


Third Quarter 2021 Update

I am pleased to provide you with an update on the excellent progress we have made in the development of our NaviSci™ Intelligent Surgical System for the localization and removal of early-stage lung tumors. Our clinical feasibility trial is advancing, we strengthened our intellectual property position, received a validating Small Business Innovation Research (SBIR) grant from the National Cancer Institute (NCI), expanded our board of directors, and hired an experienced engineer to lead the SBIR product development program.

Eleven patients in the planned, 25-patient clinical feasibility trial at Brigham & Women's Hospital have now undergone surgery with the NaviSci system. The results to date with the system's digitally guided surgical margins are favorable. The manuscript and trial results from the study are expected to be submitted to a peer-reviewed journal shortly after the last patient completes the surgery.

In September, we were formally awarded a \$400,000 SBIR grant from the NCI to advance the development of our NaviSci EndoMarker™, a bronchoscopy-based tissue marker for tumor localization with the NaviSci System. The NaviSci EndoMarker is a second-generation localization technology that promises to simplify workflow and facilitate placement of the J-Bar™ at hospitals that do not have intraoperative imaging capabilities. The grant provides significant validation of our approach, as SBIR awards are highly competitive programs. Only 10 percent of applicants in this cohort received funding. To lead the NaviSci EndoMarker's technical development, we have retained Larry Roth, an experienced product development executive with an outstanding track record in developing innovative Class II and Class III medical devices.

Our intellectual property portfolio advanced significantly in recent months. In July, the U.S. Patent and Trademark Office (USPTO) awarded our first patent, which contains claims for the deformation algorithm that enables lesion and instrument tracking in real-time. We also received favorable action on the claims in our PCT patent application relating to the novelty and inventive steps over the prior art for the NaviSci EndoMarker. The action will allow expedited prosecution of these claims with the USPTO via the Patent Prosecution Highway (PPH) program. The PPH is a [cooperative effort between the USPTO and participating foreign patent offices](#) to expedite the allowance of utility patent applications that previously received favorable rulings. The USPTO has also allowed trademarks for Navigation Sciences™, NaviSci™, and J-Bar™.



In line with our progress and to prepare for our next stage in the company's evolution, we have expanded our Board of Directors. Joining our Board are Carl Berke, Ph.D. Partner at the Mass General Brigham Ventures, and Steve Gullans, Ph.D. Principal at Gullans Advisory, who each bring decades of experience in guiding life science companies through development, market launch, and successful exits.

Completion of the trial and its publication in a peer-reviewed journal are key milestones, which we expect will be important drivers of our \$7 million Series B financing. If you are interested in Series B, please let me know and I will be happy to provide additional details.

As always, thank you for your support.

Sincerely,

Alan

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