

Warrant Exercise Builds Treasury for Perimeter's 2021 Commercialization Efforts

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Last week, [Perimeter Medical Imaging AI, Inc.](#) (TSXV: PINK) announced that approximately 2.35 million warrants subject to an accelerated expiry were exercised, resulting in cash proceeds to the company of [over C\\$4.7 million](#).

Inclusive of the C\$4.7 million raised from the exercise of accelerated warrants noted above, Perimeter received over C\$7.28 million from the accelerated warrant exercise and can expect a further C\$0.68 million if the remaining warrants are exercised by March 8.

The company plans to use the proceeds in its commercialization and development plans to bring Perimeter's medical imaging solution to the market in 2021. Perimeter's direct clinical sales efforts include a limited market release of the platform this quarter with a broader commercial launch in the second quarter.

Perimeter's OTIS™ Platform

Perimeter is a medical technology company utilizing ultra-high-resolution, real-time, advanced imaging tools in cancer surgeries to improve patient outcomes and reduce costs in the healthcare system.

Perimeter's OTIS™ platform, cleared by the FDA as an imaging tool, is a system that provides surgeons, radiologists, and pathologists with ultra-high-resolution, sub-surface image volumes to allow clinicians to visualize microscopic tissue

structures during a clinical procedure.

The Problem Being Solved

[According to Dr. Alastair Thompson](#), MD, a surgical oncologist and professor at Baylor, *“One of the big problems in breast cancer surgery is that in about one in four women on whom we do a lumpectomy to remove cancer, we fail to get clear margins.”*

Therefore doctors are searching for an effective and user-friendly tool to help identify that the breast cancer has been removed from a woman’s breast.

Baylor is one of many institutions that is conducting a study with Perimeter’s medical imaging system for providing real-time, high-resolution images of the removed tissues to assist cancer surgeons in making better decisions during operations.

Hospitals see this type of system could lead to a large improvement in patient care and reduce the need for second surgeries.

Atlas AI Project – Artificial Intelligence (AI) / Machine Learning (ML) Tools

In addition, Perimeter is advancing its advanced AI/ML image assessment tools through clinical development through its Atlas AI project.

Backed 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, the project will collect images of breast tumors from up to 400 patients for the purpose of training and testing Perimeter’s “ImgAssist” AI technology to increase the efficiency of image review.

AI and analytics are seen as a way to address the inefficiencies

and challenges that current operating rooms are facing in identifying cancerous tissues. According to the company, currently 1 in 4 patients who receive a lumpectomy has to come back for a second operation because the surgeon did not remove all of the cancer cells.

Focus on Breast Cancer but Applications Beyond

Cancer continues to grow amongst the population and puts a burden on the healthcare system. According to the World Cancer Research Fund, breast cancer is the most common cancer in women worldwide, representing about 25 percent of all cancers in women.

In 2021, [Breastcancer.org](https://www.breastcancer.org) estimates that over 330,000 new cases of breast cancer are expected to be diagnosed in the United States and over 43,000 women are expected to die from breast cancer.

While currently focusing on deployments targeting breast cancer centers, OTIS™ has applications beyond breast cancer and into the larger multi-billion-dollar cancer surgery market.

Final Thoughts

According to a recent industry report from [Markets and Markets](#), the Surgical Imaging Market is projected to grow from US\$1.8 billion in 2020 and reach US\$2.4 billion by 2025, growing by 6.3% annually.

One of the major factors driving the growth of this market includes the increasing demand for minimally invasive procedures that Perimeter's platform addresses.

With the commercial launch of the product scheduled for this year, Perimeter has the potential to benefit from this growing market.



[SOURCE:](#)

Perimeter Medical Imaging AI is potentially disrupting post cancer surgery imaging with a goal to help save lives, costs, and time

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Any technology that can help us beat cancer is most welcome. One company is developing a revolutionary way for surgeons to better assess if they have removed all the cancer, all while still in the operating room. This same company was recently recognized as [one of the "10 most promising companies"](#) at the Texas Life Science Forum.

The company is [Perimeter Medical Imaging AI, Inc.](#) (TSXV: PINK) ('Perimeter'). The AI in their name refers to the fact that they use Artificial Intelligence (AI) in addition to their imaging technology. A combination of imaging and AI helps surgeons identify if cancer is still present post-tumor removal surgery by examining the 'perimeter' of the excised area, hence the company name.

Perimeter's goal as a medical technology company is to transform cancer surgery with advanced, real-time, ultra-high-resolution

imaging tools to address areas of high unmet medical need. Perimeter's OTIS™ platform is an FDA-cleared 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.

Perimeter's OTIS™ (Optical Tissue Imaging System) is FDA cleared point-of-care imaging system for use in real time clinical procedures



[Source](#)

Cancer left behind after surgery is a significant problem

As we all know cancer surgery does not always get all the cancer. For example, breast lumpectomy surgeries currently face [25%](#) re-operation rates. This is not ideal for the patient and it is not ideal for the health care system. Re-operating costs are, on average, [\\$16,000](#) to cover the additional hospital cost per patient, which when added up, amounts to an additional \$560 million annual cost to the U.S. healthcare system.

The best solution for all parties is to be able to do point-of-care real time imaging using Perimeter's Optical Tissue Imaging System (OTIS) taking only 10 minutes to do. By contrast the current standard way is to send off a post-operative histology tissue sample for assessment, which takes [2 to 7 days](#). Now that's a potential disruption right there.

Perimeter's commercialization strategy

Perimeter currently uses their OTIS device in limited markets but have plans to expand, with an initial focus in the US on post surgery breast cancer imaging. According to Perimeter (and WHO projections) the total addressable market across all areas

for Perimeter is US\$3.7 billion.



[Source](#)

To get a feel for the initial 'revenue potential' just from targeting US breast cancer lumpectomy cases only, Perimeter prepared the slide below. It shows based on a mid case scenario of 500 hospitals doing 3 imaging procedures per week at \$750 each, perimeter's potential revenue could reach \$56.3 million pa of recurring revenue. This is just theoretical at this stage, but shows the potential revenues from just one type of post cancer surgery (post breast cancer lumpectomy). In time Perimeter would aim to expand to many types of cancer post surgery imaging.

Perimeter's 'target potential' revenue only from breast lumpectomy post-surgery imaging



[Source](#)

Perimeter's Q3 2020 financial results were reported [here](#).

Closing remarks

Perimeter Medical Imaging AI is potentially disrupting post cancer surgery imaging with a goal to help save lives, costs, and time. Perimeter's OTIS™ is already FDA cleared; however there is still some further next stage product development ongoing in the area of training the computer (AI training), as well as further studies. Perimeter is targeting a limited market release in Q1 2021 and a broader commercial launch in Q2 2021.

Perimeter's board and management team are extremely experienced

and highly credentialed. The company is rapidly gaining recognition and now has a market cap of C\$87 million after only [listing on the TSX-V](#) in mid 2020. It is certainly looking like 2021 will be a breakthrough year for Perimeter Medical Imaging AI. Stay tuned.

Disclosure: The author is long Perimeter Medical Imaging AI, Inc. (TSXV: PINK)