

Navigation Sciences made significant progress in 2022 on many fronts. We completed the NaviSci® Intelligent Surgical System clinical trial, and FDA accepted our final report on the study. We advanced the system's hardware and software development, completed ex vivo testing of the NaviSci Endomarker™, for the bronchoscope delivery of the J-Bar™, were awarded vital patents, and filed for additional protection of our technology. We finished the year with two critical milestones in sight for the first half of 2023: an FDA pre-submission meeting and a peer-reviewed presentation of our clinical trial results. Our approach, implemented in Q4, has been to conserve cash and focus on these critical milestones.

FDA Pre-submission Meeting



The FDA pre-submission meeting, scheduled for early March, will provide an opportunity to affirm our planned regulatory pathway for the NaviSci System, including the primary predicate device for the 510(k). The Agency's feedback will also clarify the next steps we need to take for the 510(k) submission.

First Presentation of Clinical Trial at Leading Medical Meeting

Just before the holiday break, we were notified that the NaviSci™ clinical trial abstract, "Real-time Margin Assessment for Video-Assisted Thoracic Surgery: A Pilot Clinical Trial," was selected for presentation at the American Association for [Thoracic Surgery \(AATS\) Annual Meeting on May 6 – 9, 2023](#). This peer-reviewed forum at the leading thoracic surgical society in the U.S. is the first major opportunity to share the trial results with the clinical community.



Company to present update at LSI Conference



In March, we will present an update on the company at the annual [LSI Emerging Medtech Summit](#). If you plan to go, I hope you can attend our presentation on **March 22nd, Day Two, Track 3, 10:45-10:54 am**.

New Patent Applications Filed

In Q4, we added two US National phase patent applications on lung mapping, pulmonary artery identification, and tracked bronchoscope for percutaneous placement of the J-Bar and tissue lesion location. We filed additional provisional applications and submitted divisional applications to expand the claims in our granted patents.



Cynthia Ekberg Tsai Joins Board of Directors

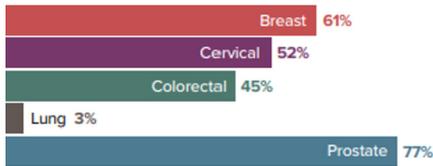


I am pleased to announce that Cynthia Ekberg Tsai, CEO of the biotech and MedTech advisory firm, Healthquest, and CEO of Tana Systems, a global software IT company, has joined the Navigation Sciences Board of Directors. Cynthia

is a serial entrepreneur and executive with an extensive background in finance, including partnering, fundraising, and investment. Ms. Tsai spent 16 years on Wall Street as a Vice President with Merrill Lynch and Kidder Peabody. She is the former Founder and CEO of HealthExpo, where she grew the enterprise from concept to execution. Previously, Ms. Tsai was a General Partner in MassTech Ventures, a multi-million-dollar equity fund focused on technology development at the Massachusetts Institute of Technology.

Growing Opportunity for NaviSci System

Percent of Cancers Detected by Screening, by Cancer Type



Source: NORC

As we enter 2023, I am encouraged by our progress and the potential of the NaviSci System. We are at the front end of a significant, growing opportunity to transform lung cancer treatment. According to a recent study in [Clinical Lung Cancer](#) the percentage of lung cancer patients diagnosed with Stage 1 disease increased from 23.5% to 29.1% from 2010 to 2017. The paper echoes a recent report by the

[American Lung Association](#) highlighting the potential for increased lung cancer screening to detect tumors early, when treatment can be lifesaving. A recent survey by [NORC at the University of Chicago](#) found three percent of lung cancers are detected by screening, compared with much higher percentages for cancers where screening technology has long been in use (e.g., breast – 61%; cervical – 52% and prostate -77%). Based on our market research, from 2016 to 2028, Stage 1 and 2 lung cancer diagnoses are expected to grow from 37% to 51.6% of newly diagnosed nodules.

Our Executive Summary has been updated to reflect Navigation Sciences' recent progress and can be downloaded [here](#).

I look forward to reporting on our progress in 2023. Thank you for your continued support.

Sincerely,

Alan Lucas, CEO

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