MAUNA KEA TECHNOLOGIES announces a capital increase of approximately €12.5 million reserved for two investors

This transaction by issuance of Units allows the Company to secure its financing until the end of the third quarter of 2022

Paris and Boston, September 20, 2021 – 07:30 AM CEST – Mauna Kea Technologies (FR0010609263, MKEA), inventor of Cellvizio®, the multidisciplinary probe and needle-based confocal laser endomicroscopy (pCLE and nCLE) platform, today announced a share capital increase reserved for certain categories of investors, for an aggregate amount (including issue premium) of approximately €12.5 million.

Johnson & Johnson Innovation – JJDC, Inc. (JJDC), one of the Company's existing shareholders, and a leading US-based healthcare fund, Armistice Capital Master Fund Ltd, have committed to an aggregate subscription of 2,272,709 units (the "Units"), with each Unit consisting of five (5) ordinary shares and two (2) warrants, each warrant providing the right to purchase one (1) ordinary share (each a "Warrant"), in a share capital increase reserved to specified categories of investors, as described below. These commitments are subject to certain customary closing conditions for investments of this nature.

"We are proud to announce the execution of equity subscription agreements with these reputable healthcare investors," said Robert L. Gershon, Chief Executive Officer of Mauna Kea Technologies. "These investments provide capital that will help us execute our strategic growth initiatives, including the expansion of our Cellvizio® real-time in vivo cellular imaging platform, and our goal of improving patient care in the years to come."

The gross proceeds from the subscription of the Units, before deducting placement agent fees and offering expenses, are expected to be approximately €12.5 million. The Company intends to use the net proceeds, approximately €11.5 million, from this offering to fund the development of the Cellvizio® platform, pursue clinical studies and intensify commercial and marketing efforts in the United States, as well as for general working capital and corporate purposes. The Company estimates that the net proceeds of the capital increase (€11.5 million), as well as any additional drawings on the equity line that the company has with Kepler Cheuvreux, as the case may be, will enable it to finance its activities and strategy until the end of the third quarter of 2022.

In connection with this investment, the Company and the Lung Cancer Initiative (LCI) at Johnson & Johnson[1], an affiliate of JJDC, entered into a clinical study and research collaboration agreement, as announced separately today.

Main terms of the share capital increase

The issuance of the 11,363,545 new ordinary shares (to which are attached the 4,545,418 warrants) will result in an increase of €454,541.8 for a gross amount of €12,499,899.5 (including a global issuance premium of €12,045,357.7, i.e., an issuance premium of €1.06 per ordinary share issued), representing approximately 34.2% of the Company's share capital outstanding before the transaction.

The issue price per share of the ordinary shares (€1.100) represented a premium of 4.7% from the average of the 5 consecutive quoted prices of the share (weighted average price) chosen from among the thirty trading sessions preceding the setting of the issue price (i.e. €1.050, on the basis of the sessions of August 13, 16, 17, 18 and 19) ("VWAP") and a discount of 3.9% compared to the closing price of the trading session dated September 15, 2021 (€1.144).

After deduction of the estimated fair value of 40% of one Warrant (i.e., €0.168, the fair value per warrant having been estimated at €0.42, based on a volatility assumption of 45%), the implicit subscription price of the shares is €0.932 (€1.100 – €0.168) and represents a discount of 11.3% compared to the VWAP (€1.050), and a discount of 18.5% compared to the closing price of the trading session dated September 15, 2021 (€1.144).

[1] The legal entity of the Lung Cancer Initiative at Johnson & Johnson is Johnson & Johnson Enterprise Innovation Inc.

The Warrants will be immediately exercisable upon issuance and will have an eight-year term. The shares that may result from the exercise of the warrants, i.e., 4,545,418 potential additional new ordinary shares, represent a total of 40% coverage of the ordinary shares issued in the context of the capital increase, and 13.68% of the Company's outstanding share capital before the transaction. The exercise price of the Warrants shall be equal to €1.10, representing a discount of 3.8% of the last closing price of the Company's shares on Euronext Paris preceding the determination of the issue price and a discount of 11.3% compared to the VWAP after deduction of the theoretical value of 40% of a warrant of the exercise price.

JJDC, an existing shareholder of the Company, has agreed to purchase an aggregate of approximately 48% of the total number of Units to be sold in the transaction and will hold, after settlement of the transaction, approximately 24.2% of the Company's share capital. If all Warrants it will hold after settlement of the transaction are exercised in full, and assuming no further issuances of securities and no exercise of the warrants subscribed by Armistice, approximately 27.7% of the Company's share capital.

The share capital increase of the Company is achieved by issuing ordinary shares with warrants attached without shareholders' preferential subscription rights under the provisions of Article L. 225-138 of the French Commercial Code and pursuant to the 20th resolution of the general meeting of the shareholders of the Company held on June 3, 2021. This offering was open only to investors who met the categories defined in the above-mentioned resolution, i.e., (i) natural and legal persons, including companies, trusts or investment funds, organized under French or foreign law, that habitually invest in the pharmaceutical, biotechnological or medical technology sector and/or (ii) companies, institutions or entities of any type, French or foreign, that exercise a significant part of their business in the pharmaceutical, cosmetic, chemical or medical devices and/or technologies or research in these sectors.

The Units were offered (i) in the United States of America, to a limited number of investors who have represented that they are "qualified institutional buyers" ("QIB") within the meaning of Rule 144A ("Rule 144A") under the Securities Act or institutional "accredited investors" within the meaning of Rule 501(a) under the Securities Act, pursuant to the exemption from registration under Section 4(a)(2) of the Securities Act; and, as the case may be, (ii) outside of the United States of America (A) in the European union (including in France), to specified categories of investors under the provisions of Article L.225-138 of the French Commercial Code and which qualify as "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (EU) 2017/1129 (the "Prospectus Regulation") and (B) outside of the European Union (and outside of Canada, Australia and Japan), pursuant to applicable private placement exemptions, all in reliance on Regulation S under the Securities Act.

After closing of the offering, the ordinary shares will be fungible with the Company's existing shares and listed on Euronext Paris under ISIN FR0010609263.

The closing of the transaction is expected to occur on or about September 23, 2021, subject to satisfaction of customary closing conditions.

Dilution

On an illustrative basis, a shareholder holding 1% of the Company's outstanding share capital before the transaction and who did not participate in this offering would hold 0.75% of the Company's outstanding share capital after the completion of the transaction and 0.68% of the Company's outstanding share capital if the Warrants are exercised in full.

Lock-up

In the context of the transaction, the Company has made an abstention agreement, limiting the Company's ability to issue additional common shares for a period of 90 days following the date of the settlement and delivery of the Units, subject to certain customary exceptions.

Oppenheimer & Co Inc. is acting as the exclusive placement agent for the transaction.

Information available to the public

For the purpose of the application to listing on the regulated market of Euronext Paris of the new ordinary shares to be issued at closing and the new ordinary shares to be issued upon exercise of the Warrants, the Company has submitted a listing prospectus in the French language to the approval of the *Autorité des Marchés Financiers* ("AMF") and received such approval under number 21-405 on September 17. The prospectus includes (i) the 2020 universal registration document of the Company (*Document d'Enregistrement Universel*) filed with the AMF on June 17, 2021 under number D. 21-0566 with the amendment to the 2020 universal registration document of the Company filed with the AMF on September 17, 2021 (*Amendement au Document d'Enregistrement Universel*), and (ii) a Securities Note (*Note d'opération*), including (iii) a summary of the prospectus in French. Copies of the Company's 2020 universal registration document, amendment to the 2020 universal registration document and of the prospectus of admission are available free of charge at the Company's head office located at 9 rue d'Enghien – 75010 Paris, on the Company's website (www.maunakeatech.com) and on the AMF's website (www.amf-france.org). These hyperlinks are included pursuant to the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 ("Prospectus Regulation") for the convenience of investors and the contents of this website is not incorporated by reference into this press release.

Risk factors

The investors' attention is drawn to the risk factors associated with the Company, its activity and the transaction presented in Chapter 3 of the 2020 Universal Registration Document, in Section 1.2 of the Amendment and in Chapter 2 of the Securities Note, which are available free of charge on the Company's website (www.maunakeatech.com) and the AMF's website (www.amf-france.org). The occurrence of all or part of the risks mentioned in the above-mentioned documents could have a negative impact on the Company's activity, financial situation, results, development or outlook.

Additionally, investors should consider the following risks specific to this transaction: (i) the market price of the Company's shares may fluctuate and fall below the subscription price of the shares issued as part of the transaction, (ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) sales of the Company's shares may take place on the market and have a negative impact on the market price its share, and (iv) the Company's shareholders could suffer potentially significant dilution resulting from any future capital increases required to provide the Company with additional financing.

Next Publication
September 23, 2021: H1 results

The Company will release its H1 results for the period ended June 30, 2021 on September 23, 2021. This communication will not disclose any privileged information, either from an operational or financial point of view, that has not already been communicated to the market.

In this respect, the Company specifies that, in addition to the information relating to its turnover as of June 30, 2021 (communication of July 22, 2021), the listing prospectus established within the framework of the operation provides (in Section 3 of the Securities Note) updated financial information as of June 30, 2021, concerning in particular shareholders' equity (excluding income) and net financial debt, as well as the Company's short-term financing and financing horizon.

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About Mauna Kea Technologies

Mauna Kea Technologies is a global medical device company that manufactures and sells Cellvizio®, the real-time in vivo cellular imaging platform. This technology uniquely delivers in vivo cellular visualization which enables physicians to monitor the progression of disease over time, assess point-in-time reactions as they happen in real-time, classify indeterminate areas of concern, and guide surgical interventions. The Cellvizio platform is used globally across a wide range of medical specialties and is making a transformative change in the way physicians diagnose and treat patients. *For more information: www.maunakeatech.com*

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MAUNA KEA TECHNOLOGIES
Robert Gershon
Chief Executive Officer

Christophe Lamboeuf
Deputy Chief Executive Officer
and Chief Financial Officer

United States
Mike Piccinino, CFA Westwicke, an ICR
Company 443-213-0500

France and Europe
NewCap
Investor relation

Thomas Grojean

+33 (0)1 44 71 94 94
maunakea@newcap.eu

Name: **MAUNA KEA TECHNOLOGIES**
ISIN code: FR0010609263
Ticker: MKEA

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The distribution of this document may, in certain jurisdictions, be restricted by local legislations. Persons into whose possession this document comes are required to inform themselves about and to observe any such potential local restrictions.

This announcement is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "Prospectus Regulation"). Investors are advised to read the prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities. The approval of the prospectus by the AMF should not be understood as an endorsement of the securities offered or admitted to trading on a regulated market.

In France, the offering described above will take place solely as a placement to a category of institutional investors, in accordance with Article L. 225-138 of the "Code de commerce" and applicable regulations and which qualify as "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation.

With respect to Member States of the European Economic Area (including France) and the United Kingdom, no action has been taken or will be taken to permit a public offering of the securities referred to in this press release which would require the publication of a prospectus (pursuant to article 3 of the Prospectus Regulation) in any Member State or the United Kingdom. As a result, the securities may only be offered (i) to qualified investors within the meaning of the Prospectus Regulation, for any investor in a Member State of the European Economic Area, or Regulation (EU) 2017/1129 as part of national law under the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"), for any investor in the United Kingdom, or in any other case exempting the Company from publishing a prospectus in accordance with Article 1(4) of the Prospectus Regulation or the UK Prospectus Regulation, as the case may be.

This press release and the information it contains is not an offer to sell, nor the solicitation of an offer to subscribe for or buy, new shares in the United States. Securities may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration thereunder. Mauna Kea Technologies does not intend to register the new shares under the Securities Act or conduct a public offering of the new shares in France, the United States, or in any other jurisdiction.

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