</b>	\$ 536,100	\$ 208,420	\$ 1,592,166	\$ 553,061
<b>Cost of goods sold</b>				
Direct Costs	165,048	24,198	389,386	66,708
Depreciation	99,646	57,135	279,141	140,108
	<u>264,694</u>	<u>81,333</u>	<u>668,527</u>	<u>206,816</u>
<b>Gross Profit</b>	271,406	127,087	923,639	346,245
<b>Grant income</b>	-	12,259	-	36,777
<b>Operating Expenses</b>				
Sales and marketing	780,134	1,242,981	3,051,369	4,025,345
Research and development	1,003,447	1,529,956	4,119,252	4,767,120
General and administrative	1,112,994	1,637,810	4,395,582	5,561,547
Depreciation	108,052	131,829	343,670	378,690
<b>Total Operating Expenses</b>	<u>3,004,627</u>	<u>4,542,576</u>	<u>11,909,873</u>	<u>14,732,702</u>
Net foreign exchange (loss) gain	5,862	(159,527)	(21,697)	1,240,389
Net finance income	2,934	(108,483)	75,960	3,137,267
Loss before income tax	<u>(2,724,425)</u>	<u>(4,671,240)</u>	<u>(10,931,971)</u>	<u>(9,972,024)</u>
Income tax expense	-	-	-	-
<b>Net loss</b>	<u>(2,724,425)</u>	<u>(4,671,240)</u>	<u>(10,931,971)</u>	<u>(9,972,024)</u>
<b>Other comprehensive (loss) income items that may be reclassified subsequently to profit:</b>				
Foreign currency translation - net of tax	(26,436)	37,252	(8,865)	(1,324,956)
<b>Comprehensive loss</b>	<u>\$ (2,750,861)</u>	<u>\$ (4,633,988)</u>	<u>\$ (10,840,836)</u>	<u>\$ (11,296,980)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.03)</u>	<u>\$ (0.07)</u>	<u>\$ (0.10)</u>	<u>\$ (0.15)</u>

## **DISCUSSION OF OPERATIONS:**

### **Revenue**

Revenue increased by \$327,680 to \$536,100 for the three months ended September 30, 2025, compared to \$208,420 for the three months ended September 30, 2024. Revenue increased across all product lines. The increase is comprised of \$155,000 in equipment sales, \$98,578 in consumable sales and \$45,645 in annual preventative maintenance and exchange service plan revenue on commercial equipment at health care sites. Operating lease revenue for the three months ended September 30, 2025 increased \$28,457 to \$105,183 compared to \$76,726 for the three months ended September 30, 2024, due to increase in number of units placed.

Revenue increased \$1,039,105 to \$1,592,166 for the nine months ended September 30, 2025, compared to \$553,061 for the nine months ended September 30, 2024. The increase is comprised of \$384,065 in consumable sales, a \$151,652 increase in maintenance revenue, a \$385,000 increase in capital unit sales of OCT equipment, and a \$118,388 increase in recurring operating lease revenue.

### **Cost of goods sold**

Cost of goods sold was \$264,694 for the three months ended September 30, 2025, compared to \$81,333 for the three months ended September 30, 2024.

Cost of goods sold was \$668,527 for the nine months ended September 30, 2025, compared to \$206,816 for the nine months ended September 30, 2024. The cost of goods sold consists of direct material costs of specimen immobilizers, the sale of OCT equipment and costs of annual preventative maintenance. The depreciation in cost of sales is on commercial equipment placed at healthcare sites recognized as operating leases. The increase in direct cost of sales is in line with the higher revenue from consumable sales, and the capital sales of OCT units in which the recognition of direct material costs of OCT equipment is at the time of sale.

### **Grants**

Grant income for the three months ended September 30, 2025, was \$nil compared to \$12,259 for the three months ended September 30, 2024.

Grant income for the nine months ended September 30, 2025, was \$nil compared to \$36,777 for the nine months ended September 30, 2024. The decrease is due to the completion of the clinical trial and close out of CPRIT grant.

### **Operating expenses**

Operating expenses for the three months ended September 30, 2025, decreased \$1,537,949 to \$3,004,627 compared to \$4,542,576 for the three months ended September 30, 2024. The decrease was primarily due to a decrease in stock-based compensation expense, clinical trial costs and company-wide cost-cutting measures implemented in June 2025.

Operating expenses for the nine months ended September 30, 2025, decreased \$2,822,829 to \$11,909,873 compared to \$14,732,702 for the nine months ended September 30, 2024. The decrease in total operating expenses was primarily the result of lower stock-based compensation and the reduction in grant expense in 2025 following the conclusion of clinical trials in late 2024 and company-wide cost-cutting measures implemented in June 2025.

### *Sales and Marketing*

For the three months ended September 30, 2025, sales and marketing expenses decreased \$462,847 to \$780,134 compared to \$1,242,981 for the same period in the previous year. The decrease is attributable to lower contractors' expenses, employment-related costs and travel expenses.

Sales and marketing expenses decreased \$973,976 to \$3,051,369 for the nine months ended September 30, 2025, compared to \$4,025,345 for the nine months ended September 30, 2024. The decrease was primarily due to lower contractors' expenses, employment-related costs, and travel expenses.

### *Research & Development*

For the three months ended September 30, 2025, research and development expenses decreased \$526,509 to \$1,003,447 compared to \$1,529,956 for the same period in the previous year. The decrease is primarily a result of concluding the clinical trials in late 2024.

Research and development expenses decreased \$647,868 to \$4,119,252 for the nine months ended September 30, 2025, compared to \$4,767,120 for the nine months ended September 30, 2024. The decrease was largely due to lower clinical trial costs, partially offset with expenses related to equipment and consumables development work.

### *General and Administrative*

For the three months ended September 30, 2025, general and administrative expenses decreased \$524,816 to \$1,112,994 compared to \$1,637,810 for the same period in the previous year. The decrease was a result of lower expenses in stock-based compensation and professional fees.

General and administrative expenses decreased \$1,165,965 to \$4,395,582 for the nine months ended September 30, 2025, compared to \$5,561,547 for the nine months ended September 30, 2024. The decrease was primarily due to a decrease in stock-based compensation and professional fees.

### *Depreciation*

For the three months ended September 30, 2025, depreciation expense decreased \$23,777 to \$108,052 compared to \$131,829 for the same period in the previous year. The decrease was a result of OCT units that were converted from demo units to placed customer units. The depreciation in cost of sales increased \$42,511 to \$99,646 in the three months ended September 30, 2025, compared to \$57,135 for the three months ended September 30, 2024.

For the nine months ended September 30, 2025, depreciation expense decreased \$35,020 to \$343,670 compared to \$378,690 for the nine months ended September 30, 2024. The decrease was a result of OCT units that were converted from demo units to placed customer units. The depreciation in cost of sales increased \$139,033 to \$279,141 in the three months ended September 30, 2025, compared to \$140,108 for the nine months ended September 30, 2024.

### **Net finance income and expense**

For the three months ended September 30, 2025, net finance income increased \$111,417 to \$2,934 compared to expense of \$108,483 for the same period in the previous year. The finance income increase resulted from the revaluation of the warrant liability.

Net finance income decreased \$3,061,307 to \$75,960 for the nine months ended September 30, 2025, compared to \$3,171,267 for the nine months ended September 30, 2024. The decrease in net finance income was primarily the result of the revaluation of the warrant liability.

**Net loss**

For the three months ended September 30, 2025, net loss decreased to \$2,724,425 compared to \$4,671,240 for the same period in the prior year. The decrease in net loss was primarily the result of the increase in revenue with lower operating expenses and stock-based compensation.

For the nine months ended September 30, 2025, net loss increased to \$10,931,971 compared to \$9,972,024 for the nine months ended September 30, 2024. The increase in net loss was primarily the result of lower finance income resulting from the revaluation of the warrant liability, partially offset by the increase in revenue and lower operating expenses.

## FINANCIAL POSITION

The following is a discussion of the changes to the Company's financial position as of September 30, 2025, as compared to December 31, 2024:

	September 30, 2025	December 31, 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 1,686,823	\$ 6,184,046
Accounts receivable	96,675	390,525
Grant and other receivables	32,398	1,970,059
Inventory	78,554	191,577
Prepaid expenses	613,525	1,231,641
Total current assets	<u>2,507,975</u>	<u>9,967,848</u>
<b>Non-current assets</b>		
Property and equipment	<u>3,482,383</u>	<u>4,358,450</u>
Total non-current assets	3,482,383	4,358,450
<b>Total assets</b>	<b>\$ <u>5,990,358</u></b>	<b>\$ <u>14,326,298</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,713,584	\$ 3,331,027
Deferred revenue	324,349	144,226
Current portion of lease liability	34,787	46,813
Warrant liability	2,194	53,182
Total current liabilities	<u>2,074,914</u>	<u>3,575,248</u>
<b>Non-current liabilities</b>		
Lease liability	66,968	90,671
Deferred revenue	<u>367,049</u>	<u>205,561</u>
Total non-current liabilities	434,017	296,232
<b>Shareholders' equity</b>		
Share capital	92,534,508	90,598,073
Contributed surplus	11,447,833	9,416,494
Accumulated deficit	(97,685,203)	(86,752,903)
Accumulated currency translation adjustment	<u>(2,815,711)</u>	<u>(2,806,846)</u>
<b>Total shareholders' equity</b>	3,481,427	10,454,818
<b>Total liabilities and shareholders' equity</b>	<b>\$ <u>5,990,358</u></b>	<b>\$ <u>14,326,298</u></b>

## **Assets**

Cash decreased \$4,497,223 to \$1,686,823 as at September 30, 2025, compared to \$6,184,046 at December 31, 2024, due to cash used to support the Company's operations, offset by financing cash received of \$3,904,570.

Accounts receivable decreased \$293,850 to \$96,675 as at September 30, 2025, compared to \$390,525 at December 31, 2024, primarily driven by collecting outstanding receivables from customers.

Grant and other receivables decreased \$1,937,661 to \$32,398 as at September 30, 2025, compared to \$1,970,059 at December 31, 2024, primarily the result of the final CPRIT reimbursements received by the Company during the period.

Inventory decreased \$113,023 to \$78,554 as at September 30, 2025, compared to \$191,577 at December 31, 2024, due to sales of specimen immobilizers partially offset by the purchases of specimen immobilizers.

Prepaid expenses decreased \$618,116 to \$613,525 as at September 30, 2025, compared to \$1,231,641 at December 31, 2024, primarily driven by the Company utilizing deposit credits to pay down the payable balance with an equipment manufacturer.

Property and equipment decreased by \$876,067 to \$3,482,383 as at September 30, 2025, compared to \$4,358,450 at December 31, 2024, mainly due to moving 2 OCT units to inventory for immediate sale and depreciation expense for the nine months ended September 30, 2025.

## **Liabilities**

Accounts payable and accrued liabilities decreased by \$1,617,443 to \$1,713,584 as at September 30, 2025, compared to \$3,331,027 at December 31, 2024, primarily due to bonus payments to staff and payments to an equipment manufacturer, partially offset by deposit credits.

Deferred revenue increased by \$341,611 to \$691,398 as at September 30, 2025, compared to \$349,787 as at December 31, 2024, primarily due to warranty coverage related to the sales of three-year exchange service plans.

Lease liability decreased by \$35,729 to \$101,755 as at September 30, 2025, compared to \$137,484 at December 31, 2024, due to contractually scheduled repayments.

Warrant liability decreased \$50,988 to \$2,194 as at September 30, 2025, compared to \$53,182 at December 31, 2024, due to the fair value revaluation of warrants.

## **Shareholders' equity**

Share capital increased \$1,936,435 to \$92,534,508 as at September 30, 2025, compared to \$90,598,073 at the end of 2024. The Company issued an aggregate of 17,849,469 units comprised of one common share in the capital of the Company and one common share purchase warrant. The increase is the relative fair value allocated to the common share for each unit.

Contributed surplus increased \$2,031,339 to \$11,447,833 as at September 30, 2025, compared to \$9,416,494 at December 31, 2024, due to the warrants' issuance recorded at relative fair value and \$570,394 of stock-based compensation expense.

Accumulated deficit increased \$10,932,300 to \$97,685,203 as at September 30, 2025, compared to \$86,752,903 at December 31, 2024, due to the net loss for the nine months ended September 30, 2025.

### 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 Board ("IASB"):

Three months ended	September 30, 2025		June 30, 2025		March 31, 2025	
Revenue	\$	536,100	\$	505,796	\$	550,269
Expenses		3,004,627		4,259,028		4,638,217
Other (income) expenses		(8,796)		(23,754)		(21,713)
Net loss for the period		(2,724,425)		(3,882,419)		(4,317,127)
Basic and diluted loss per share	\$	(0.03)	\$	(0.04)	\$	(0.05)

Three months ended	December 31, 2024		September 30, 2024		June 30, 2024	
Revenue	\$	293,133	\$	208,420	\$	246,311
Expenses		4,652,889		4,542,576		5,486,001
Other (income) expenses		(934,122)		268,010		(2,122,933)
Net loss for the period		(3,421,904)		(4,671,240)		(3,179,083)
Basic and diluted loss per share	\$	(0.06)	\$	(0.07)	\$	(0.05)

Three months ended	March 31, 2024		December 31, 2023		September 30, 2023	
Revenue	\$	98,330	\$	72,665	\$	82,267
Expenses		4,704,125		4,975,447		4,546,255
Other (income) expenses		(2,522,733)		663,366		(4,073,602)
Net loss for the period		(2,121,701)		(5,526,824)		(344,792)
Basic and diluted loss per share	\$	(0.03)	\$	(0.09)	\$	(0.01)

## 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 into strategic relationships to continue further development of the Company's products.

Based on the cash of \$1,686,823 as of September 30, 2025, additional financing will be required before the Company expects to generate positive cash flow. 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 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 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, 2025	September 30, 2024
Operating activities	\$ (7,841,497)	\$ (11,578,486)
Investing activities	37,699	(156,839)
Financing activities	3,343,121	7,157,476
Net decrease in cash and cash equivalents	\$ (4,460,677)	\$ (4,577,849)

#### *Operating Activities*

For the nine months ended September 30, 2025, cash used in operating activities decreased \$3,736,989 to \$7,841,497 compared to \$11,578,486 for the nine months ended September 30, 2024. Cash used in operating activities was favorably impacted by change in working capital during the period.

### Investing Activities

For the nine months ended September 30, 2025, cash generated from investing activities was \$37,699 compared to cash used in investing activities of \$156,839 for the nine months ended September 30, 2024, mainly due to interest received on the Company's cash held in interest-bearing bank accounts offsetting equipment purchases made in Q3 2024.

### Financing Activities

For the nine months ended September 30, 2025, cash generated from financing activities was \$3,343,121 compared to cash generated by financing activities of \$7,157,476 for the nine months ended September 30, 2024. The decrease in cash generated from financing activities was due to the issuance of common shares for cash issued on June 3, 2025 and July 29, 2025 compared to the issuance of common shares for cash on September 30, 2024.

### Contractual Obligations

The table below summarizes the maturity profile of the Company's financial liabilities as at September 30, 2025 based on contractual undiscounted payments:

September 30, 2025	Carrying Amount	Total	Contractual cash flows			
			2 months or less	3-12 months	1-2 years	Thereafter
Accounts payable and accrued liabilities	\$ 1,713,584	1,713,584	1,713,584	-	-	-
Lease liabilities	101,755	123,224	12,107	47,112	40,424	23,581
	\$ 1,814,339	1,836,808	1,725,691	47,112	40,424	23,581

### OUTSTANDING SHARES

As of November 11 2025, the Company had the following securities outstanding:

	Number
Common Shares	111,363,311
Warrants	34,643,015
Options	7,673,190

### 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 last installment to complete the \$7,446,844 was received by the Company on July 15, 2025, and the agreement expired on August 30, 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.

## FINANCIAL INSTRUMENTS

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

It does not include fair value information for financial assets and financial liabilities measured at amortized cost where the carrying amount is a reasonable approximation of fair value.

September 30, 2025	Note	Carrying Amount		Fair Value			
		Mandatorily at FVTPL	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>							
Warrant liability		\$ (2,194)	(2,194)	-	(2,194)	-	(2,194)
		\$ (2,194)	(2,194)	-	(2,194)	-	(2,194)

December 31, 2024	Note	Carrying Amount		Fair Value			
		Mandatorily at FVTPL	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>							
Warrant liability		\$ (53,182)	(53,182)	-	(53,182)	-	(53,182)
		\$ (53,182)	(53,182)	-	(53,182)	-	(53,182)

### 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 warrant liability is comprised of warrants designated as derivatives. The warrant liability is classified as FVTPL and valued using Level 2 fair value inputs in the unaudited condensed consolidated interim statement of financial position. The valuation technique used to measure the fair value of the warrant liability at September 30, 2025 was the Black-Scholes option pricing model using a weighted average risk-free rate of the bond-equivalent yield of 2.47 percent (September 30, 2024: 2.84 percent), an

expected life of the time to maturity of 1.33 years (September 30, 2024: 2.33 years), and an expected volatility of 85 percent (September 30, 2024: 100 per percent).

The valuation technique used to measure the fair value of the warrant liability at December 31, 2024, was the Black-Scholes option pricing model using a weighted average risk-free rate of the bond-equivalent yield of 2.93 percent, an expected life of the time to maturity of 2.07 years, and an expected volatility of 80 percent.

The Company did not have any Level 3 financial instruments or significant unobservable inputs used for the reporting periods.

There were no transfers between levels for the periods reported.

### **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, 2025, the Company's net exposure to currency risk through its current assets and liabilities denominated in US dollars was \$188,714 (December 31, 2024: \$4,810,070). An appreciation (depreciation) of the Canadian dollar against the US dollar would have resulted in an increase (decrease) of approximately \$13,130 (December 31, 2024: \$345,755) 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 does not have any significant exposure to interest rate risk.

### **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 receivables 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 a 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). At September 30, 2025, no amounts were owing more than 60 days past due.

### **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, 2025, and 2024, the Company has no receivable or payable amounts with key management personnel or directors.

### Key management personnel compensation

	Nine months ended September 30,	
	2025	2024
Short-term employment benefits	\$ 684,356	752,813
Director's fees	143,581	213,405
Share based payments	387,996	958,454
<b>Total</b>	<b>\$ 1,215,933</b>	<b>\$ 1,924,672</b>

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](http://www.sedarplus.ca).