

MAUNA KEA TECHNOLOGIES REPORTS SECOND QUARTER AND FIRST HALF 2018 SALES

U.S. momentum underway with 12 new Cellvizio® deals in Q2, including 11 consignments vs. 2 in Q2 2017

US sales Q2 2018 up 56% vs. Q2 2017, with miniprobes sales up 60%

Global sales Q2 2018 stable vs. Q2 2017, with miniprobes sales up 33%

Mauna Kea Technologies will host a conference call today at 1:15 PM (ET / New York time) to discuss the Company's second quarter and first half 2018 sales results and to provide a business update. The conference call will be hosted by Sacha Loiseau, CEO, and Christophe Lamboeuf, CFO. To access the conference call, please use one of the following dial-in numbers at least 5 minutes prior to the scheduled start time and follow the instructions: USA: +1 877-407-4018 / UK: +44 (0) 800-756-3429 / FR: +33 (0) 800-912-848. The passcode for the conference call is: 13681934. Following the conclusion of the live call, a replay will be available for seven days. To access the replay, please dial one of the following numbers: USA: +1 844-512-2921 / UK/FR: +1 412-317-6671. The passcode for the replay is: 13681934.

Paris and Boston, July 25, 2018 – 5.45 PM CEDT – Mauna Kea Technologies (Euronext: MKEA, OTCQX: MKEAY, MKEAF) inventor of Cellvizio®, the multidisciplinary confocal laser endomicroscopy platform, today announced its sales for the second quarter 2018 and for the half-year ended June 30, 2018.

Sacha Loiseau, Ph.D., Founder and Chief Executive Officer of Mauna Kea Technologies, stated, "In the second quarter, we began to see the benefits of having a complete U.S. commercial team in the field. Our commercial focus, which emphasizes pay-per-use agreements in the U.S., is gaining traction as we placed more consignment systems in the first six months of 2018 than we did in all of 2017. Second quarter global consumables sales, which we view as a key leading indicator for recurring revenues, were up 33% over the second quarter of 2017 and more importantly, were up 60% in the U.S. However, there is an inherent lag between initial system placements and revenue ramp up in our pay-per-use model, and we are not yet benefitting from the full effect of our installed base growth. We are working hard to continue driving wider adoption and higher utilization of Cellvizio®, with increasing efforts on reimbursement coverage and peer-to-peer training. We are encouraged by the current momentum in the U.S. as well as in Asia-Pacific, where we continue to see growing investments on the part of our partner in China, which has yielded 8% growth for the first half."

Second Quarter 2018 Sales by Category

(in € thousands) – IFRS	Q2 2018 (June 30, 2018)	Q2 2017 (June 30, 2017)	Change %
Systems	617	838	(26%)
Consumables	751	564	33%
<i>o/w pay-per-use program</i>	<i>193</i>	<i>180</i>	<i>8%</i>
Services	297	284	5%
Total Sales	1,665	1,686	(1%)

Total sales for the second quarter were €1.7 million, which was in line with the second quarter of last year. The 26% decline in system sales was compensated by a 33% increase in consumables, reflecting the Company's



successful focus on its recurring revenue model. This shift in focus is expected to continue to drive recurring revenue growth in future quarters.

When compared to the first quarter of 2018, total sales increased 60%, driven by a 68% increase in consumables coupled with a 65% increase in system sales. The increase in consumables was due to a 69% increase in U.S. pay-per-use sales, while the increase in system sales was primarily attributable to placements in China. There were no sales to the Company's partner, Cook Medical, in the second quarter.

Second quarter 2018 Unit Sales by Type

Units	Q2 2018	Q2 2017	Change %
New systems straight sales (per unit)	6	9	(33%)
<i>New consignments placed</i>	<i>11</i>	<i>2</i>	<i>450%</i>
Probes	163	129	26%
<i>o/w reorders or pay-per-use</i>	<i>146</i>	<i>107</i>	<i>36%</i>

Shipped consumable probes unit volume for the quarter was 163 units, an increase of 26% compared to 129 probes sold in the second quarter of 2017. Probe reorders and pay-per-use orders totaled 146 this quarter, an increase of 36% compared to 107 for the same period in 2017.

First Half 2018 Sales

(in € thousands) – IFRS	2018	2017	Change %
1 st Quarter	1,042	1,599	(35%)
2 nd Quarter	1,665	1,686	(1%)
<i>q/q % growth</i>	<i>60%</i>	<i>5%</i>	
Total 1H Sales	2,707	3,285	(18%)

First-half 2018 sales declined 18% compared with a year ago, primarily attributable to a 35% decline in the first quarter compared with the first quarter of 2017. This was partially offset by accelerating momentum in the second quarter, with total Q2 sales essentially flat on a year-over-year basis, and up 60% sequentially on strong growth in consumables sales.

First Half 2018 Sales by Category

(in € thousands) – IFRS	2018	2017	Change %
	(June 30, 2018)	(June 30, 2017)	
Systems	990	1,522	(35%)
Consumables	1,197	1,098	9%
<i>o/w pay-per-use program</i>	<i>308</i>	<i>357</i>	<i>(14%)</i>
Services	520	664	(22%)
Total Sales	2,707	3,285	(18%)

The Company shipped 25 Cellvizio® systems in the first half of 2018, including 16 systems placed under the Company's pay-per-use program, compared to 22 systems in the first half of 2017, including 8 systems under the pay-per-use program. First half revenue from the pay-per-use program declined 14% year-over-year due low usage associated with limited commercial personnel in place in the United States in the first quarter.

**First Half 2018 Quarterly Sales by Geography with split by activity (Clinical / Pre-clinical)**

(in € thousands) – IFRS	Q1 2018	Q2 2018	1H 2018	Q1 2017	Q2 2017	1H 2017	1H 2018 Change %
US & Canada¹	459	866	1,326	824	556	1,379	(4%)
Clinical	446	846	1,291	844	539	1,383	(7%)
Pre-clinical	14	21	35	-20	18	-4	900%
Asia-Pacific	242	485	728	202	476	677	7%
Clinical	242	319	561	171	262	433	29%
Pre-clinical	0	166	166	31	213	244	(32%)
EMEA	337	294	630	547	502	1,049	(40%)
Clinical	74	259	333	219	419	638	(48%)
Pre-clinical	263	35	297	328	83	411	(28%)
LATAM	4	19	23	27	153	180	(87%)
Clinical	4	19	23	27	153	180	(87%)
Pre-clinical	0	0	0	0	0	0	--
Total Clinical Sales	766	1,443	2,209	1,260	1,372	2,634	(16%)
Total Pre-clinical Sales	276	222	498	338	313	651	(23%)
Total Sales	1,042	1,665	2,707	1,599	1,686	3,285	(18%)

Clinical sales

Clinical sales in the US & Canada in the first half of 2018 were €1.3 million, a decrease of 7% compared to the same period last year. A total of 16 systems were consigned to the U.S. & Canada in the first half of the year, of which 11 systems were placed during the second quarter in addition to the five placed during the first quarter, reflecting the U.S. sales team's early ability to execute. The 16 systems consigned in the first half of 2018 represent a 100% progression compared to first half 2017 placements of 8 systems, and exceeds the 13 systems placed for all of 2017.

Clinical sales increased by 29% in the Asia-Pacific region as the Company continued generating top-line growth in China, driven by our partner's activities. This was offset by a 48% decline in EMEA coupled with an 87% decline in LATAM as the Company continued to focus its resources on the growth of its core clinical business in the U.S.

Pre-clinical sales

As stated in prior quarters, pre-clinical sales are by nature less recurring than clinical ones, resulting in a difficult comparison from one period to another. Pre-clinical sales declined by 23% in the first half 2018 compared to the year-ago period.

First Half 2018 Quarterly Unit Sales by Type

Units	Q1	Q2	1H18	Q1	Q2	1H17	Change % 1H
New systems straight sales (per unit)	3	6	9	5	9	14	-35%
<i>New consignments placed</i>	5	11	16	6	2	8	+100%
Probes	106	163	269	125	129	254	+6%
<i>o/w reorders or pay-per-use</i>	101	146	247	115	107	222	+14%

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



Shipped consumable probes unit volume was 269 units, an increase of 6% compared to 254 probes sold in the first half of 2017. Probe reorders and pay-per-use orders totaled 247 in the first half of 2018, an increase of 14% compared to 222 probes shipped in the first half of 2017.

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 to sell for 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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