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Cianna Medical Reports Extraordinary Growth for SCOUT® Radar Localization System

Company expands sales force throughout the U.S. to meet increasing customer demand

ALISO VIEJO, Calif. – May 31, 2017 – Cianna Medical, Inc., today announced that it is doubling its sales force and adding to its clinical application support team to meet the growing demand for its proprietary SCOUT® radar localization system. The additional personnel will continue to drive rapid adoption of SCOUT as the standard of care for pre-operative breast lesion localization and enable the company to leverage significant growth opportunities in key markets across the country.

SCOUT® is the market leader in non-radioactive, wire-free breast localization systems. With SCOUT, the radiologist places a tiny, highly sophisticated reflector at the tumor site with extreme precision. The technology, which has been rapidly adopted at leading medical facilities across the U.S., offers several benefits over other localization methods including operating room (OR) compatibility, ± 1mm detection accuracy and no significant MR compatibility artifact limitations.

"New orders placed for SCOUT in the first four months of 2017 significantly exceeded company projections. We attribute our success to high clinician and patient satisfaction as well as the growing recognition that wire-free solutions offer operational efficiencies and associated cost savings," said Jill Anderson, President and CEO of Cianna Medical. "Radar is quickly becoming established as the superior localization technology by many leading hospitals and we are winning competitive evaluations at a rapid pace. Expanding our sales force will enable us to meet marketplace demand and maintain the superior service promise we make to our customers."

A recent study presented at the American Society of Breast Surgeons 18th Annual Meeting last month demonstrated a 29-minute difference in average OR start delay times with SCOUT compared with traditional wire localization, a decrease of 72.5 percent (95% CI; $p < .001$). The study authors suggest that this reduction in OR waiting time could support a cost savings of nearly $2,000 per procedure. Cianna Medical believes that these findings will support the growing demand for SCOUT as hospitals continue to seek solutions that maximize operational and clinical performance.

SCOUT has received significant recognition from medical societies and industry associations including being recently honored as a finalist in the 2017 Medical Design Excellence Awards. SCOUT was also recognized as a recent category finalist for outstanding technology innovation in the 2016 Fierce Innovation Awards: Life Sciences Edition and the SCOUT multi-center study presentation received the Scientific Impact Award at the 2016 American Society of Breast Surgeons Annual Meeting for data validating its clinical utility.

About Cianna Medical, Inc.
Cianna Medical is the world leader in wire-free breast localization and has been focused on breast conservation for over 10 years. Cianna Medical develops, manufactures and markets innovative medical technologies that reduce costs, improve quality and reduce the anxiety and stress breast cancer treatments place on women and their families. Cianna Medical's world-class research, development and

commercialization teams developed the world's first non-radioactive, wire-free breast localization system and the world's only technology that utilizes radar in tissue. Cianna Medical is focused on expanding applications that continually advance patient care. Its SCOUT and SAVI® Brachy technologies are FDA-cleared and address unmet needs in the delivery of radiation therapy, tumor localization and surgical guidance. Please visit www.ciannamedical.com for more information.

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About SCOUT®

The FDA-cleared SCOUT system features a proprietary, highly sophisticated reflector that is precisely placed at the tumor site up to 30 days before a lumpectomy or surgical biopsy. During the procedure, the surgeon scans the breast using the SCOUT guide which emits 50 million pulses per second, allowing the surgeon to "lock" in on the reflector's precise location with ± 1mm of accuracy. This higher level of localization precision allows better surgical planning that may improve cosmetic results, as less tissue may need to be removed. SCOUT has an exceptional detection range of 1mm – 50mm, documented migration of <1% across multiple studies, and is OR compatible.[1]

About Radar Technology

The SCOUT system uses highly sophisticated radar technology. Radar is used when unprecedented precision is required. Applications using radar include ground penetrating radar, automobile safety systems, flight control systems and antimissile and air-defense systems.

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[1] Cox CE, Russell S, Prowler V, et al. A Prospective, Single Arm, Multi-site, Clinical Evaluation of a Nonradioactive Surgical Guidance Technology for the Location of Nonpalpable Breast Lesions during Excision. Ann Surg Oncol. 2016;23(10):3168-74.