

# Q1 2024 Investor Newsletter



## Dear Investors,

The past few months at The Shape Sensing Company have been nothing short of exhilarating. As we waved goodbye to 2023, we celebrated remarkable technological milestones, elevated our profile in the MedTech startup community, and built significant momentum with our esteemed customers. These accomplishments are just the beginning, and you'll find more details below.

## Fundraising

- We are officially kicking off our Series B fundraise, which will be my primary emphasis until closing.
- Several investor events are already on the docket:
  - Mar 12: UCLA [MedTech Partnering Conference](#) in Los Angeles, CA (attending)
  - Mar 13-14: [MedTech Innovator](#) West Coast Pitch Event in Los Angeles, CA (presenting)
  - Mar 18-22: LSI [Emerging Tech Summit](#) in Dana Point, CA (presenting)
  - May 8: [Midwest Showcase](#) in Chicago, IL (attending, applied to present/pending)
  - May 21-22: [MedCity Invest](#) in Chicago, IL (attending, applied to present/pending)

## Company Updates

- The Shape Sensing Company crossed a significant threshold with the formation of our [Advisory Board](#).
- We joined Johnson & Johnson's non-dilutive accelerator and startup community, JLABS. [Our residency in JLABS](#) has already provided significant resources and connections to key MedTech contacts.
- TSSC was [selected to the Jon Brumley Texas Venture Labs accelerator program](#) for the Spring 2024 Cohort.

## Financial Summary

- Our cash runway projects us to be securely funded through March 2025.
- Fees associated with a new patent application will cause our legal expenses to increase slightly for the next few months.
- We have submitted an SBIR grant application, for which we should receive feedback this month, that could result in \$300-500K in non-dilutive funding.

## Personnel

- We are currently hiring a Lead Product Engineer in Austin to lead various projects pertaining to productization of our 3D guidance platform.

## Technology Developments

- **The end of 2023 brought significant improvement to our 3D accuracy that resulted in completion of all the technical milestones** intended with the funds from the Series A raise **a full year ahead of schedule**.
- We released a smaller-diameter fiber sensor that opens the door for the technology to be employed in most surgical minimally invasive procedures.

## Product Roadmap

- **The Shape Sensing Company has identified a direct-to-consumer application of our technology that will bring in significant revenues starting in 2026.**
- We have built prototype software, which can be seen on our [website](#) or on [YouTube](#).
- Our long-term business model of collaborative projects with major MedTech OEMs remains in place.

## Regulatory

- We verified our 510(k) regulatory path and predicate device for the workstation and guidewire with a pre-submission meeting with the FDA. FDA clearance is anticipated in late 2025 but is largely dependent on our funding (and therefore, development) timeline.

## Marketing & Business Development

- Connections to major medical OEMs have accelerated over the past several months, resulting in visits to several OEM headquarters in both the US and Europe.
- Our traveling tabletop demonstration continues to impress, showing real-time device guidance with impressive accuracy. We will be releasing yet another video on YouTube in the next couple of weeks showing further improvements.
- We exhibited at the [MD&M West](#) tradeshow last month in Anaheim. Many visitors commented that we had the most exciting technology at the show. We had multiple groups approach the booth who were clearly seeking us out.
- Our sales pipeline currently includes five major OEMs with whom we are engaging in regular meetings. We anticipate having multiple system sales, rentals, and collaborative development projects in the coming months.
- We also have seven research institutions interested in R&D systems that are submitting (or have already submitted) grant applications.



## Competitive Intel

- Philips expanded their [market release of the LumiGuide](#) 3D guidance platform (uses fiber optic shape sensing) and continues to heavily market the [future potential of 3D device guidance](#).
- Intuitive Surgical continues to dominate the robotic assisted bronchoscopy (RAB) market with their Ion Endoluminal robot (uses fiber optic shape sensing) and completed over 16,000 procedures in Q4 2023.
- We view the successes of Philips and Intuitive as highly beneficial to TSSC's awareness and market potential, as we have the only other version of this technology.

## Challenges

Our current challenges are tied to the need to raise capital by March 2025:

- The fundraising environment remains difficult (but is getting better).
- We have more engineering projects than we have engineering bandwidth.
- Several projects will require large capital expenditures.
- Intuitive & Philips are advancing their market positions, and we need to move *quickly*.

## How can you help?

- As outlined above, our greatest need right now is to close our Series B so we can move quickly into productization and FDA clearance. The best way to support our initiatives at this point is to assist us with fundraising. Please proactively connect me with any contacts you have at VC firms or strategic OEM venture arms so I can share our mission and sense of urgency for the opportunity at-hand.
- Secondly, we are still pursuing additional contacts within the medical device industry. While we have already connected with nearly all major MedTech OEMs, we certainly appreciate any further touchpoints within these organizations that could advance our collaboration efforts. Getting to the right person can make all the difference when navigating large companies.

This is an exciting time for The Shape Sensing Company. Our entire team can attest to the fact that we have never had more momentum than we do today. Our mission to bring our fiber optic shape sensing technology to the medical market will not only improve outcomes, but it will also create a lot of value. Thank you all for your continued support in our journey to revolutionize surgical navigation.

Kindest Regards,  
Ryan DeBoer  
CEO  
The Shape Sensing Company  
Cell: 312-515-3315