

MAUNA KEA TECHNOLOGIES REPORTS THIRD QUARTER 2018 SALES

Strong U.S. momentum with 400% year-on-year increase of consignment placements and 82% sequential growth

U.S. consumable miniprobes sales up 38% in Q3 vs same period last year

Global sales up 4% year-over-year, with global miniprobes sales up 31%

Mauna Kea Technologies will host a conference call today at 7:15 PM (CEDT / Paris time) / 1:15 PM (EDT / New York time) to discuss the Company's third quarter 2018 sales results and to provide a business update. The conference call will be hosted by Sacha Loiseau, CEO, Christophe Lamboeuf, CFO, and incoming CEO, Robert L. Gershon. 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: +1 646-722-4916 / FR: +33 (0) 1 72 72 74 03 / UK: +44 (0) 20 7194 3759. The PIN for the conference call is: 20 00 60 09#. Following the conclusion of the live call, a replay will be available for 90 days. To access the replay, please dial one of the following numbers: USA: +1 646-722-4969 / FR: +33 (0) 1 70 71 01 60 / UK: +44 (0) 20 3364 5147. The passcode for the replay is: 418 794 707#.

Paris and Boston, October 18, 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 third quarter 2018 ended September 30, 2018.

“During the last quarter, we continued to work hard to improve on our metrics in the United States and have seen continued momentum generated by our sales team, with 20 more pay-per-use deals closed this quarter compared to 5 in the first quarter and 11 in the second quarter of this year. Furthermore, we recorded a sequential growth of 32.1% vs the second quarter of our Pay-Per-Use revenues which were up by 69.3% over the first quarter,” stated Sacha Loiseau, Ph.D., Founder and Chief Executive Officer of Mauna Kea Technologies. “The positive performance demonstrates our commercial team’s early ability to drive Cellvizio® adoption and we look forward to the continued benefits of our growing usage in our installed base. In addition to our progress in the U.S., we are encouraged by positive developments in Asia-Pacific with increasing investments from our partner in China, driving a 17% increase in clinical sales versus last year. The timing is optimal for the leadership transition we announced last week. Rob Gershon contributes decades of global general management and product commercialization experience to Mauna Kea as our incoming Chief Executive Officer. I very much look forward to working with Rob and Christophe Lamboeuf in my new capacity as Chairman.”

Third Quarter 2018 Sales by Category

(in € thousands) – IFRS	Q3 2018 (September 30, 2018)	Q3 2017 (September 30, 2017)	Change %
Systems	829	926	(10%)
Consumables	820	674	31%
<i>o/w pay-per-use program</i>	<i>255</i>	<i>141</i>	<i>81%</i>
Services	284	252	13%
Total Sales	1,933	1,852	4%

Total sales for the third quarter were €1.9 million, up 4% when compared to the third quarter of last year. Revenue growth was driven by a 31% increase in consumables, partially offset by a 10% decline in system sales, in line with the Company’s focus on its recurring revenue model. Importantly, revenue from our pay-per-use program increased 81% year-over-year and 32.1% sequentially from last quarter. The focus on pay-per-use revenue is expected to drive recurring revenue growth in future quarters.

Third Quarter 2018 Unit Sales by Type

Units	Q3 2018	Q3 2017	Change %
New systems straight sales (per unit)	8	8	0%
<i>New consignments placed</i>	20	4	400%
Probes	224	175	28%
<i>o/w reorders or pay-per-use</i>	215	108	99%

Shipped consumable probes unit volume for the quarter was 224 units, an increase of 28% compared to 175 probes sold in the third quarter of 2017. Probe reorders and pay-per-use orders totaled 215 this quarter, nearly double compared to 108 for the same period in 2017.

The Company shipped 28 Cellvizio systems in the third quarter of 2018, including 20 systems placed under the Company's pay-per-use program, compared to 12 systems in the third quarter of 2017, including 4 systems under the pay-per-use program.

The 20 systems consigned to the U.S. during the quarter reflect the U.S. sales team's ability to continue executing on our pay-per-use model. These new deals closed in the third quarter increase the total number of consignment systems placed to 36 through the first nine months of 2018, for a total of 49, including the 13 systems placed during 2017.

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

(in € thousands) – IFRS	Q1 2018	Q2 2018	Q3 2018	9M 2018	Q1 2017	Q2 2017	Q3 2017	9M 2017	Var (%) 9M
U.S. & Canada¹	459	866	939	2,265	824	556	1,133	2,511	(10%)
Clinical	446	846	691	1,983	844	539	1,127	2,512	(21%)
Pre-clinical	14	21	248	282	-20	18	6	-1	n/m
Asia-Pacific	242	485	582	1,310	202	476	608	1,286	2%
Clinical	242	319	567	1,129	171	262	485	918	23%
Pre-clinical	0	166	15	181	31	213	124	368	(51%)
EMEA	337	294	409	1,039	547	502	69	1,119	(7%)
Clinical	74	259	193	526	219	419	56	694	(24%)
Pre-clinical	263	35	216	513	328	83	13	424	21%
LATAM	4	19	3	27	27	153	41	221	(88%)
Clinical	4	19	3	27	27	153	41	221	(88%)
Pre-clinical	0	0	0	0	0	0	-	-	--
Total Clinical Sales	766	1,443	1,454	3,663	1,260	1,372	1,709	4,345	(16%)
Total Pre-clinical Sales	276	222	479	977	338	313	143	791	23%
Total Sales	1,042	1,665	1,933	4,640	1,599	1,686	1,852	5,136	(10%)

Clinical sales

Clinical sales in the U.S. & Canada in the third quarter of 2018 were €0.7 million, a decrease of 39% compared to the same period last year, mainly due to the absence of capital sales this quarter compared to 3 systems sold in Q3 2017. The decline was expected due to our shift to a consignment strategy for capital equipment.

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

Clinical sales increased by 17% in the Asia-Pacific region driven by top-line growth in China, as the Company's go-to-market strategy continues driving increased system placements. This was in combination with a 242% increase in EMEA partially offset by a 92% decline in LATAM.

Pre-clinical sales

As stated in prior quarters, pre-clinical sales are by nature less recurring than clinical sales, resulting in a difficult comparison from one period to another. Pre-clinical sales increased by 235% in the third quarter 2018 compared to the year-ago period.

2018 Quarterly Unit Sales by Type

	Q1 2018	Q2 2018	Q3 2018	9M 2018	Q1 2017	Q2 2017	Q3 2017	9M 2017	Var (%) 9M
Units									
New systems straight sales (per unit)	3	6	8	17	5	9	8	22	(23%)
<i>New consignments placed</i>	5	11	20	36	6	2	4	12	200%
Probes	106	163	224	493	125	129	175	429	15%
<i>o/w reorders or pay-per-use</i>	101	146	215	462	115	107	108	330	40%

Importantly, shipped consumable probes unit volume sequential growth was 37.4% over Q2 which grew 53.8% over Q1 2018. Year-to-date volume sales of probes for reorder and pay-per-use were 40% up compared to last year.

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

United States

Lee Roth / Emma Poalillo
The Ruth Group
646-536-7012 / 7024
lroth@theruthgroup.com /
epoalillo@theruthgroup.com

U.S. Media

Kirsten Thomas
The Ruth Group
508-280-6592
ktthomas@theruthgroup.com

France and Europe

NewCap - Investor Relations
Tristan Roquet-Montégon
+33 (0)1 44 71 94 94
maunakea@newcap.eu

Disclaimer

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