

First Quarter 2021 Update

Dear Friend of Navigation Sciences,

We hope you are safe and share our sense of optimism that as the pace of vaccination accelerates a return to more normal activities appears to be on the horizon. We are pleased to report that we are initiating our, clinical feasibility study of the NaviSci™ System. The final contract, budget, and administrative procedures have been completed and the operating room staff at Brigham & Women's Hospital, where the trial will take place, are undergoing training. Patient recruitment is beginning, and we expect the initial surgery to occur in the coming weeks.

As a reminder, the 25-patient clinical feasibility trial will evaluate NaviSci's safety, and ability to identify and surgically remove lung tumors with appropriate margins as well as evaluate its potential to improve the workflow and reduce hospital length of stay. The surgeries will be conducted by [Scott Swanson, M.D.](#), Director of Minimally Invasive Surgery at the Brigham & Women's Hospital and Associate Chief of Surgery at the Dana Farber Cancer Center.

The first-in-man clinical trial is a key milestone and inflection point for the company. With that accomplishment in place, in May we will be launching a \$7 million Series 'B' financing round. The funds will support the company through the 510(k) process for FDA regulatory clearance, as well as an initial post-market study to further validate the NaviSci System's clinical and economic value propositions. The Series 'B' will also fund the development of the NaviSci EndoMarker™ a minimally invasive bronchoscopic navigation system using our J-bar™ electromagnetic sensor. The system is being designed to enhance workflow and intra-operative use of the NaviSci System.

We recently received a notice from the U.S. National Cancer Institute that we have been selected for probable funding of our STTR/ SBIR grant application titled, "Bronchoscopic lung navigation system for accurately excising lung nodules." The Phase I grant is for up to \$400,000 in nondilutive funds to advance the bronchoscopic NaviSci EndoMarker system's development. Following completion, we would be eligible for a larger, Phase II grant for additional development and clinical study funding. While funding is not guaranteed, we are cautiously optimistic the grant will be funded. Beyond the funding, the award would provide important external validation of our approach and its novelty.



To mark our progress, we have updated the [Navigation Sciences](#) website. The updated site highlights the NaviSci System's unique potential to provide real-time margin measurement for precision lung and other soft tissue surgeries and deliver better patient outcomes, improved surgical workflow, and reduced hospital length of stay. Please take a look at your convenience www.navigationsci.com.

If you are interested in participating in the Series 'B' financing, please let me know. We will be officially kicking off the fundraising at the [LSI 2021 Emerging Medtech Summit](https://www.lifesciencemarketresearch.com/medtech-summit) May 11-13 (<https://www.lifesciencemarketresearch.com/medtech-summit>). If you are attending, let's plan to schedule a time to meet.

As always, thank you for your interest in Navigation Sciences and your continued support.

Sincerely,

Alan

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