

## NaviSci Q/4 2021 Year in Review

Dear Friend of Navigation Sciences,

I hope 2022 is off to a good start for you. Navigation Sciences ended the year with a series of positive events that position us to sustain our momentum through this year as we move towards completing the NaviSci™ System's development and the FDA 510(k) submission for U.S. market clearance.

We recently closed on an over-subscribed, \$2.0 million convertible note/ first tranche of our Series B capital raise. The funding represents a strong vote of confidence by our investors in the progress we have made in developing the NaviSci System and its potential to transform lung cancer and other soft tissue surgeries. The funds will accelerate our development and better position us for raising the balance of the \$7 million Series B round.

Specifically, the funding will accelerate workflow enhancements based on the clinical feasibility trial, user interface optimization, and software development. The financing will also provide additional funding for developing the NaviSci EndoMarker™, a bronchoscope-based tissue marker to facilitate placement of the J-bar fiducial marker. The EndoMarker's development is also being funded through a \$400,000 Small Business Innovation Research (SBIR) grant from the National Cancer Institute we received in the Fall.

The clinical feasibility trial at Brigham & Women's hospital is nearing completion, with six patients in the 25-patient feasibility study remaining to be enrolled. All indications are that the feasibility trial has proceeded well, with favorable margins achieved for all patients, using the System's digital measurement guidance. The plan is to submit the results to a peer-reviewed journal shortly after the final patient completes the surgery. A journal publication will be a significant milestone that should help drive the Series B financing and support our corporate development efforts.

In December, we received allowances for two patents, including the parent patent covering the NaviSci™ System and its technology for the minimally invasive soft tissue resection that determines the margin while compensating for tissue deformation. The second allowance covers the inventive steps for the NaviSci EndoMarker™ for localizing the tumor and placement of the J-Bar during bronchoscopy. We plan to file additional patents based on new intellectual property created through the SBIR-funded project. Both patents will issue in the coming weeks. Along with the patent issued last summer covering the deformation algorithm and instrumentation to enable lesion tracking in real-time, we have three issued patents.

Thank you, as always, for your support in Navigation Sciences. If you have any questions, please let me know.

Sincerely,

Alan

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