

MAUNA KEA TECHNOLOGIES REPORTS FOURTH QUARTER AND FULL YEAR 2018 SALES

Q4 Sales up 37% year-over-year, driven by a 109% sharp growth in the US
 +112% increase in pay-per-use revenues in Q4
 +323% growth in systems placements in 2018
 Total sales for the full year 2018 up 1.1%

Paris and Boston, January 17, 2019 – 5.45 PM CET – Mauna Kea Technologies (Euronext: MKEA) inventor of Cellvizio®, the multidisciplinary probe and needle-based confocal laser endomicroscopy (p/nCLE) platform, today announced its sales for the fourth quarter 2018 ended December 31, 2018.

“We are encouraged by Q4 performance and the momentum created leading into 2019. Our fourth quarter sales growth reflects the continued progress we are making in transitioning our business model and focusing our commercial efforts in high-growth procedure categories in the US market,” stated **Robert L. Gershon, Chief Executive Officer of Mauna Kea Technologies**. “Fourth quarter system shipments increased 211% year-over-year, driven by strong adoption of our Cellvizio systems by customers that see the value in our pay-per-use program. On a full year basis, this program has driven increasing adoption throughout 2018, and system placements in this program represented 323% increase over 2017. Most importantly, these placements are driving solid growth in sales of consumables – the key indicator of recurring revenue – which increased 17% year-over-year in total year 2018”.

Fourth Quarter and Full Year 2018 Sales by Category

(in € thousands) – IFRS	Q4 2018	Q4 2017	% Chg. Y/Y	FY 2018	FY 2017	% Chg. Y/Y
Systems	874	653	34%	2,683	3,101	(13%)
Consumables	795	624	27%	2,812	2,397	17%
<i>o/w pay-per-use program</i>	327	154	112%	890	650	37%
Services	450	273	65%	1,265	1,188	6%
Total Sales	2,120	1,550	37%	6,760	6,687	1%

Total sales for the fourth quarter of 2018 were €2.1 million, up 37% year-over-year. Fourth quarter sales growth was driven by a 34% increase in system sales, a 65% increase in services revenue and a 27% increase in sales of consumables. The year-over-year increase in total consumables sales in the fourth quarter of 2018 was driven by sales to customers in our pay-per-use program, which represented approximately 41% of total consumables sales in the fourth quarter of 2018, compared to 25% in the prior year period.

Total sales for the full year 2018 were €6.8 million, up 1% year-over-year. Full year 2018 sales growth was driven primarily by a 17% increase in consumables sales and a 6% increase in services revenue, which offset a 13% decrease in systems sales in the period. The year-over-year decrease in system sales was driven by the Company’s strategic shift to a consignment model where units are placed, compared to the prior selling model based on outright sales of systems in the prior year period. The Company placed 55 new Cellvizio systems under its PPU program in 2018, up 323% year-over-year. New system placements in 2018 drove a 37% increase in pay-per-use consumables sales.

Fourth Quarter and Full Year 2018 Units Sales by Type

Units (#)	Q4 2018	Q4 2017	% Chg. Y/Y	FY 2018	FY 2017	% Chg. Y/Y
New Systems Sold	9	8	13%	26	30	(13%)
New System Placements	19	1	1,800%	55	13	323%
Consumable Probe Shipments	170	177	(4%)	663	606	9%
<i>o/w reorders or pay-per-use</i>	132	161	(18%)	594	491	21%

Total Cellvizio System shipments increased 211% year-over-year to 28 in the fourth quarter of 2018, compared to 9 total shipments in the prior year period. New system placements under the Company's pay-per-use program represented 68% of total shipments in the fourth quarter of 2018, compared to 11% in the prior year period.

Total Cellvizio System shipments increased 88% year-over-year to 81 in the full year 2018 period, compared to 43 total shipments in the prior year period. New system placements under the Company's pay-per-use program represented 68% of total shipments in the full year 2018 period, compared to 30% in the prior year period.

Total consumable probe shipments decreased 4% year-over-year to 170 in the fourth quarter of 2018, compared to 177 in the prior year period. Consumable probe reorders and pay-per-use orders represented 78% of total consumable probe shipments in the fourth quarter of 2018, compared to 91% in the prior year period.

Total consumable probe shipments increased 9% year-over-year to 663 in the full year 2018 period, compared to 606 in the prior year period. Consumable probe reorders and pay-per-use orders represented 90% of total consumable probe shipments in the full year 2018 period, compared to 81% in the prior year period.

2018 Sales by Geography with split by activity (Clinical / Pre-clinical)

(in € thousands) – IFRS	Q4 2018	Q4 2017	% Chg. Y/Y	FY 2018	FY 2017	% Chg. Y/Y
U.S. & Canada¹	1,317	631	109%	3,582	3,142	14%
Clinical	1,199	605	98%	3,181	3,117	2%
Pre-clinical	118	26	363%	400	25	1,516%
Asia-Pacific	289	666	(57%)	1,599	1,952	(18%)
Clinical	279	311	(10%)	1,407	1,229	14%
Pre-clinical	10	354	(97%)	191	722	(74%)
EMEA	505	164	207%	1,544	1,283	20%
Clinical	475	122	289%	1,001	816	23%
Pre-clinical	30	42	(30%)	543	467	16%
LATAM	10	89	(89%)	36	310	(88%)
Clinical	10	89	(89%)	36	310	(88%)
Pre-clinical	0	0	n/m	0	0	n/m
Total Clinical Sales	1,962	1,128	74%	5,626	5,473	3%
Total Pre-clinical Sales	158	422	(63%)	1,135	1,214	(6%)
Total Sales	2,120	1,550	37%	6,760	6,687	1%

¹ US & Canada sales previously reported with LATAM sales as Americas.



Clinical sales

Total clinical sales for the fourth quarter of 2018 were €2.0 million, up 74% year-over-year, driven by a 98% increase in sales in the U.S. & Canada regions and a 289% increase in sales in the EMEA region which offset a 10% decrease in sales in the Asia-Pacific region and an 89% decrease in sales in the LATAM region.

Total clinical sales for the full year 2018 period were €5.6 million, up 3% year-over-year, driven by a 14% increase in sales in the Asia-Pacific region and a 23% increase in sales in the EMEA region which offset an 88% decrease in sales in the LATAM region.

Pre-clinical sales

The year-over-year decrease in pre-clinical sales was driven by the Company's strategic focus on clinical sales opportunities and, as stated in prior quarters, these sales are less recurring than clinical sales which presents difficult comparisons from one period to another.

Total pre-clinical sales were €158k and €1.1 million in the fourth quarter and full year 2018 periods, respectively, representing 7% of total sales and 17% of total sales, compared to 27% of total sales and 18% of total sales, respectively, in the prior period.



Financial calendar

Please note that the 2019 financial calendar is available on Mauna Kea Technologies' website: <https://www.maunakeatech.com/en/investors/financial-calendar>

About Mauna Kea Technologies

Mauna Kea Technologies is a global medical device company focused on eliminating uncertainties related to the diagnosis and treatment of cancer and other diseases thanks to real time *in vivo* microscopic visualization. The Company's flagship product, Cellvizio®, has received clearance/approval in a wide range of applications in more than 40 countries, including the United States, Europe, Japan, China, Canada, Brazil and Mexico. For more information on Mauna Kea Technologies, visit www.maunakeatech.com

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