

Second Quarter 2021 Update

This has been an exciting period for the company! We have made outstanding progress in the development of our NaviSci™ System's Intelligent Surgery approach, and a significant validation of the novelty and clinical potential of our technology by the U.S. Patent and Trademark Office (USPTO), as well as the National Cancer Institute (NCI).

The company achieved an important milestone during the quarter with the first patients undergoing surgery with NaviSci System in the clinical feasibility trial we are conducting at Brigham & Women's Hospital. Patient recruitment is ongoing for the study, which will involve 25 patients.

Recently, we received several favorable actions from the U.S. Patent and Trademark Office (USPTO). Our patent application, [System and Method for a Tissue Resection Margin Measurement Device](#), which includes claims for the deformation algorithm critical to tracking the lesion and instrumentation in real-time, was issued on July 13 as [US Patent 11,058,494](#). We have also been informed that, concerning our recent PCT patent application, the claims which are directed to conducting surgical navigation with the NaviSci EndoMarker™ possess both novelty and inventive steps over the prior art. This allows prosecution of these claims to be fast-tracked through the U.S. Patent Office using the Patent Prosecution Highway (PPH) program. The PPH Patent application was filed on July 2nd, and we hope for a speedy prosecution. The EndoMarker is a minimally invasive bronchoscopic system using Navigation's J-Bar™ electromagnetic sensor. The EndoMarker is also the subject of our National Cancer Institute (NCI) SBIR/ STTR grant application. The USPTO has also issued Notices of Allowance for our Trademark applications for the J-Bar™ and NaviSci™.

The NCI STTR/ SBIR grant, for \$400,000 to advance the EndoMarker's development, continues to progress through the administrative process. An NCI grants management specialist has been assigned to the project and we are providing the Institute with additional administrative information requests. The grant will support work at Brigham & Women's Hospital and by the company. The NaviSci EndoMarker™ placement of the J-Bar™ via bronchoscopy has the potential to further enhance surgical workflow.

Recently, we expanded the Scientific Advisory Board (SAB) with two key opinion leaders who bring deep expertise in minimally invasive pulmonary and thoracic surgery. Joining the SAB are:

- [David Feller-Kopman, M.D.](#), FCCP, Chief, Pulmonary and Critical Care Medicine
Dartmouth-Hitchcock Medical Center, Professor of Medicine Geisel School of Medicine
- [Robert J. McKenna, M.D.](#), Chief of Thoracic Surgery St. Johns Health Center; Professor of Surgery, Saint John's Cancer Institute; and Professor of Thoracic Surgery, Stanford University

They join [Raphael Bueno M.D.](#) (chair), [Giacomo Basadonna M.D., Ph.D.](#), T. Forcht Dagi, M.D., and [Jayender Jagadeesan Ph.D.](#) on the Board.

In May, we launched our Series B financing at the annual [LSI Emerging Medtech Summit](#). Our (in person) presentation was well received and we had the opportunity to meet with several prospective investors. [Here](#) is a link to the presentation. Based on the large and growing opportunity in Intelligent Surgery platforms and the progress we have made, Navigation has a strong story to tell.

If you are interested in participating in the round and would like additional information, please let me know.

Sincerely,

Alan

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