Mauna Kea Technologies

Public Limited Company (*société anonyme*) with share capital of €1,930,659

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Annual Financial Report 2022

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MANAGEMENT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. PREAMBLE

At its meeting on April 5, 2023, the Board of Directors reviewed the consolidated financial statements for the financial year ended December 31, 2022, and approved said financial statements. These consolidated financial statements were produced using the IFRS guidelines.

2. FINANCIAL POSITION OF THE GROUP DURING THE PAST FINANCIAL YEAR

2.1 Report on significant activity and events during the 2022 financial year

Mauna Kea Technologies is a medical device design and sales company whose mission is to eliminate uncertainties in diagnosis and treatment and to improve patient care for a number of clinical indications. In becoming a global player in real-time cellular diagnostics, the Company's prime objectives are to constantly improve the quality of care provided to patients and efficiency of healthcare professionals and systems. The Company's flagship product, Cellvizio, has received market authorizations for a wide range of applications in more than 40 countries, including the United States, Europe, Japan and China.

As of December 31, 2022, the Mauna Kea Technologies Group is made up of a multidisciplinary team of 68 employees, has an installed base of almost 715 systems in over 40 countries and has achieved around €112.7 million in sales since its founding, including €7.5 million in the 2022 financial year.

As at the date of closing of these financial statements, the Board of Directors believes that the Company will be able to cover the financing needs of its operating activities until December 31, 2023, in view of the following considerations:

- Cash available at December 31, 2022, amounted to €3.1 million, to which is added
- Inflow of $6.5 million in January 2023 received by Tasly as part of the signature of the License agreement (see highlights of the financial year)
- Inflow of €0.7 million following the exercise of share purchase warrants (BSA) by Kepler under the equity line contract described in highlights
- Inflow of $2.5 million expected in April 2023 by Tasly as part of the joint venture (JV) agreement
- Inflow of the balance of the 2022 research tax credit for €0.2 million in Q2 2023 and prefinancing of the 2023 research tax credit for €0.6 million in Q4 2023;

The Company is in a position to meet its potential needs until April 30, 2024, by subscribing to a financing line or an equity line.

Highlights of the financial year:

During 2022, the Company continued its efforts to use Cellvizio as the key tool for lung cancer characterization and for molecular imaging-guided surgeries.

The Company also continued its efforts in Research and Development and in clinical studies.

Clinical study with the Johnson & Johnson Lung Cancer Initiative

On February 22, 2022, the Company announced that, as part of its collaboration with the Johnson & Johnson Lung Cancer Initiative (LCI), the initial recruitment of patients had begun in a prospective, multi-center, open-label and a single-arm clinical feasibility study, sponsored by LCI.

The study will combine nCLE and robotic bronchoscopic navigation, using both Cellvizio® and the Monarch® platform of Auris Health, Inc., a subsidiary of Ethicon, Inc., part of Johnson & Johnson Medical Devices Companies, to assess the ability of the nCLE to accurately confirm the position of the needle for the diagnosis of peripheral pulmonary nodules (.gov: NCT05231278).

The main objective of this study, called CLEAR (*Confocal Laser Endomicroscopy nodule locAlization by Robotic bronchoscopy*), is to evaluate the ability of the nCLE to confirm in real time the positioning of the needle in the lesion during robotic bronchoscopic procedures, this position being confirmed by a cone beam tomography, also called CBCT. The secondary objectives are to assess the reproducibility of the use of the nCLE in several pulmonology centers and to assess the ability of the nCLE to diagnose malignancy compared to non-malignancy, including the exploration of the rate of contributory transbronchial biopsies of peripheral lung cancer during the procedure.

This study aims to include between 75 and 85 patients with peripheral pulmonary nodules in at least four US centers.

Creation of a joint venture and conclusion of licensing agreements with Tasly Pharmaceuticals (Tasly)

On July 11, 2022, the Company and Tasly announced the signature of a strategic agreement to create a joint venture (JV). Tasly Mauna Kea Medical Engineering Technology Co., Ltd was created on November 3, 2022, in Shaoxing, China, with a capital of RMB 250 million (€35 million as at November 6, 2022). It will be majority owned and financed by Tasly and jointly managed by Tasly and the Company.

Under the terms of the agreement, the JV will (i) market certain Cellvizio indications in China, (ii) develop and market Cellvizio worldwide in the fields of neurology and neurosurgery, and (iii) manufacture Cellvizio for the Chinese market. The JV will use both existing distribution partners and its own marketing network in China to accelerate the adoption of Cellvizio.

Mauna Kea Technologies did not recognize the JV's shares as of December 31, 2022, because the transfer of ownership of its contributions was not considered as effective. The contract between the two entities specifies that the transfer of ownership is conditional on the payment of capital of RMB 80 million (€10.8 million) by Tasly, which was only carried out after the closing date of 2022, on January 16, 2023. At the closing date, the aforementioned transfer of ownership had not been completed. Consequently, the joint venture was not included in the Group’s scope of consolidation for the 2022 financial year. Once the contributions are finalized by Tasly and Mauna Kea, Mauna Kea will receive 49% of the shares in this joint venture before transferring 4.9% of it to Centponts under the joint venture agreement in consideration for the strategic consulting services provided as part of the transaction.

Depending on the progress of the exchange of licenses and other intellectual property rights to the JV, the Company will (i) receive installment cash payments totaling $10 million, (ii) hold an equity interest of 44.1% in the joint venture and (iii) will be the beneficiary of a commitment to purchase minimum amounts of Cellvizio systems and probes for 5 years.

The Company received the first up front payment of $6.5 million in January 2023. The related invoice was issued in the 2022 financial year and was the subject of deferred income at the end of the year, as the performance obligations identified had not begun to be met as of December 31, 2022. Depending on the progress of the exchange of licenses and other intellectual property rights to the JV, the Company will receive other staggered cash payments totaling $3.5 million.

New 510(k) authorization from the FDA for Cellvizio with a contrast agent and a molecular marker

On April 12, 2022, the Company announced a new 510(k) authorization from the US Food and Drug Administration (FDA) for the use of the Cellvizio platform, with a molecular marker for real-time in vivo visualization during endoscopic, laparoscopic and needle procedures.

This FDA authorization concerns a new clinical indication for the use of Cellvizio in the fluorescence imaging of tissues targeted by a molecular marker, Pafolacianin, marketed under the name CYTALUX™ and manufactured by On Target Laboratories, Inc., in accordance with its approved use and method of administration. In addition, the authorization includes a new clinical indication for the use of Cellvizio for fluorescence imaging and the visualization of ICG (indocyanine green), whether intravenously or interstitial, in accordance with the approved use and method of administration of ICG. The 510(k) includes all Cellvizio™ Confocal Miniprobes in all authorized clinical indications.

The new area of medical procedures to which this new authorization provides access - Molecular Image-Guided Procedures (MIP) - provides Cellvizio with the unique clinical ability to visualize the tissues to which molecular agents bind, which makes it possible to visualize in real time cancer at the cellular level during minimally invasive procedures. The use of MIP during bronchoscopic lung biopsy could improve the diagnostic accuracy of biopsies while reducing the number of procedures, as well as the time and complications associated with obtaining a diagnosis.

New clinical research and product development collaboration with On Target Laboratories, Inc. (On Target) in the field of interventions guided by molecular imaging

On March 8, 2022, On Target and Mauna Kea Technologies announced a new clinical research and product development collaboration. This collaboration will make it possible to assess and establish the value of molecular imaging guidance for the identification and diagnosis of lung cancers during interventional bronchoscopy, based on two complementary technologies.

On May 18, 2022, On Target and Mauna Kea Technologies announced the publication of a study entitled "Targeted Detection of Cancer at the Cellular Level During Biopsy by Near-Infrared Confocal Laser Endomicroscopy" in the peer-reviewed scientific journal *Nature Communications*. This pilot study, conducted at the Faculty of Medicine of the University of Pennsylvania in Philadelphia, evaluated the use of On Target's intraoperative molecular imaging agent, injectable CYTALUX™ (pafolacianin), coupled with Mauna Kea's Cellvizio® platform, authorized by the FDA in the United States, for the intralesional visualization of cells targeted by CYTALUX™ during lung nodule biopsy. The study demonstrated that this new approach could identify small volumes of cancer, up to a single cancer cell among a thousand normal cells, in a type of lung nodule known as ground glass opacity (GGO), which is particularly difficult to identify and diagnose with existing technologies. In addition, the study showed that NIR-nCLE can provide easily interpretable real-time images that allow the user to accurately distinguish cancerous and non-cancerous tissue during a bronchoscopic biopsy, with overall sensitivity and specificity of 100% and 92%, respectively, and very high inter- and intra-observer agreement.

On July 5, 2022, a study entitled "Targeted Detection of Cancer Cells During Biopsy Allows Real-Time Diagnosis of Pulmonary Nodules" was published in the peer-reviewed journal *European Journal of Nuclear Medicine and Molecular Imaging* (EJNMMI).

This ground-breaking study, conducted by the team at the Faculty of Medicine at the University of Pennsylvania in Philadelphia and funded in part by the Johnson & Johnson Lung Cancer Initiative, aimed to assess the diagnostic accuracy of lung cancer detection at the cellular level using On Target's injectable intraoperative molecular marker, CYTALUX™ (pafolacianin), associated with Mauna Kea's Cellvizio platform, authorized by the FDA for the intralesional visualization of cells that have absorbed CYTALUX™ in solitary small pulmonary nodules during a bronchoscopic biopsy.

The study demonstrated that this new approach could allow the real-time detection of malignant cells at the end of the biopsy needle and creates images that allow accurate discrimination between tumor and normal tissue by non-expert observers. For each lesion, the evaluators blinded the NIR-nCLE on the presence of malignant cells with an overall sensitivity and specificity of 98% and 97%, respectively. The Positive Predictive Value and Negative Predictive Value were both 98%, and the overall diagnostic accuracy was 97%, a potentially significant improvement over conventional diagnostic methods, according to the authors.

Publication of a meta-analysis demonstrating the significant role of Cellvizio in the detection of esophageal dysplasia and cancer

On June 27, 2022, a meta-analysis entitled "High-definition probe-based confocal laser endomicroscopy review and meta-analysis for neoplasia detection in Barrett's Esophagus" was published in *Techniques and Innovations in Gastrointestinal Endoscopy* (TIGE), a peer-reviewed journal.

The MEDLINE and EMBASE biomedical databases were consulted for studies reporting the diagnostic results of confocal laser endomicroscopy with Cellvizio® as an adjuvant to randomized 4-quadrant biopsies in the monitoring of patients affected by Barrett's Esophagus for the early detection of dysplasia and cancer. The studies were eligible if they prospectively compared the real-time diagnostic accuracy of confocal laser endomicroscopy by Cellvizio® with the Seattle protocol and if they used the GastroFlex™ UHD miniprobe. After applying these selection criteria, nine studies were considered eligible, including 688 patients and 1,299 lesions. The sensitivity, specificity, and negative predictive

value of confocal laser endomicroscopy per patient were 96%, 93% and 98%, respectively. Compared to random biopsies, the increases in the absolute and relative detection rates of neoplasia per patient with confocal laser endomicroscopy were significant and equal to 5% and 243%, respectively. The study demonstrated that the addition of endomicroscopy with Cellvizio® as an adjuvant to guide biopsies provided a significantly higher diagnostic yield for dysplasia and cancer and reduced the sampling error compared to random biopsies to four quadrants only, constituting the standard diagnostic method.

In addition, a retrospective multi-study entitled “Health service utilization among patients with Barrett's Esophagus using Confocal Laser Endomicroscopy versus standard of care” focused on the analysis of the files of 60 patients affected by Barrett’s esophagus and referred for endoscopic monitoring or treatment. The authors examined the differences in the use of health services in gastroenterology for 8 elements/services among the patients imaged by Cellvizio® as an adjuvant compared to the standard diagnostic alone. The Cellvizio® cohort obtained lower scores in the range of: 1.04 fewer endoscopy and anesthesia services, 7.49 fewer biopsy vials, 1.30 fewer ablations, and 1.46 fewer cytological brushes. Thus, the researchers concluded that confocal laser endomicroscopy by Cellvizio® is associated with a lower overall burden on the healthcare system.

Success of a clinical study on the prediction of remission in patients with chronic inflammatory bowel diseases (IBD) and its publication in Gastroenterology

The final results of the ERIca trial (Erlangen Remission in IBD, clinicaltrials.gov NCT05157750) were published on October 21, 2022, in Gastroenterology, the flagship journal of the *American Gastroenterological Association*, in the article “Intestinal barrier healing is superior to endoscopic and histologic remission for predicting major adverse outcomes in IBD: the prospective ERIca trial” (https://www.gastrojournal.org/article/S0016-5085(22)01192-1/fulltext). This trial was a prospective long-term clinical study on the prediction of major adverse effects in patients with chronic inflammatory bowel disease (IBD) using confocal laser endomicroscopy with Cellvizio®.

Endoscopy is the key technique for monitoring patients with IBD, with patients undergoing a monitoring colonoscopy once a year or every two years. Endoscopic and histological remission, characterized by visual assessment of the colon and analysis of random biopsies, has become a key therapeutic objective in the management of IBD and is associated with favorable long-term outcomes.

In this study, the authors prospectively compared the predictive value of intestinal barrier scarring assessed dynamically and functionally by confocal laser endomicroscopy (Cellvizio®) and that of endoscopic and histological remission to predict the long-term behavior of the disease in a large cohort of patients with IBD in clinical remission.

Between 2017 and 2019, 296 patients with IBD were selected for this study. Of these, 181 patients with IBD (100 with Crohn’s disease and 81 with ulcerative colitis (UC) were ultimately eligible and included in the study, with an average follow-up of 25 months for UC and 35 months for Crohn’s disease.

The endoscopic and histological activity of the disease as well as the scarring of the intestinal barrier were evaluated prospectively according to established scores. During monitoring, the patients were closely inspected for the clinical activity of the disease and the appearance of major adverse effects: outbreaks of the disease, hospitalization or surgery related to an IBD, initiation or increase in the dose of systemic steroids, immunosuppressants, small molecules or biological treatments.

The authors noted that the scarring of the intestinal barrier characterized by confocal laser endomicroscopy was much superior to endoscopic and histological remission in predicting survival without major adverse effects in UC and Crohn’s disease.

- For patients suffering from UC and whose intestinal barrier scarring in the colon was confirmed by Cellvizio, the probability of survival without major adverse effects was 81%, compared to 47.7% - 64.7% for all other predictors.

- For patients suffering from Crohn’s disease and whose recovery of the intestinal barrier in the colon was confirmed by Cellvizio, the probability of survival without major adverse effects was 70.4%, compared to 43.9% - 50 % for all other endoscopic and histological predictors. When the healing of the barrier was confirmed in the ileum, this probability reached 100% compared to 43.9% - 50% for all other predictors.

Continuation of research as part of the collaboration with Telix Pharmaceuticals (Telix)

The Company is continuing the research carried out as part of its collaboration with Telix since 2020, called the IRiS Alliance and created to develop and validate the potential of the combination of the two companies' technologies. As part of the IRiS Alliance, another preclinical study divided into two phases was carried out in 2022 in mice bearing subcutaneous tumors. The first phase of the study made it possible to determine the optimal dose of PSMA-914. The second phase of the study provided the proof of concept by demonstrating the specificity of the CLE method for imaging tumors incubated with the optimal dose of PSMA-914. A scientific article written in collaboration with Dr. Ann-Christin Eder, Head of Biotechnology Development and Preclinical Imaging at the Fribourg University Medical Center, will be published in a peer-reviewed journal in 2023.

Continued evaluation of confocal endomicroscopy in the context of COVID-19

The study on the evaluation of COVID-19 in patients with acute pulmonary symptoms funded by the Company and led by Professor Annema from the Amsterdam University Medical Center (A UMC) is still ongoing.

New financing

On April 22, 2021, Mauna Kea Technologies established an equity financing line with Kepler Cheuvreux acting as financial intermediary under an underwriting agreement.

Under the terms of the agreement, Kepler Cheuvreux has undertaken to underwrite a maximum of 6,000,000 shares at its own initiative, over a maximum period of 24 months, provided that the contractual conditions are met. The shares would be issued based on a volume-weighted average share price over the two trading days preceding each issue, less a maximum discount of 6.0%. These terms and conditions would allow Kepler Cheuvreux to underwrite the shares over the term of the agreement. Mauna Kea Technologies retains the right to suspend or terminate this agreement at any time.

In 2022, Kepler Cheuvreux underwrote 1,875,000 shares representing a cash amount of €0.8 million, compared to 2,335,000 shares and €2.4 million in 2021.

Management changes

On October 3, 2022, Mr. Sacha Loiseau, Founder and Chairman of the Board of Directors of Mauna Kea Technologies, was appointed Chief Executive Officer, replacing Mr. Nicolas Bouvier, Interim Chief Executive Officer, with immediate effect. Mr. Sacha Loiseau now combines the positions of Chairman of the Board of Directors and Chief Executive Officer of Mauna Kea Technologies.

Ukraine conflict

The Company has no operations or business ties with Russia or Ukraine; however, the consequences of this conflict, whether direct or indirect, cannot be accurately quantified at this time.

2.2 Research and development, innovation, and new products

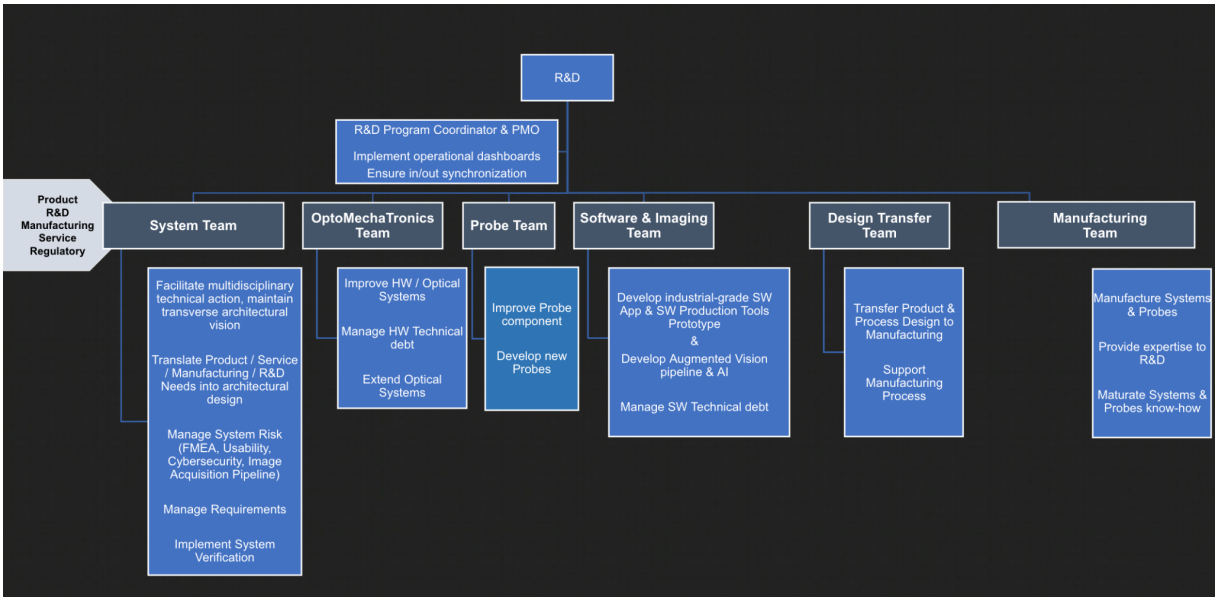
Research and Development

At the end of December 2022, the Research and Development team had 21 employees (doctors, engineers, or technicians) covering the fields of expertise necessary for the development of the Group's products and technologies, namely:

- optics and optotronics,
- mathematics applied to image processing,

- digital and analog electronics,
- software development,
- system engineering,
- biomechanics and instrumentation,
- micro-mechanical engineering, materials, and processes for precision assembly.

The R&D team shares biological and medical knowledge regarding applications and product use with the specialists of the Clinical Affairs team and the Product Managers.



Upstream R&D: Innovation

The Company is organized to draw on the necessary resources to directly inspire technological innovations that will enable it to expand in its market, and win new markets, by exploring solutions likely to encourage the development of innovative solutions to improve the care given to patients.

The Innovation Department provides ongoing scientific and technological oversight. Its objective is to identify and validate the ability of the technologies or components to remain at the leading edge of technology while limiting any risk of obsolescence relative to key components by identifying technical alternatives upstream.

The upstream studies arising from this monitoring are conducted by R&D department teams, either internally or through external collaborative efforts. They may constitute the preliminary phase of feasibility assessment that helps to decide whether to begin a product development project.

On the clinical level, the Company collaborates with various hospitals to assess the potential relevance and usability of the Cellvizio technology in new indications.

The upstream studies carried out in collaboration with academic laboratories are often co-funded to optimize the costs of research through grants or doctoral thesis scholarships.

Development of current products and optimization of their manufacture

In October 2021, Mauna Kea Technologies launched its Cellvizio IVE product (called “Generation 3”), which provides two important benefits:

- A scalable medical platform for endomicroscopy
- Increased ease of use, miniaturization and mobility for the multiple specialties addressed

The release of this platform was accompanied by significant organizational changes in R&D in order to enhance the Cellvizio IVE's evolution capabilities:

- The implementation of development cycles - or iterations - allowing the system to be updated twice a year, in compliance with medical standards, the safety of the system and its performance.
- The structuring of the entry point of these iterations around the requests of the Product team, the Customer Support team and the Regulatory team
- Ongoing integration of the system's technical debt management and probes: improve maintainability, optimize manufacturing costs, increase robustness and reliability

These organizational changes combine traditional "V-Cycle" techniques with more current and proven "Agile" approaches. The R&D, Marketing, Clinical and Regulatory teams are synchronized during each iteration to achieve the objective set.

The iterative approach allows the implementation of a virtuous valuation loop:

- Continuous value delivery to the market
- Increased interest from customers who see a return on investment through an evolving offer
- Close loop allowing the rapid capitalization of field returns and the implementation of improvements optimizing the effort/value ratio delivered ("minimum viable product").

Innovation technology pillars

As of 2022, the R&D team has implemented a technological strategy based on four axes allowing its technological valuation and the development of its business model. These four axes are developed through a medium/long-term strategy:

- "XPLore": agnostic instrumentation compatible with the largest number of minimally invasive devices on the market (endoscopes, needles, etc.)
- "AI": assistance to doctors, integrated into the system, to democratize practice
- "Multimodal Vision": the supply of imaging at several wavelengths on the new platform, notably to address the molecular imaging market
- "Core Components": the supply of a "Cellvizio Development Kit" allowing the integration of CLE technology in vivo in third-party devices such as surgical robots, endoscopes, and any minimally invasive device for monitoring, diagnosis, or treatment. The package includes technology and services to open an integration market, in OEM.

2.3 Clinical Research Activity

Cellvizio potentially targets all medical fields in which doctors need to assess the nature of tissues to make decisions as part of the care of their patients. Among these fields, gastroenterology, urology, pulmonology but also surgery and interventional radiology.

Since the Company does not have the necessary resources to address all of these medical fields head-on, it has chosen gastroenterology as a priority market since 2005 in view of Cellvizio's contribution to various pathologies that are particularly difficult to diagnose: Endo-Brachy-Esophagus, precancerous lesions of the stomach, biliary stenosis, colorectal polyps, chronic inflammatory bowel diseases and pancreatic cysts. The first sale in this field was completed in 2007. The same year, the first Cellvizio sale dedicated to pulmonology took place.

To date, digestive pathologies accessible by endoscopy remain the indications in which Cellvizio is the most used and the most sold. The Company has obtained regulatory approvals and high-level clinical evidence in other applications and is currently studying their potential. Among these, the exploration of the bronchi and the targeting of potentially malignant peripheral pulmonary nodules seem to be promising. Applications in urology and neurosurgery are others.

EBO (Endobrachyesophagus)

In June 2022, in a meta-analysis entitled “High definition probe-based confocal laser endomicroscopy review and meta-analysis for neoplasia detection in Barrett's esophagus” and published in *Techniques and Innovations in Gastrointestinal Endoscopy* (TIGE) (a peer-reviewed journal), the MEDLINE and EMBASE biomedical databases were consulted for studies reporting the diagnostic results of confocal laser endomicroscopy with Cellvizio® as an adjunct to randomized 4-quadrant biopsies in the monitoring of patients with Barrett’s esophagus for the early detection of dysplasia and cancer. The studies were eligible if they prospectively compared the real-time diagnostic accuracy of confocal laser endomicroscopy by Cellvizio® with the Seattle protocol and if they used the GastroFlex™ UHD miniprobe. After applying these selection criteria, nine studies were considered eligible, including 688 patients and 1,299 lesions. The sensitivity, specificity and negative predictive value of confocal laser endomicroscopy per patient were 96%, 93% and 98%, respectively. Compared to random biopsies, the increases in the absolute and relative detection rates of neoplasia per patient with confocal laser endomicroscopy were significant and equal to 5% and 243%, respectively. The study demonstrated that the addition of endomicroscopy with Cellvizio® as an adjuvant to guide biopsies provided a significantly higher diagnostic yield for dysplasia and cancer and reduced the sampling error compared to random biopsies to four quadrants only, constituting the standard diagnostic method.

In addition, a retrospective multi-center study entitled *“*Health service utilization among patients with Barrett’s Esophagus using Confocal Laser Endomicroscopy versus standard of care” focused on the analysis of the charts of 60 patients affected by Barrett’s esophagus and directed towards monitoring or surveillance. endoscopic treatment. The authors examined the differences in the use of health services in gastroenterology for 8 elements/services among the patients imaged by Cellvizio® as an adjuvant compared to the standard diagnostic alone. The Cellvizio® cohort obtained lower scores in the range of: 1.04 fewer endoscopy and anesthesia services, 7.49 fewer biopsy vials, 1.30 fewer ablations, and 1.46 fewer cytological brushes. Thus, the researchers concluded that confocal laser endomicroscopy by Cellvizio® is associated with a lower overall burden on the healthcare system.

Bile duct stenosis

In 2022, a meta-analysis based on 18 scientific articles confirmed these excellent results by showing that the confocal endomicroscopy by miniprobe has a sensitivity of 88% compared to 54% for traditional tissue sampling methods. The authors of this study concluded that confocal endomicroscopy with Cellvizio® is a better approach for the diagnosis of biliary stenosis because it provides real-time microscopic images of the biliary tract.

Chronic inflammatory bowel disease (IBD)

In October 2022, Professor Timo Rath, Head of the Center of Excellence for Endoscopy at the University Hospital in Erlangen, published the final results of the ERIca trial (*Erlangen Remission in IBD*, clinicaltrials.gov NCT: 05157750) in *Gastroenterology*, the flagship magazine of the *American Gastroenterological Association*, in the article “Intestinal barrier healing is superior to endoscopic and histologic remission for predicting major adverse outcomes in IBD: the prospective ERIca trial”. This prospective clinical study aimed to predict major long-term adverse effects on patients with chronic inflammatory bowel disease (IBD) using confocal laser endomicroscopy with Cellvizio®. Endoscopy is the key technique for monitoring patients with IBD, with patients undergoing a monitoring colonoscopy once a year or every two years. Endoscopic and histological remission, characterized by visual assessment of the colon and analysis of random biopsies, has become a key therapeutic objective in the management of IBD and is associated with favorable long-term outcomes. In this study, the authors prospectively compared the predictive value of intestinal barrier scarring assessed dynamically and functionally by confocal laser endomicroscopy (Cellvizio®) and that of endoscopic and histological remission to predict the long-term behavior of the disease in a large cohort of patients with IBD in clinical remission. The study's data showed that the scarring of the intestinal barrier, assessed by dynamic and functional visualization using confocal laser endomicroscopy, is a prognostic parameter that far surpasses endoscopic and histological remission, or their combination, in the prediction of the occurrence of major clinical events in patients affected by ulcerative colitis and Crohn’s disease.

Interventional pulmonology

As part of the collaboration with the Johnson & Johnson Lung Cancer Initiative (LCI), a pilot clinical study, combining nCLE and robotic bronchoscopic navigation, using both Cellvizio® and the Auris Health, Inc.’s Monarch™ platform, one of Johnson & Johnson’s medical device companies, for the diagnosis of peripheral pulmonary nodules was launched. This study was co-funded by the LCI of Johnson & Johnson and the Company (Clinicaltrials.gov: NCT04441749). The

main objective of this study was to assess the feasibility and safety of nCLE during bronchoscopy with robotic navigation in the assessment of peripheral lung lesions. This study started in 2020 and covered 25 patients with peripheral nodules.

In December 2022, the results of this first human clinical study combining nCLE and robot-assisted bronchoscopy were published in the international peer-reviewed journal *Respirology* (DOI: 10.1111/resp. 14438). This study combined the dexterity of robot-assisted bronchoscopy and the precision of real-time in vivo cell imaging information from nCLE to precisely target small lung lesions. Twenty patients with a median lung nodule size of 14.5 mm (range 8 to 28 mm) were recruited. This study demonstrated that robot-assisted bronchoscopic nCLE imaging for small peripheral lung lesions is feasible and safe and provides real-time feedback on the correct positioning of the needle. NCLE imaging by bronchoscopy confirmed the correct targeting of the needle ("*tool-in-lesion*") in the nodule in 19 of the 20 patients (95%), whereas the corresponding rapid on-site cytological assessment (ROSE) only confirmed the presence of representative material in 9 of the 20 patients (45%). No complications were reported during the study. Thanks to the feedback of the nCLE real-time in vivo cell imaging, the needle was repositioned in 45% of patients (9/20 patients) to achieve a diagnostic yield of 80% for all nodule sizes and locations. Of the 17 patients with malignancy, 16 (94%) had the final diagnosis of lung cancer confirmed by nCLE imaging, including two patients whose TBNA and biopsies were negative. Blinded assessors accurately and consistently distinguished between malignant nCLE videos from the airway/lung parenchyma.

Evaluation of confocal endomicroscopy in the context of COVID-19

In the context of the COVID-19 pandemic, Mauna Kea Technologies financed a pilot clinical study, led by Dr. Jouke T. Annema, MD, Ph.D., of the Amsterdam University Medical Center (AUMC), which uses pCLE to assess COVID-19 patients in intensive care with respiratory failure (study registered in the Dutch clinical trials register under number: NL9281). Prof. Annema and his team have previously demonstrated that endomicroscopic imaging of patients suffering from non-COVID severe acute respiratory syndrome is safe and provides microscopic and high-quality alveolar imaging to differentiate certain morphological criteria (Clinicaltrials.gov: NCT04479007). They concluded that endomicroscopic imaging has an added value compared to chest CT scans and that it has the potential to distinguish the main causes of respiratory failure in critically ill patients in intensive care. The characteristics of pCLE in severe acute respiratory syndrome related to COVID-19 are unknown. Endomicroscopic imaging during intensive care unit bronchoscopy could improve the diagnosis/etiology of severe acute respiratory syndrome related to COVID-19 and have a potential impact on treatment.

The study on the evaluation of COVID-19 in patients with acute pulmonary symptoms is still ongoing.

Collaboration with the On Target Laboratories, Inc. pharmaceutical laboratory. (On Target)

Publication of the results of the pilot study "Targeted Detection of Cancer at the Cellular Level During Biopsy by Near-Infrared Confocal Laser Endomicroscopy"

In 2019, the Company evaluated a first marker, OTI 38 or pafolacianin, a molecular agent emitting in the near-infrared range, manufactured by the company On Target. This marker targets the folate-alpha receptor in tumors (more particularly lung tumors and ovarian cancer).
Initial studies indicated that more than 90% of primary lung cancers accumulate OTL38 and produce tumor fluorescence during lung resection in a minimally invasive manner, but although this marker is very sensitive, it is not very specific. The contribution of endomicroscopic imaging of this agent at a cellular level could improve its specificity.

In order to assess the Cellvizio F800's ability to image OTL 38, several experiments were carried out:

1. An in vitro study to assess the physical ability of Cellvizio to excite OTO38 and to recover the signal emitted by OTO38
2. A second in vivo and ex vivo study on tumor models expressing the folate receptor.
   These trials were conducted at Purdue University in Lafayette (Indiana) in the United States. They made it possible to validate that Cellvizio F800 could visualize OTO38 in vitro and ex vivo.

In 2021, the Company participated in the continuation of the trials, and worked on the development of the protocol for the next phase of the trial, the objective of which is to assess the feasibility of our needle endomicroscopy technology to visualize the Cellular structures stained with OTL38 in lung tumors in vivo.

The acquisition of postoperative CLE images and videos and their processing were carried out by the Company's clinical experts and all resected lung samples were observed and analyzed postoperatively just after resection. The F800 imaging system emitting at 785 nm was used and the performance of several models of field-of-view mini-probes and different resolutions was evaluated. The trial took place at the University of Pennsylvania, UPenn School of Medicine.

The analysis of the preliminary data took place in 2021 and the results of the pilot study entitled "Targeted Detection of Cancer at the Cellular Level During Biopsy by Near-Infrared Confocal Laser Endomicroscopy" were published in 2022 in the peer-reviewed scientific journal *Nature Communications*. This study, conducted at the Faculty of Medicine of the University of Pennsylvania in Philadelphia, evaluated the use of On Target's intraoperative molecular imaging agent, injectable CYTALUX™ (pafolacianin or OTL38), coupled with the Cellvizio® platform, authorized by the FDA in the United States, for intralesional visualization of cells targeted by CYTALUX™ during lung nodule biopsy. An image-guided molecular procedure (MIP) performed using confocal near-infrared laser needle endomicroscopy (NIR-nCLE) may enable real-time detection of cancer in smaller and hard-to-visualize lung nodules, with a better diagnostic yield during the biopsy, all during a minimally invasive bronchoscopy procedure. The study demonstrated that this new approach could identify small volumes of cancer, up to a single cancer cell among a thousand normal cells, in a type of lung nodule known as ground glass opacity (GGO), which is particularly difficult to identify and diagnose with existing technologies. In addition, the study showed that NIR-nCLE can provide easily interpretable real-time images that allow the user to accurately distinguish cancerous and non-cancerous tissue during a bronchoscopic biopsy, with overall sensitivity and specificity of 100% and 92%, respectively, and very high inter- and intra-observer agreement.

This study marks an important step in the development of confocal needle laser endomicroscopy for its application in lung cancer. By evaluating the use of Cellvizio with CYTALUX, the potential of the very first real-time endoluminal molecular imaging technology for lung cancer was demonstrated.

New clinical research and product development collaboration

On March 8, 2022, On Target and the Company announced a new clinical research and product development collaboration in the field of molecular imaging guided interventions.

This collaboration was set up to develop the combined clinical and technological knowledge of the two companies, focusing initially on interventional pulmonology and lung cancer, with the possibility of extending this collaboration to other indications.

Molecular imaging is a growing field in interventional and surgical procedures that can detect cancer cells for easier and more accurate visualization. On Target's imaging agents target and bind to cancer cells, providing physicians with a tool to detect and eliminate cancer. Mauna Kea's Cellvizio platform enables tissue imaging at the cellular level, including the identification of cancer cells through a minimally invasive bronchoscopy procedure. The combination of these two technologies could create a new category of medical procedures - Molecular Image-Guided Procedures (PIM) - that would allow real-time visualization of cancer at the cellular level. The use of MIP during bronchoscopic lung biopsy could improve the diagnostic accuracy of biopsies while reducing the number of procedures, time and complications associated with obtaining a diagnosis.

Publication of the results of the study "Targeted Detection of Cancer Cells During Biopsy Allows Real-Time Diagnosis of Pulmonary Nodules"

On July 5, 2022, a study entitled "Targeted Detection of Cancer Cells During Biopsy Allows Real-Time Diagnosis of Pulmonary Nodules" was published in the peer-reviewed journal European Journal of Nuclear Medicine and Molecular Imaging (EJNMMI). This groundbreaking study, conducted by the team at the Faculty of Medicine at the University of Pennsylvania in Philadelphia and funded in part by the Johnson & Johnson Lung Cancer Initiative, aimed to assess the diagnostic accuracy of lung cancer detection at the cellular level using On Target's injectable intraoperative molecular marker, CYTALUX™ (pafolacianin), associated with Cellvizio®'s platform for the intralesional visualization of cells that have absorbed CYTALUX™ in solitary small pulmonary nodules during a bronchoscopic biopsy. In this *ex vivo* study of surgically excised tumors, researchers demonstrated that a molecular image-guided procedure (MIP) conducted with near-infrared confocal laser endomicroscopy (NIR-nCLE) can provide highly sensitive detection of malignancy in individual cancer cells. This is particularly important for solitary pulmonary nodules, due to them lacking a radiological signal of malignancy, and for frosted glass opacity nodules (GGO), whose soft tissue architecture is difficult to distinguish from normal lung tissue.

The study demonstrated that this new approach could allow the real-time detection of malignant cells at the end of the biopsy needle and creates images that allow accurate discrimination between tumor and normal tissue by non-expert observers. For each lesion, the evaluators blinded the NIR-nCLE on the presence of malignant cells with an overall sensitivity and specificity of 98% and 97%, respectively. The Positive Predictive Value and Negative Predictive Value were both 98%, and the overall diagnostic accuracy was 97%, a potentially significant improvement over conventional diagnostic methods, according to the authors.

Research collaboration with Telix Pharmaceuticals Ltd. (Telix)

In the context of future developments in urological surgery, Mauna Kea Technologies announced, in December 2020, a scientific collaboration with the Australian biopharmaceutical company Telix Pharmaceuticals Ltd. This exclusive scientific and clinical research collaboration, the "Alliance for Imaging and Robotics in Surgery (IRiS)", or “IRiS Alliance”, aims to combine their two complementary technologies to offer greater precision in the diagnosis and surgical treatment of urological cancers. It is based on the conviction that the use of cancer-specific positron emission tomography (PET) molecular imaging agents combined with fluorescent dyes, in conjunction with laser confocal endomicroscopy, can significantly improve surgical techniques and clinical outcomes in patients with urological cancers.

This collaboration aims to demonstrate that preoperative planning, intraoperative guidance, assessment of surgical margins and other surgical parameters can be improved by combining these methods. The first objective of this collaboration is to develop and evaluate the use of Telix’s dual-modality imaging agent, PET and fluorescence imaging, with the unique near-infrared version of our endomicroscopy platform, in order to improve fluorescence imaging-guided surgery for prostate and kidney cancers.

In 2021 and 2022, the IRiS Alliance thus set out to demonstrate that preoperative planning, intraoperative guidance, assessment of resection margins and other surgical parameters could be improved by combining these methods. The first objective of the IRiS Alliance is to develop and evaluate the use of Telix’s dual-modality molecular marker, PET and fluorescence imaging, with the near infrared version of the Cellvizio endomicroscopy platform, in order to improve surgical procedures for prostate and kidney cancers.

In order to continue this research, another preclinical study divided into two phases was carried out in 2022 in mice bearing subcutaneous tumors. The first phase of the study made it possible to determine the optimal dose of PSMA-914. The second phase of the study provided the proof of concept by demonstrating the specificity of the CLE method for imaging tumors incubated with the optimal dose of PSMA-914. A scientific article written in collaboration with Dr. Ann-Christin Eder, Head of Biotechnology Development and Preclinical Imaging at the Fribourg University Medical Center, will be published in a peer-reviewed journal in 2023.

2.4 Sales and marketing

Sales are made directly in France, Germany and the United States, and through distributors in the rest of Europe and in Asia.

At the end of 2022, the sales team for the EMEA and APAC region comprised six people.

At the end of December 2022, the US sales team comprised 7 people.

In all, the Group had a sales force of 13 people at the end of 2022 versus 18 as of December 31, 2021.

At year-end 2022, the Group had a marketing team of five people covering Operational Marketing (France, Europe, USA and Asia), Systems and Probes product development, and marketing communication.

2.5 Human Resources

The Group had a workforce of 68 people (excluding apprentices) at the end of 2022, versus 87 people (excluding apprentices) at the end of 2021.

The Company's aim is to promote the continuous development of employees' skills with consistently high standards: balancing the individual requirements of employees with the objectives and requirements identified by the business.

The training policy is directly based on performance and development reviews of employees and the corporate strategy.

The main areas of training are as follows:

- Investing in skills development directly related to the job profile where discrepancies are observed
- Preparing for career progression in the current and future duties of employees and thus support employability and mobility
- Supporting or anticipating changes, particularly in the technology or organizational sectors

Training activity in 2022 amounted to 926 hours of training provided. Emphasis was placed on the technical/business and regulatory skills required for the development of Mauna Kea Technologies, as well as training relating to staff safety.

2.6 Financing and capital structure

As at the date of closing of these financial statements, the Board of Directors believes that the Company will be able to cover the financing needs of its operating activities until December 31, 2023, in view of the following considerations:

- Cash available at December 31, 2022, amounted to €3.1 million, to which is added
- Inflow of $6.5 million in January 2023 received by Tasly as part of the signature of the License agreement (see highlights of the financial year)
- Inflow of €0.7 million following the exercise of share purchase warrants (BSA) by Kepler under the equity line contract described in highlights
- Inflow of $2.5 million expected in April 2023 by Tasly as part of the JV agreement
- Inflow of the balance of the 2022 research tax credit for €0.2 million in Q2 2023 and prefinancing of the 2023 research tax credit for €0.6 million in Q4 2023;

The Company is in a position to meet its potential needs until April 30, 2024, by subscribing to a financing line or an equity line.

The Company’s capital structure at December 31, 2022, was as follows:

Actionnaires	Nombre d'actions	% du capital
Alexandre Loiseau	587 240	1,26%
Sous total conseil d'administration (*)	**587 240**	**1,26%**
Johnson & Johnson Inncovation - JJDC Inc	10 811 687	23,26%
Autres au nominatif	5 464 452	11,76%
Autres flottant	29 487 472	63,45%
Auto-détention	125 624	0,27%
Total des actions composant le capital social	**46 476 475**	**100,00%**

* dans sa composition actuelle

2.7 Progress achieved and difficulties encountered

To date, the Company’s activity remains partly impacted by the Covid-19 crisis, notably in China in 2022.

In 2022, total sales amounted to €7.5 million, compared to €7.7 million in 2021, a decrease of 3% compared to the previous year.

With the expense reduction plan, the Company focused its financial resources to support the strategic guideline of using Cellvizio® as the key tool to assist in the characterization of lung cancer and for molecular imaging guided surgery, through one or more strategic partnerships.

In 2022, the Company continued to focus on the interventional pulmonology market. The work done so far in this area is very encouraging. Work on the collaboration agreement with Johnson & Johnson and the Lung Cancer Initiative (LCI) will continue in 2023.

The Company signed a clinical research and product development collaboration agreement with On Target Laboratories in the field of molecular imaging-guided procedures in March 2022. This new collaboration was set up to develop the combined clinical and technological knowledge of the two companies, focusing initially on interventional pulmonology and lung cancer, with the possibility of extending this collaboration to other indications.

The Company created a joint venture in China with Tasly Pharmaceuticals, which will be majority-owned by Tasly and managed jointly by Tasly and the Company.

3. Financial position of the Group during the past financial year

3.1 Operations of the Group

(In € thousands) - IFRS	FY 2022	FY 2021	Var. %
Sales	7 479	7 700	-3%
Other Income	631	839	-25%
Total of Revenues	**8 111**	**8 539**	**-5%**
Production costs	(2 004)	(1 989)	1%
Gross margin	**5 475**	**5 711**	**-4%**
Gross margin (%)	*73,2%*	*74,2%*	
Research & Development	(4 068)	(3 310)	23%
Sales & Marketing	(5 799)	(7 620)	-24%
Administrative expenses	(4 894)	(6 399)	-24%
Share-based payments	(327)	(548)	-40%
Total operating expenses	(15 089)	(17 877)	-16%
Operating profit/ (loss) from continuing operations	(8 983)	(11 327)	-21%
Non-recurring operating profit/ (loss)	(80)	(891)	-91%
Operating profit/ (loss)	**(9 062)**	**(12 218)**	**-26%**
Financial interests	(2 118)	(1 227)	73%
Profit / (loss)	**(11 180)**	**(13 445)**	**-17%**

3.1.1 Sales

Sales for the 2022 and 2021 financial years

(In € thousands) - IFRS	FY 2022	FY2021	Var. %
Q1	1 890	1 577	20%
Q2	1 499	1 738	-14%
Q3	1 423	1 773	-20%
Q4	2 667	2 612	2%
Total Sales	**7 479**	**7 700**	**-3%**

Sales by category

(In € thousands) - IFRS	FY 2022	FY2021	Var. %
Systems	2 979	3 193	-7%
Consumables	3 131	3 204	-2%
Services	1 370	1 303	5%
Total Sales	**7 479**	**7 700**	**-3%**

Sales by geographic area

(In € thousands) - IFRS	FY 2022	FY2021	Var. %
United States & Canada	4 202	4 182	0%
Asia-Pacific	402	1 561	-74%
EMEA & ROW	2 875	1 957	47%
Total Sales	**7 479**	**7 700**	**-3%**

Total sales for 2022 were down slightly, by 3%, and amounted to €7,479 thousand, in line with expectations. In the United States, sales were stable at €4,202 thousand, nevertheless impacted by a slowdown in activity in the second half of the year following difficulties in the supply of a contrast agent (fluorescein), which significantly affected the number of Cellvizio procedures. The recovery in EMEA & ROW activity in the second half enabled the Company to record a 47% increase in its sales in this region over 2022, thus offsetting the decline in sales in the Asia-Pacific region, due to the signature of the partnership with Tasly Pharmaceutical.

3.1.2 Other income

As at December 31, 2022, other income includes:

- research and innovation tax credits of €627 thousand;

3.1.3 Cost of production and gross margin

The cost of products sold amounted to €2,004 thousand for 2022 compared to €1,989 thousand for 2021, corresponding to 27% of sales in 2021 and 26% in 2022.

The gross margin amounted to 73% in 2022 and 74% in 2021. This decrease was mainly due to an unfavorable sales mix compared to 2021: fewer sales with 100% margin rates (old PPU systems, etc.) and also the increase in production costs.

3.1.4 Research and development expenses

In FY 2022, Research and Development expenses amounted to €4,068 thousand, compared to €3,310 thousand for FY 2021. Expenses were higher in 2022 than in 2021 because there was no longer any capitalization of expenses related to the development of GEN III.

The Company maintains a high level of R&D expenses mainly attributed to research and development in the fulfillment of projects led from several years.

3.1.5 Marketing and sales costs

Marketing and Sales expenses are currently the largest overhead. They amounted to €5,800 thousand in 2022 compared to €7,620 thousand in 2021.

The decrease in employee benefits expenses compared to December 31, 2021, was mainly due to efforts to reduce costs, the cancellation of seminars and promotional events and a reduction in travel by the sales teams.

This expense remains the Company's largest expenditure item and represents 38% (2021: 42%) of total operating expenses for the year 2022.

3.1.6 Administrative expenses

Administrative expenses were down by 24% compared to 2021, from €6,399 thousand in 2021 to €4,894 thousand in 2022. The decrease in employee benefits and external expenses compared to December 31, 2021, was mainly due to the reorganization related to the change of management, which generated savings, and the efforts made to reduce costs.

3.1.7 Share-based payments

As with previous financial years, the Group continued to issue stock options to its US employees, and also share subscription warrants (BSA) to its independent board directors. The Group has also set up free performance share plans and free share plans, whose terms and conditions are voted on and approved by shareholders at the Annual

General Meeting. The overall costs of these plans in 2022 amounted to €327 thousand, compared with €548 thousand in 2021.

3.1.8 Operating profit (loss)

Operating profit (loss) for FY 2022 was €(9,063) thousand compared to €(12,218) thousand in 2021.

This 26% decrease was due to a mix of lower sales and other income of 3% and 25%, respectively, and a 16% decrease in operating expenses due to the restructuring plan.

A non-current expense of €908 thousand related to the restructuring plan was recognized in 2021. Severance payments involved eight employees in France and 11 employees (including the former Chief Executive Officer) in the United States, which were paid at the end of 2021 and in 2022.

In 2022, additional payments involved one employee in France and one employee in the United States.

3.1.9 Profit/(loss)

After taking into account a net finance expense of €(2,117) thousand at December 31, 2022, compared with an expense of €(1,227) thousand at December 31, 2021, the Company's loss comes to €(11,180) thousand, compared to €(13,445) thousand for the financial year ended December 31, 2021.

3.1.10 Cash and cash equivalents

At December 31, 2022, cash and cash equivalents totaled €3,137 thousand compared with €11,866 thousand at December 31, 2021.

3.2 Risks and uncertainties – transactions with related parties

The main financial instruments used by the Group are financial assets, cash, and investment securities. The purpose of managing these instruments is to finance the Company's business activity. It is the Group's policy not to subscribe to financial instruments for speculative purposes.

The primary risks to which the Group is exposed are interest rate risk, credit risk and exchange rate risk.

Exchange rate risk

The main currency for which the Group is exposed to significant exchange rate risk is the US dollar.

The purpose of the Mauna Kea Technologies Inc. subsidiary established in the State of Massachusetts is to distribute and market the Group's products in the United States. To this end, it is fully financed by the parent company, with which it has established three agreements:

- a cash management agreement for a current account in USD;
- a distribution agreement;
- a services agreement (*Management* fees).

The Group's major exchange rate risk is linked to the EUR/USD parity fluctuation. In fact, the Group markets the product and services in the US through its subsidiary Mauna Kea Technologies Inc. Its revenues and expenses – including the purchases of Cellvizio and probes to Mauna Kea Technologies SA are expressed in US dollars the operational currency of the subsidiary. As a result, the Group is exposed to changes in the EUR/USD exchange rate through that subsidiary.

A change in exchange rates has an impact on Group earnings and shareholders' equity in the same manner, as follows:

- A +10% change in the EUR/USD exchange rate would result in a rise in earnings of €211 thousand at December 31, 2022;
- A -10% change in the EUR/USD exchange rate would result in a drop in earnings of €(258) thousand at December 31, 2022.

Liquidity risk

Note 1.1 to the Consolidated financial statements describes the items and assumptions relating to the going concern assumption.

Note 11 to the Consolidated financial statements describes the financial liabilities to which the Group is committed.

Note 22 to the Consolidated financial statements describes the commitments and obligations given by the Group.

Interest rate risk

At December 31, 2022, the Company did not hold any investment securities, whose interest rate changes have a direct impact on the rate of return for these investments and the cash flows generated.

The loan with EIB is at a fixed rate and is therefore not subject to interest rate risk.

The repayable BPI/OSEO advances at a 2.45% interest rate for an overall, non-discounted amount of €3,407 thousand are detailed in Note 11: Loans and borrowings to the consolidated financial statements. They are not subject to interest rate risk.

Credit risk

In the Company's experience, the payment of certain public financing of research expenditures is subject to credit risk.

The Company manages its available cash in a prudent manner. Cash and cash equivalents include cash on hand only.

Credit risk related to cash, cash equivalents, and current financial instruments is insignificant in light of the quality of the co-contracting financial institutions.

Regarding its customers, the Company has no significant concentration of credit risk. The Group has established policies that ensure that its customers have an appropriate credit risk history.

Fair value

The fair value of financial instruments traded on an active market is based on the market price at the reporting date. The market prices used for financial assets held by the Company are the purchase prices in effect on the market at the valuation date.

The nominal value, minus provisions for impairment, of other payables and receivables is assumed to approach the fair value of those items.

3.3 Foreseeable developments and outlook

In 2022, the Company's activity was partially impacted by the COVID-19 pandemic and the Company did not benefit from any government aid for this financial year.

In 2019 and 2020, the Company began the process of evaluating the commercial potential of the Cellvizio system in the interventional pulmonology market. The work done to date in this field is very encouraging and continued in 2021 and 2022 with the research collaboration agreement with the Lung Cancer Initiative ("LCI") of Johnson & Johnson. The purpose of this contract is to advance the validation of Cellvizio as a tool for real-time biopsy guidance during robotic bronchoscopic navigation, in order to potentially reduce the failure rate of transbronchial biopsies of peripheral lung cancers. The first study combining Cellvizio with the Monarch robotic system for the evaluation of peripheral nodules was published in a peer-reviewed journal at the end of 2022.

With the expense reduction plan, the Company will focus its financial resources to support the strategic guideline of using Cellvizio® as the key tool to assist in the characterization of lung cancer and for molecular imaging guided surgery, through one or more strategic partnerships.

For several months, the Group has also initiated research in molecular imaging, notably through the creation of the IRiS Alliance with Telix Pharmaceuticals. The first phase of the partnership addressed a pre-clinical and feasibility study, which could be followed by multi-center studies and potentially open up commercial opportunities in a few years. This pre-clinical study was completed in 2022 and the two companies are currently working on the start of the clinical phase as well as the next phases of collaboration.

In 2023, the Company intends to continue its efforts:

- on the one hand, in the field of strategic partnerships, with several ongoing projects with existing or new partners;
- on the other hand, in the optimization of its direct commercial development, the aim of which is to (i) generate profits and (ii) find one or more commercial development partners.

The Company is also accelerating its activities in interventional pulmonology, given the results obtained in 2022. Thus, two new clinical studies with opinion leaders both in Europe and the US will be initiated, in order to continue the extension of the value proposition of Cellvizio in the diagnosis of lung cancer.

The Company is continuing the development of its “FAST” application in the field of food allergy and intolerance, which is a great success in Germany and soon in Italy, with around twenty centers already in operation.

In China, the hiring of the staff of the Joint Venture with Tasly Pharmaceuticals and the activity of the latter, both at the commercial and R&D levels, is starting.

3.4 Significant events having occurred between the end of the financial year and the drafting of this report

Progress of the joint venture with Tasly Pharmaceuticals

Events concerning the progress of the joint venture with Tasly Pharmaceuticals are presented in the section dedicated to the Group's position over the past financial year.

Publication of the results of the first human clinical study combining robot-assisted bronchoscopy and confocal laser endomicroscopy for lung cancer

On January 12, 2023, the Company announced that the results of the first human clinical study combining nCLE and robot-assisted bronchoscopy (Clinicaltrials.gov: NCT04441749) were published in the international peer-reviewed journal *Respirology*. Information relating to this study is provided in the section dedicated to the Group’s position over the past financial year.

Silicon Valley Bank goes bankrupt

On March 10, 2023, the Deposit Guarantee Agency (FDIC), an offshoot of the US government, took control of Silicon Valley Bank (SVB), on the verge of implosion due to massive withdrawals by its customers.

SVB is a financial partner of Mauna Kea Inc., which has a current account in this bank. The account has continued to operate normally since March 13, 2023, insofar as the US subsidiary can make payments, collections, and transfers to the French parent company.

As the account is operating normally, as the American authorities intend to protect the bank’s deposits and the SVB is in the process of being acquired by First Citizens, the Mauna Kea Group does not identify any risk following this takeover of FDIC.

MANAGEMENT REPORT ON THE SEPARATE FINANCIAL STATEMENTS

Ladies and Gentlemen,

We present to you the management report on the operations of the Company for the financial year beginning on January 1, 2022, and ending on December 31, 2022, and hereby submit the annual financial statements for this financial year for your approval.

We propose that you appropriate the profit (loss) for the financial year ended on December 31, 2022, and approve the agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code entered into during the past financial year.

The General Meeting of June 2, 2022, via the 4th resolution voted on, decided to allocate the amount in the "Retained earnings" account to the "Share premium" account for the entire amount of said "Share premium" account, which amounted, before allocation, to €111,919,708. Following this allocation, the "Share premium" account was reduced to zero (€0) and the "Retained earnings" account now stands at €(15,751,336).

It should be recalled that the Company's shareholders' equity fell to less than half of the share capital at December 31, 2019. The General Meeting of June 3, 2021, through the 14th resolution which passed, resolved to continue the Company's activities.

At December 31, 2022, shareholders' equity amounted to €(25,928,003) and the share capital for its part amounted to €1,859,059. Shareholders' equity remained below half of the share capital as at December 31, 2022, the date on which the period for settling the position expired.

In accordance with the provisions of Article L. 225-37 paragraph 6 of the French Commercial Code, the report on corporate governance (section II) is included in this management report.

During the meeting, you will also hear read aloud the statutory auditors' reports.

We remind you that the statutory auditors' reports, the reports of the Board of Directors and the annual financial statements have been made available to you at the head office in accordance with the legal and regulatory requirements, so that you may examine them.

I. MANAGEMENT REPORT

1. Presentation of the Mauna Kea Group (the "Group")

1.1 Presentation of the Group's operations

Mauna Kea Technologies is a medical device design and sales company whose mission is to eliminate uncertainties in diagnosis and treatment and to improve patient care for a number of clinical indications. In becoming a global player in real-time cellular diagnostics, the Company's prime objectives are to constantly improve the quality of care provided to patients and efficiency of healthcare professionals and systems. The Company's flagship product, Cellvizio, has received market authorizations for a wide range of applications in more than 40 countries, including the United States, Europe, Japan and China.

As at the date of closing of these financial statements, the Board of Directors believes that the Company will be able to cover the financing needs of its operating activities until December 31, 2023, in view of the following considerations:

- Cash available at December 31, 2022, amounted to €3.1 million, to which is added
- Inflow of $6.5 million in January 2023 received by Tasly as part of the signature of the License agreement (see highlights of the financial year)

- Inflow of €0.7 million following the exercise of share purchase warrants (BSA) by Kepler under the equity line contract described in highlights
- Inflow of $2.5 million expected in April 2023 by Tasly as part of the joint venture (JV) agreement
- Inflow of the balance of the 2022 research tax credit for €0.2 million in Q2 2023 and prefinancing of the 2023 research tax credit for €0.6 million in Q4 2023;

The Company is in a position to meet its potential needs until April 30, 2024, by subscribing to a financing line or an equity line.

1.2 Highlights of the past financial year

The financial statements below cover the period from January 1, 2022, to December 31, 2022, i.e., a period of 12 months.

The Company continued its efforts to use Cellvizio as the key tool to aid in lung cancer characterization and for molecular imaging-guided surgeries.

The Company also continued its efforts in Research and Development and in clinical studies.

Clinical study with the Johnson & Johnson Lung Cancer Initiative

On February 22, 2022, the Company announced that, as part of its collaboration with the Johnson & Johnson Lung Cancer Initiative (LCI), the initial recruitment of patients had begun in a prospective, multi-center, open-label, and a single-arm clinical feasibility study, sponsored by LCI.

The study will combine nCLE and robotic bronchoscopic navigation, using both Cellvizio® and the Monarch® platform of Auris Health, Inc., a subsidiary of Ethicon, Inc., part of Johnson & Johnson Medical Devices Companies, to assess the ability of the nCLE to accurately confirm the position of the needle for the diagnosis of peripheral pulmonary nodules (.gov: NCT05231278).

The main objective of this study, called CLEAR (Confocal Laser Endomicroscopy nodule locAlization by Robotic bronchoscopy), is to evaluate the ability of the nCLE to confirm in real time the positioning of the needle in the lesion during robotic bronchoscopic procedures, this position being confirmed by a cone beam tomography, also called CBCT. The secondary objectives are to assess the reproducibility of the use of the nCLE in several pulmonology centers and to assess the ability of the nCLE to diagnose malignancy compared to non-malignancy, including the exploration of the rate of contributory transbronchial biopsies of peripheral lung cancer during the procedure.

This study is targeting between 75 and 85 patients with peripheral pulmonary nodules in at least four US centers.

Creation of a joint venture and conclusion of licensing agreements with Tasly Pharmaceuticals (Tasly)

On July 11, 2022, the Company and Tasly announced the signature of a strategic agreement to create a joint venture (JV). Tasly Mauna Kea Medical Engineering Technology Co., Ltd was created on November 3, 2022, in Shaoxing, China, with a capital of RMB 250 million (€35 million as at November 6, 2022). It will be majority owned and financed by Tasly and jointly managed by Tasly and the Company.

Under the terms of the agreement, the JV will (i) market certain Cellvizio indications in China, (ii) develop and market Cellvizio worldwide in the fields of neurology and neurosurgery, and (iii) manufacture Cellvizio for the Chinese market. The JV will use both existing distribution partners and its own marketing network in China to accelerate the adoption of Cellvizio.

Mauna Kea Technologies did not recognize the JV's shares as at December 31, 2022, because the transfer of ownership of its contributions was not considered as effective. The contract between the two entities specifies that the transfer of ownership is conditional on the payment of capital of RMB 80 million (€10.8 million) by Tasly, which was only carried out after the closing date of 2022, on January 16, 2023. At the closing date, the aforementioned transfer of ownership

had not been completed. Consequently, the joint venture was not included in the Group's scope of consolidation for the 2022 financial year. Once the contributions are finalized by Tasly and Mauna Kea, Mauna Kea will receive 49% of the shares in this joint venture before transferring 4.9% of it to Centponts under the joint venture agreement in consideration for the strategic consulting services provided as part of the transaction.

Depending on the progress of the exchange of licenses and other intellectual property rights to the JV, the Company will (i) receive installment cash payments totaling $10 million, (ii) hold an equity interest of 44.1% in the joint venture and (iii) will be the beneficiary of a commitment to purchase minimum amounts of Cellvizio systems and probes for 5 years.

The Company received the first up front payment of $6.5 million in January 2023. The related invoice was issued in the 2022 financial year and was the subject of deferred income at the end of the year, as the performance obligations identified had not begun to be met as at December 31, 2022. Depending on the progress of the exchange of licenses and other intellectual property rights to the JV, the Company will receive other staggered cash payments totaling $3.5 million.

New 510(k) authorization from the FDA for Cellvizio with a contrast agent and a molecular marker

On April 12, 2022, the Company announced a new 510(k) authorization from the US *Food and Drug Administration* (FDA) for the use of the Cellvizio platform, with a molecular marker for real-time in vivo visualization during endoscopic, laparoscopic and needle procedures.

This FDA authorization concerns a new clinical indication for the use of Cellvizio in the fluorescence imaging of tissues targeted by a molecular marker, Pafolacianin, marketed under the name CYTALUX™ and manufactured by On Target Laboratories, Inc., in accordance with its approved use and method of administration. In addition, the authorization includes a new clinical indication for the use of Cellvizio for fluorescence imaging and visualization of ICG (indocyanine green), intravenously or interstitial, in accordance with the use and the approved method of administration of the ICG. The 510(k) includes all Cellvizio™ Confocal Miniprobes in all authorized clinical indications.

The new area of medical procedures to which this new authorization provides access - Molecular Image-Guided Procedures (MIP) - provides Cellvizio with the unique clinical ability to visualize the tissues to which molecular agents bind, which makes it possible to visualize in real time cancer at the cellular level during minimally invasive procedures. The use of MIP during bronchoscopic lung biopsy could improve the diagnostic accuracy of biopsies while reducing the number of procedures, as well as the time and complications associated with obtaining a diagnosis.

New clinical research and product development collaboration with On Target Laboratories, Inc. (On Target) in the field of interventions guided by molecular imaging

On March 8, 2022, On Target and Mauna Kea Technologies announced a new clinical research and product development collaboration. This collaboration will make it possible to assess and establish the value of molecular imaging guidance for the identification and diagnosis of lung cancers during interventional bronchoscopy, based on two complementary technologies.

On May 18, 2022, On Target and Mauna Kea Technologies announced the publication of a study entitled "Targeted Detection of Cancer at the Cellular Level During Biopsy by Near-Infrared Confocal Laser Endomicroscopy" in the peer-reviewed scientific journal *Nature Communications*. This pilot study, conducted at the Faculty of Medicine of the University of Pennsylvania in Philadelphia, evaluated the use of On Target's intraoperative molecular imaging agent, injectable CYTALUX™ (pafolacianin), coupled with Mauna Kea's Cellvizio® platform, authorized by the FDA in the United States, for the intralesional visualization of cells targeted by CYTALUX™ during lung nodule biopsy. The study demonstrated that this new approach could identify small volumes of cancer, up to a single cancer cell among a thousand normal cells, in a type of lung nodule known as ground glass opacity (GGO), which is particularly difficult to identify and diagnose with existing technologies. In addition, the study showed that NIR-nCLE can provide easily interpretable real-time images that allow the user to accurately distinguish cancerous and non-cancerous tissue during a bronchoscopic biopsy, with overall sensitivity and specificity of 100% and 92%, respectively, and very high inter- and intra-observer agreement.

On July 5, 2022, a study entitled "Targeted Detection of Cancer Cells During Biopsy Allows Real-Time Diagnosis of Pulmonary Nodules" was published in the peer-reviewed journal *European Journal of Nuclear Medicine and Molecular Imaging* (EJNMMI).

This groundbreaking study, conducted by the team at the Faculty of Medicine at the University of Pennsylvania in Philadelphia and funded in part by the Johnson & Johnson Lung Cancer Initiative, aimed to assess the diagnostic accuracy of lung cancer detection at the cellular level using On Target's injectable intraoperative molecular marker, CYTALUX™ (pafolacianin), associated with Mauna Kea's Cellvizio platform, authorized by the FDA for the intralesional visualization of cells that have absorbed CYTALUX™ in solitary small pulmonary nodules during a bronchoscopic biopsy.

The study demonstrated that this new approach could allow the real-time detection of malignant cells at the end of the biopsy needle and creates images that allow accurate discrimination between tumor and normal tissue by non-expert observers. For each lesion, the evaluators blinded the NIR-nCLE on the presence of malignant cells with an overall sensitivity and specificity of 98% and 97%, respectively. The Positive Predictive Value and Negative Predictive Value were both 98%, and the overall diagnostic accuracy was 97%, a potentially significant improvement over conventional diagnostic methods, according to the authors.

Publication of a meta-analysis demonstrating the significant role of Cellvizio in the detection of esophageal dysplasia and cancer

On June 27, 2022, a meta-analysis entitled "High-definition probe-based confocal laser endomicroscopy review and meta-analysis for neoplasia detection in Barrett's esophagus" was published in *Techniques and Innovations in Gastrointestinal Endoscopy* (TIGE), a peer-reviewed journal.

The MEDLINE and EMBASE biomedical databases were consulted for studies reporting the diagnostic results of confocal laser endomicroscopy with Cellvizio® as an adjuvant to randomized 4-quadrant biopsies in the monitoring of patients affected by Barrett's esophagus for the early detection of dysplasia and cancer. The studies were eligible if they prospectively compared the real-time diagnostic accuracy of confocal laser endomicroscopy by Cellvizio® with the Seattle protocol and if they used the GastroFlex™ UHD miniprobe. After applying these selection criteria, nine studies were considered eligible, including 688 patients and 1,299 lesions. The sensitivity, specificity, and negative predictive value of confocal laser endomicroscopy per patient were 96%, 93% and 98%, respectively. Compared to random biopsies, the increases in the absolute and relative detection rates of neoplasia per patient with confocal laser endomicroscopy were significant and equal to 5% and 243%, respectively. The study demonstrated that the addition of endomicroscopy with Cellvizio® as an adjuvant to guide biopsies provided a significantly higher diagnostic yield for dysplasia and cancer and reduced the sampling error compared to random biopsies to four quadrants only, constituting the standard diagnostic method.

In addition, a retrospective multi-center study entitled "Health service utilization among patients with Barrett's Esophagus using Confocal Laser Endomicroscopy versus standard of care" focused on the analysis of the files of 60 patients affected by Barrett's esophagus and referred for endoscopic monitoring or treatment. The authors examined the differences in the use of health services in gastroenterology for 8 elements/services among the patients imaged by Cellvizio® as an adjuvant compared to the standard diagnostic alone. The Cellvizio® cohort obtained lower scores in the range of: 1.04 fewer endoscopy and anesthesia services, 7.49 fewer biopsy vials, 1.30 fewer ablations, and 1.46 fewer cytological brushes. Thus, the researchers concluded that confocal laser endomicroscopy by Cellvizio® is associated with a lower overall burden on the healthcare system.

Success of a clinical study on the prediction of remission in patients with chronic inflammatory bowel diseases (IBD) and its publication in Gastroenterology

The final results of the ERIca trial (Erlangen Remission in IBD, clinicaltrials.gov NCT05157750) were published on October 21, 2022, in Gastroenterology, the flagship journal of the *American Gastroenterological Association*, in the article "Intestinal barrier healing is superior to endoscopic and histologic remission for predicting major adverse outcomes in IBD: the prospective ERIca trial" (https://www.gastrojournal.org/article/S0016-5085(22)01192-1/fulltext). This trial was a prospective long-term clinical study on the prediction of major adverse effects in patients with chronic inflammatory bowel disease (IBD) using confocal laser endomicroscopy with Cellvizio®.

Endoscopy is the key technique for monitoring patients with IBD, with patients undergoing a monitoring colonoscopy once a year or every two years. Endoscopic and histological remission, characterized by visual assessment of the colon

and analysis of random biopsies, has become a key therapeutic objective in the management of IBD and is associated with favorable long-term outcomes.

In this study, the authors prospectively compared the predictive value of intestinal barrier scarring assessed dynamically and functionally by confocal laser endomicroscopy (Cellvizio®) and that of endoscopic and histological remission to predict the long-term behavior of the disease in a large cohort of patients with IBD in clinical remission.

Between 2017 and 2019, 296 patients with IBD were selected for this study. Of these, 181 patients with IBD (100 with Crohn's disease and 81 with ulcerative colitis (UC) were ultimately eligible and included in the study, with an average follow-up of 25 months for UC and 35 months for Crohn's disease.

The endoscopic and histological activity of the disease as well as the scarring of the intestinal barrier were evaluated prospectively according to established scores. During monitoring, the patients were closely inspected for the clinical activity of the disease and the appearance of major adverse effects: outbreaks of the disease, hospitalization or surgery related to an IBD, initiation or increase in the dose of systemic steroids, immunosuppressants, small molecules or biological treatments.

The authors noted that the scarring of the intestinal barrier characterized by confocal laser endomicroscopy was much superior to endoscopic and histological remission in predicting survival without major adverse effects in UC and Crohn's disease.

- For patients suffering from UC and whose intestinal barrier scarring in the colon was confirmed by Cellvizio, the probability of survival without major adverse effects was 81%, compared with 47.7% - 64.7% for all other predictors.

- For patients suffering from Crohn's disease and whose recovery of the intestinal barrier in the colon was confirmed by Cellvizio, the probability of survival without major adverse effects was 70.4%, compared to 43.9% - 50 % for all other endoscopic and histological predictors. When the healing of the barrier was confirmed in the ileum, this probability reached 100% compared to 43.9% - 50% for all other predictors.

Continuation of research as part of the collaboration with Telix Pharmaceuticals (Telix)

The Company is continuing the research carried out as part of its collaboration with Telix since 2020, called the IRiS Alliance and created to develop and validate the potential of the combination of the two companies' technologies. As part of the IRiS Alliance, another preclinical study divided into two phases was carried out in 2022 in mice bearing subcutaneous tumors. The first phase of the study made it possible to determine the optimal dose of PSMA-914. The second phase of the study provided the proof of concept by demonstrating the specificity of the CLE method for imaging tumors incubated with the optimal dose of PSMA-914. A scientific article written in collaboration with Dr. Ann-Christin Eder, Head of Biotechnology Development and Preclinical Imaging at the Fribourg University Medical Center, will be published in a peer-reviewed journal in 2023.

Continued evaluation of confocal endomicroscopy in the context of COVID-19

The study on the evaluation of COVID-19 in patients with acute pulmonary symptoms funded by the Company and led by Professor Annema from the Amsterdam University Medical Center (A UMC) is still ongoing.

New financing

On April 22, 2021, Mauna Kea Technologies established an equity financing line with Kepler Cheuvreux acting as financial intermediary under an underwriting agreement.

Under the terms of the agreement, Kepler Cheuvreux has undertaken to underwrite a maximum of 6,000,000 shares at its own initiative, over a maximum period of 24 months, provided that the contractual conditions are met. The shares would be issued based on a volume-weighted average share price over the two trading days preceding each issue, less a maximum discount of 6.0%. These terms and conditions would allow Kepler Cheuvreux to underwrite the shares over the term of the agreement. Mauna Kea Technologies retains the right to suspend or terminate this agreement at any time.

In 2022, Kepler Cheuvreux underwrote 1,875,000 shares representing a cash amount of €0.8 million, compared to 2,335,000 shares and €2.4 million in 2021.

Management changes

On October 3, 2022, Mr. Sacha Loiseau, Founder and Chairman of the Board of Directors of Mauna Kea Technologies, was appointed Chief Executive Officer, replacing Mr. Nicolas Bouvier, Interim Chief Executive Officer, with immediate effect. Mr. Sacha Loiseau now combines the positions of Chairman of the Board of Directors and Chief Executive Officer of Mauna Kea Technologies.

Ukraine conflict

The Company has no operations or business ties with Russia or Ukraine; however, the consequences of this conflict, whether direct or indirect, cannot be accurately quantified at this time.

2. Review of the financial statements and results

The annual financial statements for the year ended December 31, 2022, which we submit for your approval, have been prepared in accordance with the rules of presentation and valuation methods pursuant to current legislation.

Income statement

Net sales amounted to €5,332,370 compared with €6,992,787 for the previous financial year, representing an increase of 24%.

Operating income amounted to €6,068,543 compared to €7,762,348 for the previous financial year, an increase of 22%. In 2021, this income included a BPI grant (formerly OSEO) of €203,889.

Operating expenses amounted to €12,884,124 versus €14,855,003 for the previous financial year, representing a decrease of 13%, and consisted of the following items:

- Purchases of raw materials and other supplies: €910,250
- Change in inventories of raw materials inventories and other supplies: ..... €(188,626)
- Other purchases and external expenses: ..... €(4,902,336)
- Taxes and levies: €239,182
- Wages and salaries: €4,409,869
- Social security expenses: €1,969,813
- Depreciation, amortization and provisions: €288,950
- Impairment allowances: €251,813
- Provisions: €26,188
- Other expenses: €74,349

The operating loss was €(6,815,581) compared with €(7,092,654) for the previous financial year.

Finance income and expenses amounted to €602,240 and €7,289,214 respectively, representing a net finance expense of €(6,686,974), compared with €(9,337,548) for the previous financial year. This improvement was mainly due to the lower impairment of the US subsidiary's current account advance in 2022 compared with 2021 (provision of €5,848,323

in 2022 compared with a provision of €8,568,330 in 2021) and to higher interest expenses in 2022 (€1,338,431 in 2022 compared with €1,241,797 in 2021).

As a result, pre-tax income amounted to €(13,502,555) compared to negative income of €(16,430,203) for the previous financial year.

Non-recurring profit (loss) stood at €(954) compared with €(238,813) for the previous financial year.

After taking into account the research tax credit and innovation tax credit of €626,810, the profit (loss) for the financial year is €(12,876,699) compared with €(16,033,906) for 2021.

Balance sheet

Assets

Intangible assets amounted to a net €70,796.

Property, plant and equipment amounted to a net €390,485.

Financial investments at December 31, 2022, amounted to a net €6,409,205.

Current assets amounted to a net €13,578,011.

Liabilities

At December 31, 2022, the share capital was set at €1,859,059, compared to €1,783,803 at the end of the previous financial year, and the “share premium” account amounted to €786,760 at December 31, 2022.

Other reserves amounted to €54,212 at December 31, 2022.

Accumulated losses amounted to €(15,751,336) at December 31, 2022.

Company's indebtedness position with regard to the volume and complexity of its business

Liabilities amounted to €33,537,889 (compared with €28,211,209 at the end of the previous financial year), consisting mainly of:

- the EIB loan: €20,361,764
- the government-backed loan: €3,668,864
- trade payables: €1,256,020
- tax and employee-related liabilities: €1,459,730
- other payables: €57,597
- deferred revenues for: €6,715,576

Pursuant to Article L. 441-14 of the French Commercial Code, we hereby inform you that trade receivables (invoices issued) and trade payables (invoices received) break down according to the following due dates as at the 2022 reporting date:

Invoices received and issued but unpaid at the end of the financial year and which are due

	Article D. I-1°: invoices received and unpaid on the reporting date which are due						Article D. I-2°: invoices issued and unpaid at the reporting date which are due					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)

(A) Payment default tranches												
Number of invoices concerned	124					46	21					17
Total amount of invoices concerned incl. tax (payables and receivables) (in € thousands)	452	112	2	9	-1	122	6,411	62	24	-21	70	135
Percentage of total amount of purchases (excl. tax) in the financial year	7.8%	1.9%	0.0%	0.2%	0.0%	2.1%						
Percentage of sales (excl. tax) in the financial year							117.1%	1.1%	0.4%	-0.4%	1.3%	2.5%
(B) Invoices omitted from (A) relating to doubtful or unrecognized receivables and payables												
No. of invoices omitted	0						0					
Total amount of invoices omitted	0						0					
(C) Reference payment terms used (contractual or legal – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used to calculate payment default	■ Contractual terms: payment on the 15th or 30th day of the month after the due date indicated by the suppliers ■ Legal terms						■ Contractual terms ■ Legal terms					

Table of results for the past five financial years

The table of results for the last five financial years is in Appendix 1 to this report.

Loans granted pursuant to Article L. 511-6, 3 bis of the French Monetary and Financial Code

No inter-company loans referred to in Article L. 511-6, 3 bis of the French Monetary and Financial Code were granted by the Company during the financial year ended December 31, 2022.

3. Progress achieved, and difficulties encountered

To date, the Company's activity remains partly impacted by the Covid-19 crisis, notably in China in 2022.

In 2022, total sales amounted to €7.5 million, compared to €7.7 million in 2021, an increase of 3% compared to the previous year.

With the expense reduction plan, the Company focused its financial resources to support the strategic guideline of using Cellvizio® as the key tool to assist in the characterization of lung cancer and for molecular imaging guided surgery, through one or more strategic partnerships.

In 2022, the Company continued to focus on the interventional pulmonology market. The work done so far in this area is very encouraging. Work on the collaboration contract with Johnson & Johnson and its Lung Cancer Initiative (LCI) continues into 2023.

The Company signed a clinical research and product development collaboration agreement with On Target Laboratories, Inc. in the field of molecular imaging-guided procedures in March 2022. This collaboration was set up to develop the combined clinical and technological knowledge of the two companies, focusing initially on interventional pulmonology and lung cancer, with the possibility of extending this collaboration to other indications.

4. Main risks and uncertainties facing the Company and the Group − Use of financial instruments

The risks related to the Company's business, the coverage of these risks and the related insurance are described in Appendix 2 of this management report.

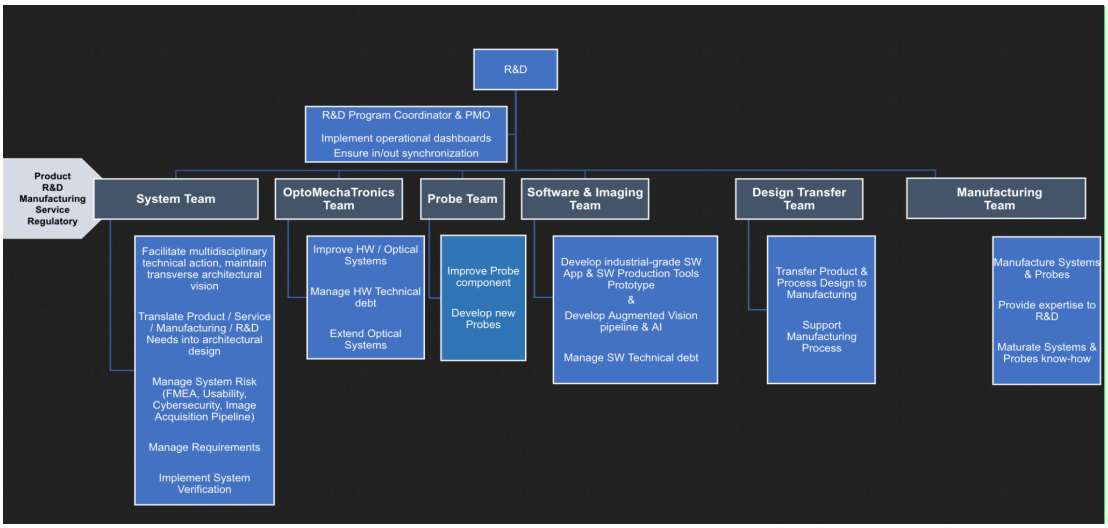
5. Research and development activity

During the financial year 2022, the Company committed €4,068,169 to R&D, compared to €3,309,835 the previous financial year. Expenses were higher in 2022 than in 2021 because there was no longer any capitalization of expenses related to the development of GEN III.

At the end of December 2022, the Research and Development team had 21 employees (doctors, engineers, or technicians) covering the fields of expertise necessary for the development of the Group's products and technologies, namely:

- optics and optotronics,
- mathematics applied to image processing,
- digital and analog electronics,
- software development,
- system engineering,
- biomechanics and instrumentation,
- micro-mechanical engineering, materials, and processes for precision assembly.

The R&D team shares biological and medical knowledge regarding applications and product use with the specialists of the Clinical Affairs team and the Product Managers.



Upstream R&D: Innovation

The Company is organized to draw on the necessary resources to directly inspire technological innovations that will enable it to expand in its market, and win new markets, by exploring solutions likely to encourage the development of innovative solutions to improve the care given to patients.

The Innovation Department provides ongoing scientific and technological oversight. Its objective is to identify and validate the ability of the technologies or components to remain at the leading edge of technology while limiting any risk of obsolescence relative to key components by identifying technical alternatives upstream.

The upstream studies arising from this monitoring are conducted by R&D department teams, either internally or through external collaborative efforts. They may constitute the preliminary phase of feasibility assessment that helps to decide whether to begin a product development project.

On the clinical level, the Company collaborates with various hospitals to assess the potential relevance and usability of the Cellvizio technology in new indications.

The upstream studies carried out in collaboration with academic laboratories are often co-funded to optimize the costs of research through grants or doctoral thesis scholarships.

Development of current products and optimization of their manufacture

In October 2021, Mauna Kea Technologies launched its Cellvizio IVE product (called “Generation 3”), which provides two important benefits:

- A scalable medical platform for endomicroscopy
- Increased ease of use, miniaturization and mobility for the multiple specialties addressed

The release of this platform was accompanied by significant organizational changes in R&D in order to enhance the Cellvizio IVE’s evolution capabilities:

- The implementation of development cycles - or iterations - allowing the system to be updated twice a year, in compliance with medical standards, the safety of the system and its performance.
- The structuring of the entry point of these iterations around the requests of the Product team, the Customer Support team, and the Regulatory team.
- Ongoing integration of the system’s technical debt management and probes: improve maintainability, optimize manufacturing costs, increase robustness and reliability.

These organizational changes combine traditional “V-Cycle” techniques with more current and proven “Agile” approaches. The R&D, Marketing, Clinical and Regulatory teams are synchronized during each iteration to achieve the objective set.

The iterative approach allows the implementation of a virtuous valuation loop:

- Continuous value delivery to the market
- Increased interest from customers who see a return on investment through an evolving offer
- Close loop allowing the rapid capitalization of field returns and the implementation of improvements optimizing the effort/value ratio delivered (“minimum viable product”).

Technological pillars of innovation

As of 2022, the R&D team has implemented a technological strategy based on four axes allowing its technological valuation and the development of its business model. These four axes are developed through a medium/long-term strategy:

- “XPLore”: agnostic instrumentation compatible with the largest number of minimally invasive devices on the market (endoscopes, needles, etc.)
- “AI”: assistance to doctors, integrated into the system, to democratize practice
- “Multimodal Vision”: the supply of imaging at several wavelengths on the new platform, notably to address the molecular imaging market
- “Core Components”: the supply of a “Cellvizio Development Kit” allowing the integration of CLE technology in vivo in third-party devices such as surgical robots, endoscopes, and any minimally invasive device for monitoring, diagnosis or treatment. The package includes technology and services to open an integration market, in OEM.

The clinical research activities of Mauna Kea Technologies are described in the dedicated section of the Management Report on the Consolidated Financial Statements.

6. Significant events since the end of the financial year

Progress of the joint venture with Tasly Pharmaceuticals

Events concerning the progress of the joint venture with Tasly Pharmaceuticals are presented in the section dedicated to the highlights of the past financial year.

Publication of the results of the first human clinical study combining robot-assisted bronchoscopy and confocal laser endomicroscopy for lung cancer

On January 12, 2023, the Company announced that the results of the first human clinical study combining nCLE and robot-assisted bronchoscopy (Clinicaltrials.gov: NCT04441749) were published in the international peer-reviewed journal *Respirology*. Information relating to this study is provided in the section dedicated to the highlights of the past financial year.

Silicon Valley Bank goes bankrupt

On March 10, 2023, the Deposit Guarantee Agency (FDIC), an offshoot of the US government, took control of Silicon Valley Bank (SVB), on the verge of implosion due to massive withdrawals by its customers.

SVB is a financial partner of Mauna Kea Inc., which has a current account in this bank. The account has continued to operate normally since March 13, 2023, insofar as the US subsidiary can make payments, collections, and transfers to the French parent company.

As the account is operating normally, as the American authorities intend to protect the bank's deposits and the SVB is in the process of being acquired by First Citizens, the Mauna Kea Group does not identify any risk following this takeover of FDIC.

7. Employee shareholding

No share capital was held by the Company's employees, including the corporate officers, subject to collective management (employee savings plans (PEE) or employee shareholding funds (FPCE)), calculated in accordance with the provisions of Article L. 225-102 of the French Commercial Code.

Free shares – stock options

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, your Board of Directors informs you, in its special report, of the transactions carried out pursuant to Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code concerning the award of free shares.

In accordance with the provisions of Article L. 225-184 of the French Commercial Code, your Board of Directors informs you, in its special report, of the transactions carried out pursuant to the provisions of Articles L. 225-177 to L. 225-186 of the French Commercial Code concerning the award of stock options.

The Company did not acquire any shares intended for awards to employees as part of the incentive scheme, the award of free shares or the grant of stock options to employees or executives.

8. Significant stakes acquired in companies headquartered in France, or takeovers of such companies; disposals of such stakes

In accordance with the provisions of Article L. 233-6 of the French Commercial Code, we inform you that the Company did not acquire or sell any stakes during the financial year.

We inform you that the Company does not have a branch.

9. Activities of subsidiaries and controlled companies

At December 31, 2022, the Company held the following subsidiary:

Mauna Kea Technologies, Inc.: Formerly based in Suwanee, Georgia, Mauna Kea Technologies Inc. was founded in 2005 and is now located in Boston (Massachusetts). This entity markets the Group's products on US territory and provides an interface with the regulatory authorities (FDA).

At December 31, 2022, it had 10 employees and posted sales of $4,534 thousand (i.e., €4,303 thousand) and a net loss of $(2,461) thousand (i.e., €(2,335) thousand). The decrease in expenses compared to December 31, 2021, was mainly due to efforts to reduce personnel costs, the cancellation of seminars and promotional events and a reduction in travel by the sales teams.

10. Appropriation of profit (loss)

We propose to allocate the losses for the financial year ended on December 31, 2022, i.e., €(12,876,699), to the retained earnings account, which will thus stand at €(28,628,034).

Reminder of dividends distributed

In accordance with the law, we remind you that the Company has not paid a dividend during the last three financial years.

Non-tax-deductible expenses

In application of Article 223 *quater* of the French General Tax Code, we ask you to approve the sumptuary expenses and non-deductible expenses referred to in Article 39-4 of this Code, which amount to €16,661 (amount of excess amortization).

11. Information on breakdown of share capital and treasury shares – Share buyback program

In accordance with the provisions of Article L. 233-13 of the French Commercial Code and taking into account the information received pursuant to Articles L. 233-7 and L. 233-12 of said Code, we inform you of the identity of the natural persons or legal entities holding, directly or indirectly, more than one-twentieth, one-tenth, three-twentieth, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at the Company's annual general meetings at December 31, 2022:

Johnson & Johnson Innovation Inc. holds 23.26% of the Company, after the capital increase of September 23, 2021, and holds 25.30% of the voting rights.

The Company entered into a contract, on May 24, 2012, with GILBERT DUPONT SNC to manage its liquidity contract.

Under this agreement, the Company held, at December 31, 2022, 125,624 shares, representing 0.27% of its share capital. At this date, according to the FIFO method, the portfolio value was €56,078, based on the closing rate at December 31, 2022, i.e., €0.415.

The Company did not buy back its treasury shares for other reasons.

The Company has not informed any other limited liability company that it holds more than 10% of its capital.

The Company has no crossholdings and has not therefore disposed of any shares.

Treasury shares – Share buyback program

Share buyback program adopted at the Company's Combined General Meeting on July 2, 2020

The Combined General Meeting of July 2, 2020 authorized the Board of Directors, for a period of eighteen (18) months from the date of the meeting, to implement a share buyback program, on one or more occasions, in accordance with the provisions of Article L. 225-209 *et seq.* of the French Commercial Code and in accordance with the General Regulation of the French Financial Markets Authority (*AMF – Autorité des Marchés Financiers*) under the terms and

conditions described below. This program took the place of the program adopted at the Ordinary General Meeting of July 5, 2019.

Objectives of the share buyback program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an investment services provider, in accordance with a Code of Ethics approved by the AMF; and/or
- to honor obligations linked to stock option and free share plans;
- company savings schemes or other share awards to employees and executives of the Company or its associates; and/or
- to tender shares upon exercise of the rights attached to securities giving access to the share capital; and/or
- to purchase shares to be held for their subsequent exchange or use as consideration in potential acquisitions in compliance with market practices permitted by the AMF; and/or
- in general, to conduct transactions for any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a situation, the Company would inform its shareholders through a press release.

Maximum purchase price: €5 per share, excluding fees and commissions (this purchase price will be adjusted to take account of capital transactions, in particular in the capitalization of reserves, free share grants, stock splits or reverse stock splits), with an overall ceiling of €4,000,000.

Maximum number of shares that may be purchased: 10% of the total number of shares as of the share buyback date. When shares are purchased for market-making purposes and to ensure the liquidity of the Company's share, the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased, less the number resold during the term of the authorization.

The number of shares acquired by the Company to be held and subsequently exchanged or used as consideration for the purpose of any merger, de-merger, or capital contribution may not exceed 5% of the total number of shares.

Buyback methods: the acquisition, sale or transfer of shares may be carried out by any means, on one or more occasions, in particular on the market or over the counter, including by block purchases or sales, public offers, using options or derivative mechanisms, under the conditions pursuant to the market authorities and in compliance with applicable regulations.

Share buyback program adopted at the Company's Combined General Meeting on June 3, 2021

The Combined General Meeting of June 3, 2021 authorized the Board of Directors, for a period of eighteen (18) months from the date of the meeting, to implement a share buyback program, on one or more occasions, in accordance with the provisions of Article L. 225-209 *et seq.* of the French Commercial Code and in accordance with the General Regulation of the AMF under the terms and conditions described below. This program took the place of the program adopted at the Ordinary General Meeting of July 2, 2020.

Objectives of the share buyback program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an investment services provider, in accordance with a Code of Ethics approved by the AMF; and/or
- to honor obligations linked to stock option and free share plans;
- to tender shares upon exercise of the rights attached to securities giving access to the share capital; and/or
- to purchase shares to be held for their subsequent exchange or use as consideration in potential acquisitions in compliance with market practices permitted by the AMF; and/or
- in general, to conduct transactions for any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a situation, the Company would inform its shareholders through a press release.

Maximum purchase price: €5 per share, excluding fees and commissions (this purchase price will be adjusted to take account of capital transactions, in particular in the capitalization of reserves, free share grants, stock splits or reverse stock splits), with an overall ceiling of €4,000,000.

Maximum number of shares that may be purchased: 10% of the total number of shares as of the share buyback date. When shares are purchased for market-making purposes and to ensure the liquidity of the Company's share, the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased, less the number resold during the term of the authorization.

The number of shares acquired by the Company to be held and subsequently exchanged or used as consideration for the purpose of any merger, de-merger, or capital contribution may not exceed 5% of the total number of shares.

Buyback methods: the acquisition, sale or transfer of shares may be carried out by any means, on one or more occasions, in particular on the market or over the counter, including by block purchases or sales, public offers, using options or derivative mechanisms, under the conditions pursuant to the market authorities and in compliance with applicable regulations.

Share buyback program adopted at the Company's Combined General Meeting on June 2, 2022

The Combined General Meeting of June 2, 2022 authorized the Board of Directors, for a period of eighteen (18) months from the date of the meeting, to implement a share buyback program, on one or more occasions, in accordance with the provisions of Article L. 225-209 *et seq.* of the French Commercial Code and in accordance with the General Regulation of the AMF under the terms and conditions described below. This program took the place of the program adopted at the Ordinary General Meeting of June 2, 2021.

Objectives of the share buyback program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an investment services provider, in accordance with a Code of Ethics approved by the AMF; and/or
- to honor obligations linked to stock option and free share plans;
- to tender shares upon exercise of the rights attached to securities giving access to the share capital; and/or
- to purchase shares to be held for their subsequent exchange or use as consideration in potential acquisitions in compliance with market practices permitted by the AMF; and/or
- in general, to conduct transactions for any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a situation, the Company would inform its shareholders through a press release.

Maximum purchase price: €5 per share, excluding fees and commissions (this purchase price will be adjusted to take account of capital transactions, in particular in the capitalization of reserves, free share grants, stock splits or reverse stock splits), with an overall ceiling of €4,000,000.

Maximum number of shares that may be purchased: 10% of the total number of shares as of the share buyback date. When shares are purchased for market-making purposes and to ensure the liquidity of the Company's share, the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased, less the number resold during the term of the authorization.

The number of shares acquired by the Company to be held and subsequently exchanged or used as consideration for the purpose of any merger, de-merger, or capital contribution may not exceed 5% of the total number of shares.

Buyback methods: the acquisition, sale or transfer of shares may be carried out by any means, on one or more occasions, in particular on the market or over the counter, including by block purchases or sales, public offers, using options or derivative mechanisms, under the conditions pursuant to the market authorities and in compliance with applicable regulations.

Summary of the shares purchased and sold over the year:

	2022				
	Q1	Q2	Q3	Q4	Total
Shares purchased	383 910	368 085	418 470	402 268	1 572 733
Price	0,63	0,53	0,72	0,51	
Total amount (€ thousands)	242	196	300	204	942
Shares solde	374 479	378 186	394 961	375 100	1 522 726
Price	0,63	0,54	0,72	0,53	
Total amount (€ thousands)	236	203	285	197	921

During the 2022 financial year, through the share buyback program, 1,572,733 shares were purchased, and 1,522,726 shares were sold.

At December 31, 2022, the Company held 125,624 Mauna Kea Technologies shares acquired at an average price of €0.415 equal to the realizable value on December 31, 2022.

Treasury shares are recognized as financial investments.

Summary of transactions carried out by executives and persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code during the financial year

N/A.

12. Risk management and internal control procedures implemented by the Company

For the drafting of this part of its report, the Company relied on the implementation guide of the reference framework on internal control adapted to medium and small companies, updated, and published by the AMF on July 22, 2010.

12.1. General principles of risk management

A) Definition

Mauna Kea Technologies continues to formalize its risk management process.

This process aims to identify all the risks and risk factors that can impact the Company's business activities and operations and to define the means of managing such risks and of containing them or bringing them down a level the Company can accept. The aim is to encompass every type of risk and apply the process to every activity of the Company and the Group.

B) Objectives of risk management

Mauna Kea Technologies has adopted the definition of risk management proposed by the French Financial Markets Authority (*AMF – Autorité des Marchés Financiers*), whereby risk management is one of the Company's management tools that helps to:

- create and preserve the Company's value, assets, and reputation;
- safeguard the Company's decision making and processes to promote the achievement of its objectives;
- ensure the Company's actions are consistent with its values;
- engage the employees around a common vision of the Company's principal risks.

C) Components of the risk management system

The risk factors identified to date by the Company are presented in Section 4 of the Universal Registration Document (URD) filed with the AMF.

To date, the Company has identified the following major families of risk:

- Risks related to the markets in which the Company operates
- Legal risks (regulation applicable to medical devices and to authorizations already obtained or to ongoing processes and to the regulatory environment, intellectual property, product liability claims, etc.)
- Financial risks

- Risks related to the Company's business and organization

12.2. Co-ordination between risk management and internal control

The point of risk management is to identify the major risks and risk factors that might impact the activities, processes, or objectives of the business and to define the means of containing these risks at an acceptable level, including by adopting preventive measures and controls that fall within the scope of the internal control system.

At the same time, the internal control system relies primarily on the risk management system to identify the major risks that need to be controlled. The Company devised and developed an internal control system from its initial founding, while the formalization of a risk management process has been more recent. The Company is now engaged in a process of coordinating the two systems, with the primary goal of identifying the control procedures that must apply to the business's key activities which might be affected by risks that analysis shows to be "major".

12.3. General principles of internal control

A) Definition

Mauna Kea Technologies adopts the definition of internal control proposed by the French [1]Financial Markets Authority, whereby internal control is a system implemented by the Company to ensure:

- compliance with laws and regulations;
- the enforcement of instructions and guidelines set by General Management;
- the proper functioning of the Company's internal processes;
- the reliability of financial information; and, in general, contributes to the control and effectiveness of its operations and the efficient use of its resources.

During the financial year, Mauna Kea Technologies continued to apply an internal control process designed to "guarantee internally the relevance and reliability of the information used and disseminated in the Company's activities."

B) Internal control components

Organization of the validation system

The internal control system is based on a clear organization of responsibilities, guidelines, resources, and procedures. The Company has always had a quality assurance system. The processes applied in all areas of the business are defined in written procedures, operating methods, forms, and notices. These documents outline the workflow, define the resources and responsibilities of participants, specify the know-how of the Company, and give precise instructions on how to perform a given operation.

In 2013, to enhance its quality system and internal control, the Company opted to introduce SAP integrated management software with a pre-configured package designed for small and medium-sized enterprises. The functions concerned by this software are Purchasing/Suppliers, Sales/Customers, Accounts and Management Control.

The last audit of the information systems completed in 2018 did not reveal significant anomalies.

Everyone in the Company is affected by the internal control system.

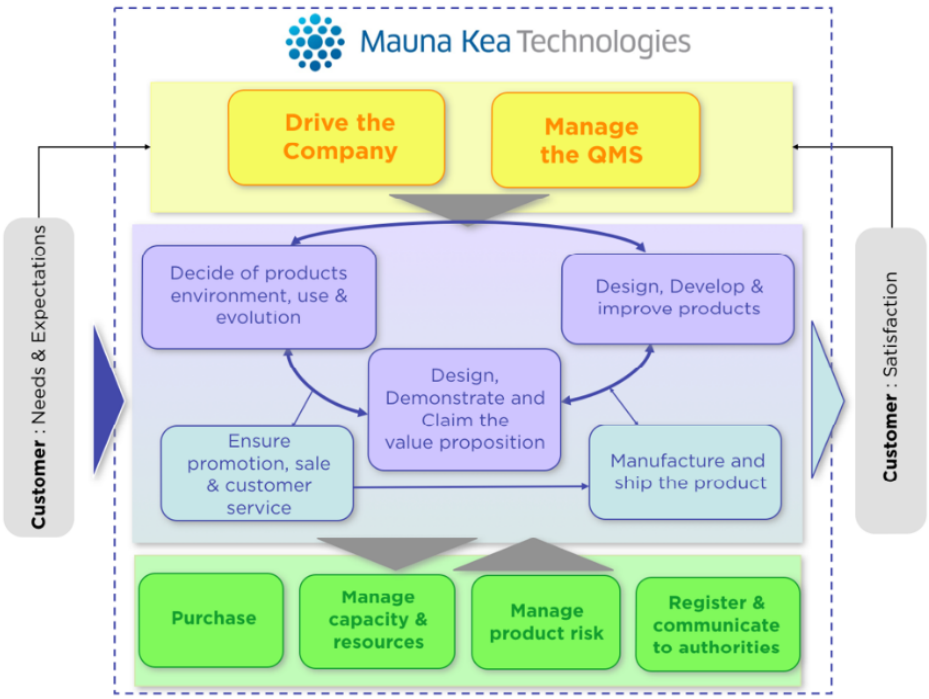
Procedures relating to operational processes

All documentation relating to the quality management system (QMS) is stored on a dedicated intranet which optimizes access to the documents and their ongoing adaptation to business developments (document life cycle management). The aim is to foster a continuous improvement in the quality and functional processes of the Company and the Group, be they operational, management or support processes.

[1] Guide to the implementation of the reference framework for internal control adapted to small- and mid-caps (updated on July 22, 2010).

Each one of these processes is placed under the responsibility of a steering person, who manages, along with responsibility for quality, all of the quality-control procedures and forms describing the activities covered by the process, as well as the performance indicators connected to the process. The various processes are reviewed on a regular basis by the corporate management, at the time of the management's review.

The quality assurance system covers the following areas:



The quality management system is audited once yearly by the notified entity GMED within the framework of the CE marking for medical devices. Since 2017, the results of the annual follow-up audits have shown by the lack of non-compliance that the quality system has come of age. CE marking has been ensured and maintained since its first certification. Furthermore, in 2018, the Company's quality system has been inspected by the FDA according to the requirements of 21 CFR 820. The result was positive, and while only one instance of non-compliance was revealed, corrective action was quickly defined, and this outcome did not jeopardize the US marketing authorizations. The Company provides to its day-to-day operations the level of efficiency needed to maintain compliance with the requirements to which it is subject, involving all its employees.

Financial reporting procedures

The Company has set up the following organization to limit financial management risks:

- The Company's General Management, and more specifically staff from the Finance Department, are responsible for improving internal control and adopting the recommendations of the external auditors and Audit Committee,
- The Company maintains an internal separation between the production and supervision of its financial statements and relies on independent experts to examine complex accounting entries such as the research tax credit and valuation of stock options or stock warrants for business creator shares,
- The financial and accounting management of the US subsidiary, Mauna Kea Technologies Inc., undergoes a regular internal review by the registered office accounting team,
- Payroll management in France and the review of US payroll is outsourced to specialized independent firms.

In general, all of the Company's accounting options are defined by the Finance Department following a discussion with the General Management and statutory auditors, before being presented to and examined jointly with the Audit Committee. This ensures that the Company's practices are fully compliant with French and international standards (IFRS), as well as maintaining consistency in the presentation of the financial statements.

At year-end, a detailed budget is prepared for the following financial year by the Finance Department and signed off by the General Management. This budget is presented to the Board of Directors. At the end of each half-year, the accounting teams close the Group's consolidated financial statements.

The analytical validation of entries and a comprehensive spending review are carried out during periodic budget reviews organized with all operational managers. The Finance Department reports to the General Management and Directors at each Board meeting. The reports are presented and discussed periodically at Board meetings.

12.4. Risk management and internal control actors

Since the creation of the Company, General Management, supported by the Audit Committee, has played a leading role in defining and driving the internal control system and risk management.

12.5. Risk management and internal control limits and opportunities for improvement

The Company seeks to adapt its risk management system to its information system (ERP) and to improve the monitoring of the action plans identified.

In the medium term, the Company could extend the functional coverage of its ERP system with additional functions such as production and after-sales service.

12.6. Financial risks related to the effects of climate change

Given its business, the Company is only slightly exposed to climate change. The financial risks associated with these changes are therefore negligible for the Company, which nevertheless constantly monitors these matters.

13. Restrictions imposed by the Board in respect of the exercise of options granted or sale of free shares granted to executives

In accordance with the provisions of Article L. 225-185 and L. 22-10-57 of the French Commercial Code, the Board of Directors decided to set at 10% the proportion of shares resulting from the exercise of the options that the Chairman of the Board and the Chief Executive Officer (whether or not these functions are combined) must retain in registered form until the end of the termination their duties.

14. Statement of non-financial performance required by Article R. 225-102-1 of the French Commercial Code

As the Company does not exceed the thresholds provided for in Article R. 225-102-1 of the French Commercial Code, it decided not to prepare a statement of non-financial performance for the year 2022.

II. REPORT ON CORPORATE GOVERNANCE

1. General Management of the Company

On October 3, 2022, Mr. Alexandre Loiseau, Founder and Chairman of the Board of Directors of Mauna Kea Technologies, was appointed as Chief Executive Officer, replacing Mr. Nicolas Bouvier, Interim Chief Executive Officer, with immediate effect. Mr. Alexandre Loiseau has therefore combined the positions of Chairman of the Board of Directors and Chief Executive Officer of Mauna Kea Technologies since that date.

2. Corporate governance

2.1 Corporate governance methods

Until May 25, 2011, the Company was incorporated as a simplified joint stock company. As part of its IPO, the Company was transformed on May 25, 2011, into a public limited company (*société anonyme*) with a Board of Directors and adopted new governance rules. The Company is managed by a Board of Directors and, since October 3, 2022, by a Chairman and Chief Executive Officer.

At its meeting of May 25, 2011, the Board of Directors adopted internal rules which specify the role and composition of the Board, the principles of conduct and the obligations of the members of the Board of Directors of the Company and the operating procedures of the Board of Directors and Committees and specifies the rules for determining the compensation of their members.

The Board is subject to the provisions of the French Commercial Code, Articles 11 to 13 of the Company's bylaws and the internal rules adopted by it.

The Board is responsible for:

- determining the general direction of the Company's business and ensuring its implementation. Subject to the powers expressly granted to the shareholders' meetings, and within the limit of the Company purpose, the Board will deal with any question pertaining to the smooth running of the Company and will settle the business that concerns the Company in its deliberations,
- appointing the Chairperson of the Board, the Chief Executive Officer and the Deputy Chief Executive Officers and setting their compensation,
- authorizing the agreements and commitments referred to in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code, and
- proposing the appointment of the statutory auditors to the General Shareholders' Meeting,
- preparing the management report and the corporate governance report,
- preparing the draft resolutions referred to in Article L. 22-10-8 of the French Commercial Code and the related report.

It ensures the quality of the information provided to shareholders and the markets.

In accordance with the provisions of Article L. 225-35 paragraph 4 of the French Commercial Code, the Board must give prior approval for sureties, endorsements and guarantees.

To organize its governance, the Company has chosen to refer to the corporate governance code for medium and small-sized companies as published in December 2009 and revised in September 2016 by MiddleNext and validated as a reference code by the French Financial Markets Authority (the "**MiddleNext Code**").

At its meeting of April 5, 2023, the Board of Directors, in accordance with recommendation No. 22 of the MiddleNext Code (2021 version), acknowledged the points of vigilance of said Code and undertook to review them regularly.

Below is a list of the terms of office and roles performed by the corporate officers in all company(ies) during the past financial year:

Name and roles held within the Company	Main roles held in all companies	Other appointments held in all companies
Alexandre Loiseau – Chairman and Chief Executive Officer (appointed Chief Executive Officer on October 3, 2022)	Mauna Kea Technologies, Chief Executive Officer (appointed on October 3, 2022) Therapixel SA, Chairman of the Board of Directors	MDoloris SA, member of the Strategic Committee Lifen, member of the Strategic Committee SeqOne, member of the Strategic Committee InHeart, non-voting member of the Board of Directors i-Virtual, non-voting member of the Board of Directors Sonio, member of the Strategic Committee
Chris McFadden – Independent Director	Kohlberg Kravis Roberts, Managing Director	InnovaTel Telepsychiatry, Director One Call, director Fastaff Travel Nursing, non-voting member of the Board of Directors Athena Health, non-voting member of the Board of Directors
Molly O'Neill Independent Director	Medforth Global Healthcare Education, Chief Growth and Strategy Officer	Qure Medical, Director Rocky Vista University Boards, Director
Claire Biot Independent Director	*Dassault Systèmes*, VP of *Industrie de la Santé*	N/A
Jacquelien Ten Dam Independent Director	Mimetas, Chief Financial Officer	N/A
Nicolas Bouvier Chief Executive Officer (term ends on October 3, 2022)	Mauna Kea Technologies, Chief Executive Officer	N/A

2.2 Members of the Board of Directors

Mr. DeVivo, former director and member of the Audit Committee and the Strategic Committee tendered his resignation on February 17, 2022.

During 2022, the Board of Directors of the Company consisted of five (5) Directors. No non-voting board members were appointed to date.

Name or company name	Role	Date of appointment	Expiration of term of office	Committee
Alexandre Loiseau	Chairman of the Board of Directors Chief Executive Officer (since October 3, 2022)	Appointment as a Director by the AGM of June 3, 2022 Appointed Chairman of the Board of Directors on October 10, 2018, with effect from October 22, 2018	At the close of the Annual General Meeting held to approve the financial statements for the year ending December 31, 2023	

Name or company name	Role	Date of appointment	Expiration of term of office	Committee
		Appointed Chairman and Chief Executive Officer as of October 3, 2022		
Chris McFadden	Independent Director	AGM of June 2, 2022	At the close of the Annual General Meeting held to approve the financial statements for the year ending December 31, 2023	Member and Chairman of the Compensation Committee
Molly O'Neill	Independent Director	AGM of June 2, 2022	At the close of the Annual General Meeting held to approve the financial statements for the year ending December 31, 2023	Member of the Audit Committee
Claire Biot	Independent Director	AGM of June 2, 2022	At the close of the Annual General Meeting held to approve the financial statements for the year ending December 31, 2023	
Jacquelien Ten Dam	Independent Director	AGM of June 2, 2022	At the close of the Annual General Meeting held to approve the financial statements for the year ending December 31, 2023	Member and Chair of the Audit Committee

In accordance with recommendation No. 1 of the MiddleNext Code, the executive directors do not hold more than two other appointments as Directors in listed companies outside the Board's Group.

2.3 Balanced gender representation

The Board includes three (3) women out of five (5) members at the date of this report. The Company is in compliance with the law of January 27, 2011, on balanced gender representation on boards of directors, the Board of Directors being comprised of less than eight members, therefore the difference between the number of Directors of each gender shall not be greater than two.

2.4 Independent Directors

In accordance with its internal rules, the Board of Directors has decided to adopt the definition of independence proposed by the MiddleNext Code in its recommendation No. 3 "Composition of the Board – Presence of independent members", which is characterized by the following five criteria:

- is not, and has not over the past five years been, an employee or executive corporate officer of the Company or of any company in its Group;
- is not, and has not over the past two years been, in a significant relationship with the Company or its Group (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- is not a reference shareholder of the Company and does not hold a significant portion of its voting rights;

- does not have a close relationship or family ties with a corporate officer or reference shareholder of the Company; and

- has not, over the past six years, been a statutory auditor of the Company.

At its meeting of April 5, 2023, the Board of Directors determined that four (4) of its members met all the criteria, namely Mr. Christopher McFadden, Ms. Molly O'Neill, Ms. Claire Biot and Ms. Jacquelien Ten Dam.

Every year, the Board of Directors will assess, on a case-by-case basis, the status of each member vis-à-vis the aforementioned criteria.

2.5 Terms of office

In accordance with the provisions of the bylaws, the term of office of directors is two years. This term is tailored to the specific requirements of the Company. The reappointment of Directors is not staggered, as recommended by the MiddleNext Code (recommendation No. 11). In fact, all members are reappointed at the same time.

2.6 Ethics

The internal rules and code of ethics were approved by the Board of Directors. These documents outline the rules which must be followed by the members of the Board, in accordance with recommendation No. 1 of the MiddleNext Code.

2.7 Director selection

When each Director is appointed or reappointed, information on his or her experience, skills and the list of offices held is provided in the Reference Document and to the General Meeting. This information is available online on the Company's website, as suggested in the MiddleNext Code, under recommendation No. 10. The appointment and/or renewal of each Director shall be the subject of a specific resolution submitted to the shareholders' vote.

3. Preparation and organization of tasks undertaken by the Board

The Company's Board of Directors has a set of internal rules, in accordance with recommendation No. 9 of the MiddleNext Code. This document was amended by the Board of Directors at its meeting of January 26, 2021.

In compliance with recommendation No. 2, these internal rules, in the clause entitled "Disclosure of interest" on the prevention of conflicts of interest, state that a Director who finds him or herself in a situation of conflict of interest, is obliged to inform the members of the Board as such and to determine whether he/she should abstain from voting and/or taking part in Board discussions.

In compliance with recommendation No. 4 of the MiddleNext Code, outside of Board meetings and when in the interest of the Company, the Directors must regularly be provided with all important information relating to the Company, which is likely to have an impact on the commitments and financial position thereof. They may ask for any further explanations or additional information, and more generally, may request access to any information they deem useful.

To take an effective part in the Board's work and deliberations, each member of the Board is provided with whatever additional documents he or she thinks useful. Requests to this effect are made to the Chairman and Chief Executive Officer.

Each member of the Board is authorized to meet with the Company's senior executives, so long as he or she first informs the Chairman and Chief Executive Officer.

The Board is regularly informed by the Chairman and Chief Executive Officer of the Company's and the Group's financial position, cash position, financial commitments, and significant events.

Finally, any new member of the Board may ask to receive training in particular aspects of the Company or Group, their lines of business and their business segments.

The members of the Board are convened by letter, fax or email at least five (5) days before each meeting.

The Board may also be convened by any other means, even verbally, if all the Board members in office are present or represented at the meeting.

All documents or drafts of documents that could be informative to the members about the meeting agenda and any matters brought before the Board are sent, handed, or made available to the members of the Board within a reasonable time before the meeting.

Moreover, whenever it meets, the Board is informed about the Company's financial position, cash position and commitments.

In accordance with recommendation No. 13 of the MiddleNext Code, once a year the Board discusses the way it functions and, at least once every three years, undertakes a formal assessment, where appropriate with an outside consultant.

The purpose of this assessment, moreover, is to make sure that the important questions are suitably prepared and debated, and to measure the contribution of each member to the Board's work, chiefly in regard to his or her qualifications and degree of involvement.

4. Report on the Board's activities during the 2022 financial year

The minutes of each meeting are prepared by the Secretary of the Board, then approved by the Chairman and CEO, who submits them for approval at the next meeting. They are copied into the minutes register following signature by the Chairperson and one Director.

During the 2022 financial year, the Board of Directors of the Company met 9 times. All meetings were chaired by the Chairperson of the Board. The Directors' attendance rate was 97.80%.

The majority of items are dealt with at Board meetings. Nevertheless, the items relating to the scenario of the accident, or the sudden unavailability of the executive were not addressed during the 2022 financial year, as provided for by the Middlenext Code in its recommendation No. 17 and will be on the agenda of a future Board meeting.

Prior to Board meetings, the Directors are sent all documents required to enable them to prepare for the issues to be discussed.

Lastly, in accordance with recommendation No. 14 of the MiddleNext Code, executives must offer minority shareholders the opportunity to meet with them and discuss the operation of the Company. This was the case at the General Meeting of June 2, 2022, in Paris.

5. Organization of the committees

In accordance with recommendation No. 7 of the MiddleNext Code, the Board of Directors decided to set up three specialized committees: the Audit Committee, the Compensation Committee and the Strategic Committee.

5.1 Audit Committee

On May 25, 2011, the Board of Directors set up an Audit Committee, whose members adopted internal rules as described below.

The Audit Committee is, if possible, comprised of at least three members appointed by the Board of Directors. The term of service of Audit Committee members is the same as that of their directorships.

The members of the Audit Committee are chosen from among the members of the Board of Directors and, to the extent possible, two-thirds of them are Independent Directors, one of them having particular competence in financial or accounting matters, with the understanding that all the members have minimum competence in financial or accounting matters.

Mr. DeVivo, former director and member of the Audit Committee and the Strategic Committee tendered his resignation on February 17, 2022. At December 31, 2022, the members of the Audit Committee were:

- Ms. Molly O'Neill, independent director and member of the Audit Committee
- Ms. Jacquelien Ten Dam, Chairwoman of the Audit Committee

The appointment of two members was deemed sufficient in view of the total number of Directors of the Company. The internal rules of the Audit Committee specify the legal missions of the Audit Committee as well as its organizational methods, notably the minimum number of annual meetings of the Committee. They also state that the committee may interview any member of the Company's Board of Directors and request any internal or external audit for any matter that it considers within its remit. The Chairperson of the Audit Committee shall give prior notice of this act to the Board of Directors. In particular, the Audit Committee has the authority to hear persons who participate in the preparation of the financial statements or their review (Vice-President of Finance, Chief Administrative and Financial Officer). It has the right of direct, independent, and confidential consultation with the statutory auditors.

The Audit Committee is responsible in particular for:

- monitoring the process of preparing the financial information;
- monitoring the efficacy of the internal control and risk management systems;
- monitoring the legal audit of the annual financial statements and the consolidated financial statements by the statutory auditors;
- issuing a recommendation on the statutory auditors proposed for appointment by the General Meeting and reviewing the terms of their compensation;
- monitoring the independence of the statutory auditors;
- examining the conditions for the use, if any, of derivatives;
- periodically reviewing the status of major litigation; and
- in general, providing any advice and making any appropriate recommendation in the above areas.

The Audit Committee met twice during the 2022 financial year.

5.2 Compensation Committee

The Compensation Committee is responsible in particular for:

- examining the main objectives proposed by General Management with respect to the compensation of executives who are not corporate officers of the Group, including the free share and stock option plans;
- examining the compensation of executives who are not corporate officers, including the free share and stock option plans, the pension and insurance benefit plans and the benefits in kind;
- making recommendations and proposals to the Board of Directors on:
  - the compensation, the pension and insurance benefit plans, the benefits in kind, the other financial rights, including those in the event of a termination of employment, of the members of the Board of Directors. The committee proposes compensation amounts and structures, in particular, rules for determining the variable portion, taking into account the Company's strategy, objectives and results as well as market practices, and
  - the free share and stock option plans and any other similar incentive arrangement, in particular, the personal awards to the members of the Board of Directors;
- examining the total amount of activity compensation (formerly Directors' fees) and the arrangements for distribution among the members of the Board of Directors, as well as the conditions for reimbursement of expenses that might have been incurred by the members of the Board of Directors;
- preparing and presenting the reports, where applicable, set forth in the Board of Directors' internal rules, and;
- preparing any other recommendation that might be asked of it by the Board of Directors with respect to compensation.

In general, the committee provides any advice and makes any appropriate recommendation in the above areas.

The Compensation Committee consists if possible, of at least two members appointed by the Board of Directors, with the provision that no member of the Board of Directors who serves as an executive in the Company can serve on the Compensation Committee. The term of service of Compensation Committee members is the same as that of their directorships.

The members of the Compensation Committee are:

- Mr. Chris McFadden, Independent Director and Chairman of the Compensation Committee,

- Mr. Alexandre Loiseau, independent director and Chairman of the Board of Directors (until his appointment as Chief Executive Officer on October 3, 2022).

The Board of Directors is preparing the appointment of the new Compensation Committee member who will replace Mr. Loiseau.

As part of its duties, the Compensation Committee may ask the Chairperson of the Board of Directors to obtain assistance from any Company executive whose expertise might facilitate the handling of any item on the agenda.

The Compensation Committee met twice during the 2022 financial year.

5.3 Strategic Committee

The Strategic Committee constituted by the Board of Directors of October 10, 2018, is responsible for making recommendations to the Board on the Company's strategic approaches.

Since the departure of the former director, Mr. Joseph DeVivo, the function was taken on by the entire Board.

The committee thus met nine during the 2022 financial year.

5.4 Corporate governance statement

For the sake of transparency and public information, the Company has undertaken an overall review of corporate governance practices.

In view of the Company's organization, its size and its resources, it has decided to refer to the MiddleNext Code as from the admission of the Company's shares to trading on the NYSE Euronext Paris market. The Company duly noted the publication of an update to the Middlenext Code dated September 13, 2021, and will study the relevance, methods and timetable of its process to comply with said updates.

In order to meet the corporate governance standards that the Company has set for itself, the Company has already implemented the elements described below.

Recommendations of the MiddleNext Code	Already adopted	To be adopted	Will not be adopted	Under consideration
I. Supervisory power				
R1 - Ethics of Board members	X (1)			
R2 - Conflicts of interest	X (1)			
R3 - Composition of the Board - Presence of independent members	X			
R4 - Information for Board members	X			
R5: Training of Board members				X
R6 - Organization of Board and Committee meetings	X			
R7 - Establishment of committees	X (1)			
R8: Establishment of a specialized Corporate Social Responsibility (CSR) committee				X
R9 - Establishment of internal rules for the Board	X (1)			
R10 - Choice of each Board member	X			
R11 - Terms of office of Board members	X			
R12 - Compensation of Board members	X			
R13 - Establishment of an assessment of the work of the Board	X (1)			
R14 - Shareholder relations	X (1)			

Recommendations of the MiddleNext Code	Already adopted	To be adopted	Will not be adopted	Under consideration
R15: Diversity and equity policy at the company				X
II. Executive power				
R16 - Definition and transparency of the compensation of executive corporate officers	X (1)			
R17 - Preparation of the succession of "executives"	X			
R18 - Combination of employment contract and corporate office	X (1)			
R19 - Severance payments	X (1)			
R20 - Supplementary pension plans	X			
R21 - Stock options and allocation of free shares	X (2)			
R22 - Review of points of vigilance	X (1)			

(1) The Company complies with this recommendation subject to any adjustments to be made in light of the update of the Middlenext Code dated September 13, 2021, which is currently being considered as indicated above.

(2) Not all the terms and conditions of the various financial instruments giving access to the share capital provide for performance conditions. In particular, the exercise of all or part of the free shares, stock options, BSPCEs and BSAs are only subject to conditions of duration and presence, the allocation of these shares being implemented by the Company with a view to building loyalty among their beneficiaries in the absence of any other incentive instrument. These conditions are assessed over a period of at least three years.

6. Compensation of corporate officers

The compensation policy for executive and non-executive corporate officers is presented below, in accordance with Article L. 22-10-8 of the French Commercial Code, which will be submitted for approval to the General Meeting to be held in 2023 (the "2023 General Meeting").

The information below was prepared with reference to the Middlenext Code and in accordance with AMF Position-Recommendation DOC-2021-02 entitled "Guide to the preparation of Universal Registration Documents" prepared by the AMF and updated on January 5, 2022. The applicable tables of AMF Recommendation No. 2021-02 are presented below.

6.1 Principles and rules determining the compensation of corporate officers

The Company applies all of the recommendations of the MiddleNext Code on executive and non-executive pay. This compensation policy is in line with the Company's corporate interest, contributes to its sustainability and is part of its development strategy as described in this financial report.

No item of compensation of any kind whatsoever may be set, allocated or paid by the Company, nor any commitment made by the Company if it does not comply with the compensation policy approved by the General Meeting or, in its absence, with the compensation or practices existing at the Company.
However, in the event of exceptional circumstances, the Board of Directors may exceptionally waive the implementation of the compensation policy if this exemption is temporary, in line with the Company's interest and necessary to guarantee the Company's sustainability or viability. Adaptation of the compensation policy to exceptional circumstances would be decided by the Board on the recommendation of the Compensation Committee. Certain exceptional circumstances, such as the unforeseen replacement of an executive corporate officer, could make it necessary to temporarily adjust the compensation of executive corporate officers.

The Board of Directors sets, revises, and implements the compensation policy for each of the corporate officers on the recommendation of the Compensation Committee. When the Board of Directors decides on an item of compensation or a commitment for the benefit of the Chairman and Chief Executive Officer or the Deputy CEO (where applicable), the person concerned may not take part in the deliberations or vote on the item or commitment in question.

As part of the decision-making process followed to determine and revise the compensation policy, the compensation and employment conditions of the Company's employees are taken into account by the Compensation Committee and the Board of Directors. To this end, the principles of employment conduct at the Company are regularly presented by management. The directors are thus able to verify the consistency of the compensation of corporate officers with the compensation and employment conditions of the Company's employees.

To propose the structure of this compensation, the Compensation Committee may also rely on studies detailing market practices for comparable companies. These studies are carried out on a sample of companies with common characteristics in terms of size, workforce, market capitalization, clinical stage, or geographical footprint.

The Compensation Committee ensures that none of the items of compensation are disproportionate and analyzes compensation as a whole taking into account all of its components.

In the event of a change in governance, the compensation policy will be applied to the Company's new corporate officers, with the necessary adjustments according to profile, experience, or level of responsibility.

6.2 Compensation of executive corporate officers

Compensation policy for the Chairman and Chief Executive Officer and any other executive corporate officer

The compensation policy mentioned below is applicable to the Chief Executive Officer, whether they combine their duties with those of Chairperson of the Board.

In addition, in the event of the appointment of one or more individuals as Chairperson of the Board Directors, Chief Executive Officer or Deputy Chief Executive Officers, the principles set out below would apply to the setting of their compensation, it being specified that the amounts may be adapted.

The fixed, variable, and exceptional items of the total compensation and benefits of any kind that may be granted to the Chairman and Chief Executive Officer by virtue of their office, as well as their respective importance, are as follows:

For Mr. Alexandre Loiseau, Chairman of the Board of Directors and Chief Executive Officer:

Compensation elements	Principles	Criteria for determination
Fixed compensation	The Chairman and Chief Executive Officer receives a fixed compensation payable in 12 monthly installments set by the Board on the recommendations of the Compensation Committee taking into account the level and difficulty of the responsibilities, the job experience and the practices observed in comparable companies.	The gross annual amount of this compensation, without taking into account the additional significant tasks entrusted by the Board of Directors to its new Chairman and Chief Executive Officer, was set at €179,562, less the Directors' fees paid to him during the same period. At the date of this report, the Compensation Committee was working on a compensation proposal that takes into account the additional significant task of the Chairman and Chief Executive Officer. This new proposal will be validated by the Board of Directors before being submitted to the 2023 General Meeting.
Variable compensation	*The Chairman and Chief Executive Officer receives annual variable compensation for which the Board of Directors, on the recommendation of the Compensation Committee, annually defines diversified and demanding financial and non-financial performance criteria which are stringent, precise and pre-established, and allow for a comprehensive analysis of performance.* *These variable compensation criteria contribute to the objectives of the*	*The maximum amount of annual variable compensation for the Chairman and Chief Executive Officer corresponds to 50% of the annual fixed compensation.* *These criteria are aligned with the Company's short- and medium-term strategy and represent important inflection points such as the progress of R&D projects and the achievement of material and financial objectives.*

	compensation policy in the following manner: they are in line with the Company's corporate interest, contribute to its sustainability and are part of the Company's development strategy.	
Compensation in respect of the term of office as director	The Board of Directors may choose to award compensation for the office of director and/or for the duties of Chairman of the Board.	As for every Director, the Chairman may receive compensation, the amount of which is decided by the Board (within the limit of the budget approved by the General Meeting) and according to the principles adopted by the Board, based on his attendance and the time devoted to his office, including, where applicable, at the committee or committees set up by the Board.
Benefits in kind	Provision of a company vehicle GSC-type corporate officer insurance for job loss *The Chairman and Chief Executive Officer may also be reimbursed for expenses incurred in the performance of his duties.*	

Compensation over the last two financial years

The tables below detail the compensation paid by the Company during the financial years ended December 31, 2021 and 2022, to (i) Mr. Alexandre Loiseau, Chairman of the Board of Directors, then Chairman and Chief Executive Officer from October 3, 2022, (ii) Mr. Nicolas Bouvier, Chief Executive Officer until October 3, 2022, (iii) Mr. Robert Gershon, Chief Executive Officer until December 10, 2021, and (iv) Mr. Christophe Lamboeuf, Deputy CEO until December 31 2021.

Summary table of compensation and options and shares granted to each executive corporate officer		
Alexandre Loiseau (Chairman and Chief Executive Officer – took office on December 3, 2022)	Year ended 12/31/2022 (in euros)	Year ended 12/31/2021 (in euros)
Compensation due for the financial year (presented in Table 2)	172,636	206,564
Valuation of options granted during the period	N/A	N/A
Valuation of performance shares and free shares awarded during the financial year	4,916	33,873
Nicolas Bouvier (Chief Executive Officer) - term ended on October 3, 2022	Year ended 12/31/2022 (in euros)	Year ended 12/31/2021 (in euros)
Compensation due for the financial year (presented in Table 2)	118,893	7,901
Valuation of options granted during the period	N/A	N/A
Valuation of performance shares and free shares awarded during the financial year	0	0
Robert Gershon (Chief Executive Officer) - term ended on December 10, 2021	Year ended 12/31/2022 (in euros)	Year ended 12/31/2021 (in euros)
Compensation due for the financial year (presented in Table 2)	28,381	522,126

Valuation of options granted during the period	N/A	23,189
Valuation of performance shares and free shares awarded during the financial year	N/A	N/A
Christophe Lamboeuf (Deputy Chief Executive Officer) - term ended on December 31, 2021	Year ended 12/31/2022 (in euros)	Year ended 12/31/2021 (in euros)
Compensation due for the financial year (presented in Table 2)	N/A	223,960
Valuation of options granted during the period	N/A	N/A
Valuation of performance shares and free shares awarded during the financial year	N/A	0

Summary of compensation for each executive corporate officer				
(Chairman and Chief Executive Officer) Alexandre Loiseau	Amounts due for the year ended 12/31/2022 (in euros)		Amounts due for the year ended 12/31/2021 (in euros)	
	Amounts due	Amounts paid	Amounts due	Amounts paid
- fixed compensation	83,916	83,916	118,073[1]	106,629
- variable compensation	0	0	0	0
- exceptional compensation	0	0	0	0
- Directors' fees	73,000	91,250[2]	73,000	73,000
- benefits in kind	15,720	15,720	15,490	15,490
TOTAL	172,636	190,886	206,564	195,119
(Chief Executive Officer Nicolas Bouvier	Amounts due for the year ended 12/31/2022 (in euros)		Amounts due for the year ended 12/31/2021 (in euros)	
	Amounts due	Amounts paid	Amounts due	Amounts paid
- fixed compensation	117,032[3]	117,032	7,762[3]	7,762
- variable compensation	23,569 [9]	0	0	0
- exceptional compensation	0	0	0	0
- Directors' fees	0	0	0	0
- benefits in kind	1,861 [3]	1,861	139 [3]	139
TOTAL	141,943	118,893	7,901	7,901
(Chief Executive Officer) Robert Gershon	Amounts due for the year ended 12/31/2022 (in euros)		Amounts due for the year ended 12/31/2021 (in euros)	
	Amounts due	Amounts paid	Amounts due	Amounts paid
- fixed compensation	0	0	336,161 [4]	345,450

- variable compensation	0	0	0	141,930 (5)
- exceptional compensation	28,381	28,381 (6)	185,965 (6)	185,965
- Directors' fees	0	0	0	0
- benefits in kind	0	0	0	0
TOTAL	28,381	28,381	522,126	673,344
(Deputy CEO) Christophe Lamboeuf	Amounts due for the year ended 12/31/2022 (in euros)		Amounts due for the year ended 12/31/2021 (in euros)	
	Amounts due	Amounts paid	Amounts due	Amounts paid
- fixed compensation	0	0	192,474	192,474
- variable compensation	0	0	0	47,467 (7)
- exceptional compensation	0)	0	30,255 (8)	30,255
- Directors' fees	0	0	0	0
- benefits in kind	0	0	1,231	1,231
TOTAL	0	0	223,960	271,427

(1) Compensation paid in 2020 was overstated. The overpayment was regularized in February 2021.
(2) Compensation paid in 2022 was understated. Correction will take place in 2023
(3) Mr. Bouvier took office on December 10, 2021, and his term of office ended on October 3, 2022. Compensation as CEO is prorated
(4) Compensation paid in 2020 was understated. Correction took place in 2021
(5) Variable compensation provisioned in respect of FY 2020 which will be paid in 2021.
(6) Severance payments for Mr. Gershon
(7) Variable compensation provisioned in respect of FY 2020 and paid in 2021.
(8) Paid holiday allowances for Mr. Lamboeuf.
(9) Variable compensation provisioned in respect of FY 2022 which will be paid in 2023.

It should be recalled that, following the departure of Mr. Gershon in 2021, an agreement was reached to grant him the following benefits:

- compensation of US $250,000 under the settlement agreement signed on September 30, 2018;
- the vesting of rights to unvested stock options is extended by 12 months;
- the extension of the exercise period for stock options is extended until December 31, 2022.

The basic contract for the granting of a severance payment was authorized by the Board of Directors on October 10, 2018. The final conditions related to the departure of Mr. Gershon as specified above were authorized by the Board of Directors on December 10, 2021.

Other items of compensation

Stock options granted during the financial year to each executive corporate officer by the issuer and by each Group company						
Name of the executive corporate officer	Plan No. and date	Type of options (purchase or subscription)	Valuation of the options according to the method used for the consolidated financial statements	Number of options granted during the financial year	Exercise price	Exercise period
N/A						

Stock options exercised during the financial year by each executive corporate officer

Name of the executive corporate officer	Plan No. and date	Number of options exercised during the period	Exercise price	Year of grant
N/A				

Free shares granted during the financial year to each executive corporate officer by the issuer and by any Group company						
Name of the executive corporate officer	Plan No. and date	Number of shares granted during the period	Valuation of the options according to the method used for the consolidated financial statements	Acquisition date	Vesting date	Performance conditions
Alexandre Loiseau (Ch. BD and CEO)	Free shares (AGA) 4/19/2022	60,000	4,916	04/19/2023/ 2024/2025	04/19/2025	N/A

Free shares vesting during the period for each executive corporate officer				
Name of the executive corporate officer	Plan No. and date	Number of shares vesting during the period	Vesting condition	Year of grant
N/A				

The following table contains details of the conditions of compensation and other benefits granted to the corporate officers:

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due owing to termination or change of role		Compensation for non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Alexandre Loiseau Ch. BD and CEO		X		X		X		X
Date on which term of office started:	October 3, 2022							
Date on which term of office expired:	At the close of the Annual General Meeting held to approve the financial statements for the year ending December 31, 2023							

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due owing to termination or change of role		Compensation for non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Nicolas Bouvier Chief Executive Officer	X			X		X		X
Date on which term of office started:	December 10, 2021							
Date on which term of office expired:	October 3, 2022							

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due owing to termination or change of role		Compensation for non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Robert Gershon Chief Executive Officer		X		X	X			X
Date on which term of office started:	October 22, 2018							
Date on which term of office expired:	December 10, 2021							

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due owing to termination or change of role		Compensation for non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Christophe Lamboeuf Deputy CEO	X			X		X		X
Date on which term of office started:	October 22, 2018							
Date on which term of office expired:	December 31, 2021							

Internal salary ratios

Comparative data between the average and median compensation of the Company's employees and that of executive corporate officers over the last five financial years

The table below, prepared in accordance with Article L. 22-10-9 of the French Commercial Code, presents the ratios between the level of compensation of each of the executive corporate officers and the average and median compensation of the Company's employees over the last five financial years, it being specified that:

- the internal salary ratios were determined according to the methodology recommended by AFEP in its guidelines on compensation multiples published on December 19, 2019
- in accordance with these guidelines, employees who are continuously present from January 1 to December 31 in the workforce of Mauna Kea Technologies SA and its subsidiary in the United States are taken into account in the calculation of the ratios
- the compensation used is the gross compensation paid in 2022 (fixed and variable including benefits in kind) – stock options, performance shares and free shares have been excluded (their non-recurring nature does not allow for comparability of the year-to-year ratios)

	Internal salary ratio - Average salary				
	2018	**2019**	**2020**	**2021**	**2022**
Chairman of the Board	n/a	3,19	3,15	2,58	2,27
Chief Executive Officer	3,87	5,26	6,61	6,61	1,85
Deputy CEO	n/a	2,60	3,06	2,79	n/a

	Internal salary ratio - Median salary				
	2018	**2019**	**2020**	**2021**	**2022**
Chairman of the Board	n/a	4,55	4,34	3,36	3,35
Chief Executive Officer	4,90	7,52	9,11	8,62	2,72
Deputy CEO	n/a	3,71	4,22	3,64	n/a

In accordance with Middlenext's recommendations, the Company calculated the ratios of the compensation of executive corporate officers against the legal minimum wage in France as at January 1, 2023. These ratios amount to 9.31 for the Chairman of the Board and 7.56 for the Chief Executive Officer.

6.3 Compensation of the members of the Board of Directors

Compensation over the last two financial years

The table below presents the compensation paid in respect of the term of office as director and other compensation received by non-executive corporate officers during the financial years ended 31 December 2021 and 2022:

Table of Directors' fees and other compensation received by non-executive corporate officers		
Members of the Board of Directors	Compensation paid in respect of the financial year ended 12/31/2022 (in euros)	Compensation paid in respect of the financial year ended 12/31/2021 (in euros)
Alexandre Loiseau (Chairman of the Board until October 3, 2022)		
- Directors' fees	73,000 (1)	73,000
- other compensation	0	0
TOTAL	73,000	73,000
Christopher McFadden		
- Directors' fees	20,000	40,000
- other compensation	0	0
TOTAL	20,000	40,000
Joseph DeVivo		

- Directors' fees	n/a	43,500
- other compensation	n/a	0
TOTAL	0	43,500
Molly O'Neill		
- Directors' fees	19,000	37,500
- other compensation	0	0
TOTAL	19,000	37,500
Claire Biot		
- Directors' fees	15,000	27,500
- other compensation	0	0
TOTAL	15,000	27,500
Jacquelien Ten Dam		
- Directors' fees	20,000	36,000
- other compensation	0	0
TOTAL	20,000	36,000

(1) Mr. Loiseau was appointed as Chief Executive Officer on October 3, 2022, and now combines the positions of Chairman of the Board of Directors and Chief Executive Officer.

Compensation policy

Each member of the Board may receive compensation (formerly Directors' fees), the amount of which is voted by the Ordinary General Meeting and the distribution of which is decided by the Board, according to the attendance of Board members and the time they devote to their duties, including, where applicable, at the committee or committees set up by the Board, it being specified that for the 2022 financial year, the following principles were applied:

- the Board of Directors distributes Directors' fees on an annual basis. They are paid on a quarterly basis;
- the Chairperson of the Board of Directors is allocated €73,000 per year, *prorata temporis*,
- the Independent Directors, with the exception of the Chairperson of the Board of Directors, are each allocated €15,000 pro rated to their attendance rate at Board meetings,
- the Chairpersons of the Audit, Strategic and Compensation Committees are each allocated €5,000 per year for this role,
- the members of the Audit Committee, the Strategic Committee and Compensation Committee (other than the Chairpersons) are allocated €4,000 for this role.

Any compensation paid to the Chairperson of the Board is set by the Board, after consulting the Compensation Committee. It should be recalled that Mr. Loiseau, following his appointment as Chief Executive Officer on October 3, 2022, did not receive any additional compensation for his additional duties in 2022.

The total annual amount referred to in Article L. 225-45 of the French Commercial Code to be allocated to the members of the Board of Directors as compensation for their activities was set at €150,000 by the Combined General Meeting of June 2, 2022. For 2023, the General Meeting will be asked to maintain this overall amount of compensation allocated annually to the members of the Company's Board of Directors at €150,000, until otherwise decided.

Board members may also receive compensation for specific duties entrusted to them by the Board of Directors in addition to their normal roles on the Board.

Each Director is entitled to the reimbursement of reasonable travel expenses incurred in the financial year for the performance of his or her duties.

Directors receive no special pension, termination benefit or non-compete compensation.

7. Information on share capital

7.1 Changes in the composition of the share capital during the year

	Number of shares	Nominal value (euros)	Share capital (euros)
Shares comprising the share capital at the beginning of the financial year	44,595,075	0.04	1,783,803
Conversion of Preference Shares	6,400	0.04	256
Conversion of share purchase warrants (Kepler)	1,875,000	0.04	75,000
Shares comprising the share capital at the end of the financial year	46,476,475	0.04	1,859,059

7.2 Change in share price – Risk of price fluctuations

In 2022, 56,983,590 shares of the Company traded on the NYSE Euronext Paris regulated market.

The share was quoted at €0.571 at the preparation date of this report on April 5, 2023.

The lowest closing price recorded was at €0.408 on March 7, 2022, and the highest price at €0.91 on July 12, 2022.

The Company's market capitalization at the preparation date of this report was €26 million.

7.3 Information required by Article L. 225-37-5 of the French Commercial Code

7.3.1 Capital structure of the Company

Shareholders	Number of shares	% of total capital
Alexandre Loiseau	587 240	1,26%
Subtotal of 'Board of Directors' (*)	**587 240**	**1,26%**
Johnson & Johnson Inncovation - JJDC Inc	10 811 687	23,26%
Other registered shareholders	5 464 452	11,76%
Free float	29 487 472	63,45%
Own shares	125 624	0,27%
Total	**46 476 475**	**100,00%**

7.3.2 Statutory restrictions on the exercise of voting rights and the transfer of shares or clauses brought to the Company's attention in application of Article L. 233-11 of the French Commercial Code

N/A

7.3.3 Direct or indirect stakes in the Company's share capital of which it is aware by virtue of Articles L. 233-7 and L. 233-12 of the French Commercial Code

See section 7.3.1 above.

7.3.4 List of holders of any securities conferring special rights of control and description of these rights

The Company is not aware of the existence of special rights of control.

7.3.5 Control mechanisms provided in any employee shareholding scheme where rights of control are not exercised by the employees

The Company has not set up employee shareholding systems likely to contain control mechanisms when control rights are not exercised by employees.

7.3.6 Rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the bylaws

The applicable rules are statutory and are in accordance with the law.

7.3.7 Powers of the Board of Directors, in particular the issuance or buyback of shares

The Combined General Meeting of the Company of June 2, 2022 authorized the Board to implement, for a period of eighteen months from the date of the meeting, a share buyback program in accordance with the provisions of Articles L. 225-209 *et seq*. of the French Commercial Code and market practices accepted by the French Financial Markets Authority (*AMF – Autorité des Marchés Financiers*) (see the "Treasury shares – Share buyback program" section of the management report.

7.3.8 Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company

N/A

7.3.9 Agreements providing for compensation for executive corporate officers or employees if they resign or are dismissed without real or serious cause or if their employment is terminated due to a public offer

See item 6. above.

8. Participation of shareholders in Annual General Meetings

In accordance with recommendation No. 14 of the MiddleNext Code, the Board hereby reports on the Company's shareholder relations.

The Company held a Combined General Meeting on June 2, 2022, at the Company's head office.

Shareholders present or represented comprised 34.71% of the Company's voting rights. Given the absence of the option for shareholders to attend the meeting in person, they were able to exercise their voting rights remotely before the General Meeting, by using the single postal or proxy voting form or through the internet via the Votaccess website.

The ordinary resolutions were all adopted with more than 85% of votes. The extraordinary resolutions were all adopted with more than 80% of votes.

The ways to participate in general meetings are set out in Article 19 of the bylaws, available online at www.maunakeatech.com.

The right to participate in the meetings shall be governed by applicable legal and regulatory provisions, and shall in particular be subject to the registration of the securities under the name of the shareholder or the proxy registered on the shareholder's behalf two (2) business days prior to the meeting at 12:00 a.m., Paris time, either in the accounts of registered securities held by the Company, or in the accounts of bearer securities held by the authorized intermediary.

Any shareholder unable to attend a meeting in person may select one of the following three options on each occasion under the legal and regulatory conditions in force:

- grant a power of attorney under the conditions authorized by law and regulations,
- vote by absentee ballot, or
- vote by internet, or
- send a power of attorney to the Company, without indicating a proxy.

9. Agreements referred to in Article L. 225-37-4 of the French Commercial Code entered into by an executive or a significant shareholder of the Company with a subsidiary

We inform you that no agreement referred to in Article L. 225-37-4 of the French Commercial Code was entered into during the past financial year.

10. Capital increase delegations

In accordance with the provisions of Article L. 225-37-4 paragraph 4 of the French Commercial Code, attached to this report in Appendix 3 is a table summarizing the currently valid delegations of authority and powers granted by the General Meeting to the Board of Directors regarding capital increases pursuant to the provisions of Articles L. 225-129-1 and L. 225-129-2 of the aforementioned Code. The table shows the use made of these delegations during the financial year.

The additional reports prepared by the Board of Directors and the statutory auditors when the Board uses the delegations granted to it have been made available to you in accordance with legal provisions.

The Board of Directors

APPENDIX 1

Table of results for the past five financial years

Type of indication/period	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Duration of the financial year	12 months	12 months	12 months	12 months	12 months
a) Issued capital	1,859,059	1,783,803	1,223,588	1,222,870	1,008,053
b) Number of shares issued	1,881,400	14,005,375	17,960	5,357,142	854,000
c) Number of convertible bonds	-	-	-	-	-
a) Sales excluding taxes	5,332,370	6,992,787	4,403,044	6,632,371	8,338,447
b) Profit (loss) before tax, depreciation, amortization, and provisions	-7,515,570	-8,039,041	-9,364,852	-10,965,379	-6,786,079
c) Income tax	-626,810	-635,110	-710,870	-1,077,342	-1,141,064
d) Profit (loss) after tax, but before depreciation, amortization, and provisions	-6,888,760	-7,403,931	-8,923,982	-9,888,037	-5,645,015
e) Profit (loss) after tax, depreciation, amortization, and provisions	-12,876,699	-16,033,905	- 9,444,555	-15,534,771	-11,871,126
f) Amount of profits distributed		-	-	-	-
g) Employee shareholding		-	-	-	-
a) Profit (loss) after tax, but before depreciation and amortization		-	-	-	-
b) Profit (loss) after tax, depreciation, amortization, and provisions		-	-	-	-
c) Dividends paid per share					
a) Number of employees	56	67	75	75	74
b) Total payroll	4,409,869	5,018,361	5,132,959	4,821,421	4,888,217
c) Employee benefits paid	1,969,813	2,122,404	2,107,782	2,210,751	2,143,104

Table of results for the past five consolidated financial years (in € thousand)

Type of indication/period	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Duration of the financial year	12 months	12 months	12 months	12 months	12 months
a) Issued capital	1,859	1,784	1,224	1,223	1,008
b) Number of shares issued	1,881,400	14,005,375	17,960	5,357,142	854,000
c) Number of convertible bonds					
a) Sales excluding taxes	7,479	7,700	6,526	7431	6,760
b) Profit (loss) before tax, depreciation, amortization, and provisions	-10,599	-12,409	-12,338	-15,171	-12,552
c) Income tax	-627	-635	-711	-1077	-1141
d) Profit (loss) after tax, but before depreciation, amortization, and provisions	-9,972	-11,774	-11,627	-14,094	-11,411
e) Profit (loss) after tax, depreciation, amortization, and provisions	-11,180	-13,445	-12,791	-15,272	-12,785
f) Amount of profits distributed					
g) Employee shareholding					
a) Profit (loss) after tax, but before depreciation and amortization					
b) Profit (loss) after tax, depreciation, amortization, and provisions					
c) Dividends paid per share					
a) Number of employees	68	87	100	101	100
b) Total payroll	8,970	11,468	11,459	11,922	10,345
c) Amounts paid under pension commitments and share-based payments	311	504	633	979	128

APPENDIX 2

Main risks and uncertainties facing the Company – Use of financial instruments by the Company

The main financial instruments used by the Group are financial assets, cash, and investment securities. The purpose of managing these instruments is to finance the Company's business activity. It is the Group's policy not to subscribe to financial instruments for speculative purposes.

The primary risks to which the Group is exposed are interest rate risk, credit risk and exchange rate risk.

Exchange rate risk

The main currency for which the Group is exposed to significant exchange rate risk is the US dollar.

The purpose of the Mauna Kea Technologies Inc. subsidiary established in the State of Massachusetts is to distribute and market the Group's products in the United States. To this end, it is fully financed by the parent company, with which it has established three agreements:

- a cash management agreement for a current account in USD;
- a distribution agreement;
- a services agreement (Management fees).

The Group's major exchange rate risk is linked to the EUR/USD parity fluctuation. In fact, the Group markets the product and services in the US through its subsidiary Mauna Kea Technologies Inc. Its revenues and expenses – including the purchases of Cellvizio and probes to Mauna Kea Technologies SA are expressed in US dollars the operational currency of the subsidiary. As a result, the Group is exposed to changes in the EUR/USD exchange rate through that subsidiary.

A change in exchange rates has an impact on Group earnings and shareholders' equity in the same manner, as follows:

- A +10% change in the EUR/USD exchange rate would result in a rise in earnings of €211 thousand at December 31, 2022;
- A -10% change in the EUR/USD exchange rate would result in a drop in earnings of €(258) thousand at December 31, 2022.

Liquidity risk

Note 1.1 to the Consolidated financial statements describes the items and assumptions relating to the going concern assumption.

Note 11 to the Consolidated financial statements describes the financial liabilities to which the Group is committed.

Note 22 to the Consolidated financial statements describes the commitments and obligations given by the Group.

Interest rate risk

At December 31, 2022, the Company did not hold any investment securities, whose interest rate changes have a direct impact on the rate of return for these investments and the cash flows generated.

The loan with EIB is at a fixed rate and is therefore not subject to interest rate risk.

The repayable BPI/OSEO advances at a 2.45% interest rate for an overall undiscounted amount of €3,407 thousand are not subject to interest rate risk.

Credit risk

In the Company's experience, the payment of certain public financing of research expenditures is subject to credit risk.

The Company manages its available cash in a prudent manner. Cash and cash equivalents include cash on hand only.

Credit risk related to cash, cash equivalents, and current financial instruments is insignificant in light of the quality of the co-contracting financial institutions.

With regard to its customers, the Company has no significant concentration of credit risk. The Group has established policies that ensure that its customers have an appropriate credit risk history.

Fair value

The fair value of financial instruments traded on an active market is based on the market price at the reporting date. The market prices used for financial assets held by the Company are the purchase prices in effect on the market at the valuation date.

The nominal value, minus provisions for impairment, of other payables and receivables is assumed to approach the fair value of those items.

APPENDIX 3

Summary table of the current delegations of authority and powers granted by the General Meeting to the Board of Directors with respect to capital increases pursuant to Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code and use made of these delegations during the financial year 2022

Date of the Annual General Meeting	Purpose of the authorization	Expiration date	Use made by the Board of Directors
Extraordinary General Meeting of July 2, 2020			
July 2, 2020 (20th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities giving access to the Company's capital with preferential subscription rights Maximum nominal amount: €60,000,000 (Articles L. 225-129 à L. 225-129-3 and L. 225-129-5, L. 225-129-6, L. 22-10-49, L. 228-91, L. 228- 92 and L. 228-93 of the French Commercial Code)	September 2, 2022 (26 months)	The Board did not use this delegation during the 2022 financial year.
July 2, 2020 (21st resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities, without preferential subscription rights, through a public offer (excluding an offer targeting a limited number of investors acting on their own behalf or to qualified investors pursuant to L. 411-2-1 of the French Monetary and Financial Code) Maximum nominal amount: €60,000,000 (Articles L. 225-129 to L. 225-129-3, and L. 225-129-5, L. 225-129-6, L. 22-10-49, L. 225-135, L. 22-10-51, L. 225-135-1 of the French Commercial Code, and, in particular, its Articles L. 225-136, 22-10-52, L. 228-91, L. 228-92 and L. 228-93)	September 2, 2022 (26 months)	The Board did not use this delegation during the 2022 financial year.
July 2, 2020 (22nd resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities, without preferential subscription rights, through an offer targeting a limited number of investors acting on their own behalf or to qualified investors pursuant to L. 411-2-1 of the French Monetary and Financial Code Maximum nominal amount: €60,000,000 (Articles L. 225-129 to L. 225-129-3, and L. 225-129-5, L. 225-129-6, L. 22-10-49, L. 225-135, L. 22-10-51, L. 225-135-1 of the French Commercial Code, and, in particular, its Articles L. 225-136, L. 22-10-52, L. 228-91, L. 228-92 and L. 228-93)	September 2, 2022 (26 months)	The Board did not use this delegation during the 2022 financial year.

July 2, 2020 (24th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares giving, where applicable, access to other ordinary shares or to the allocation of debt securities (of the Company or a Group company), and/or securities giving access to future ordinary shares (of the Company or a Group company), without preferential subscription rights for shareholders, for the benefit of categories of persons meeting pre-determined criteria (Articles L. 225-129-2, L. 225-138 and L. 228-92 of the French Commercial Code)	January 2, 2022 (18 months)	The Board did not use this delegation during the 2022 financial year. On March 24, 2021, the Board of Directors, making use of this delegation, decided to issue 6,000,000 share purchase warrants to Kepler Cheuvreux, which will exercise them under the conditions provided for in the framework agreement and in the subscription agreement. The exercise price is the lowest of the volume-weighted daily average prices during the fixing period * 94%. The term of the contract is 24 months.
July 2, 2020 (25th resolution)	Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights pursuant to the twentieth, twenty-first, twenty-second and twenty-fourth resolutions (Articles L. 225-129, L. 225-129-2, L. 225-135, L. 22-10-51, L. 225-135-1 *et seq*., L. 22-10-52, L. 228-91 and L. 228-92 of the French Commercial Code)	September 2, 2022 (26 months)	The Board did not use this delegation during the 2022 financial year.
July 2, 2020 (26th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital, in the event of a public offer with an exchange component initiated by the Company Maximum nominal amount: €60,000,000 (Articles L. 225-129 to L. 225-129-3, and L. 225-129-5, L. 225-129-6, L. 22-10-49, L. 22-10-54, L. 228-91 and L. 228-92 of the French Commercial Code)	September 2, 2022 (26 months)	The Board did not use this delegation during the 2022 financial year.
July 2, 2020 (27th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital, within a limit of 10% of the share capital, as consideration for contributions in kind of equity securities or securities giving access to the share capital of other companies and not part of a public exchange offering Maximum nominal amount: €60,000,000 (Articles L. 225-147 and L. 22-10-53 of the French Commercial Code)	September 2, 2022 (26 months)	The Board did not use this delegation during the 2022 financial year.
July 2, 2020 (29th resolution)	Delegation of authority granted to the Board of Directors to increase capital through incorporation of	September 2, 2022 (26 months)	The Board did not use this delegation during the 2022 financial year.

	premiums, reserves, earnings or other Maximum nominal amount: €24,000 (plus, where applicable, the additional amount of shares to be issued to preserve, in accordance with the legal or regulatory provisions and, where applicable, the applicable contractual provisions, the rights of holders of securities giving access to shares (Articles L. 225-129, L. 225-129-2, and L. 225-130, L. 22-10-50 of the French Commercial Code)		
July 2, 2020 (32nd resolution)	Delegation of authority to be granted to the Board of Directors to issue and allocate share purchase warrants without preferential subscription rights to (i) members and non-voting members of the Board of Directors of the Company in office at the warrant allocation date and who are not employees or executives of the Company or of one of its subsidiaries, (ii) a service provider or consultant under contract to the Company or to one of its subsidiaries, or (iii) members of any committee that the Board of Directors established or should establish who are not employees or executives of the Company or of one of its subsidiaries Maximum number of share purchase warrants: 400,000 (Articles L. 225-129 *et seq*. of the French Commercial Code, and, in particular, Articles L. 225-129-2, L. 22-10-49, L. 225-135, L. 22-10-51, L. 225-138 and L. 228-91 *et seq*. of the French Commercial Code)	January 2, 2022 (18 months)	The Board did not use this delegation during the 2022 financial year. The Board of Directors, meeting on May 18, 2021, making use of this delegation, decided to issue 244,000 share purchase warrants for the benefit of the Company's Directors, at a price of €0.16, each giving the right to subscribe to one ordinary share with a nominal value of €0.04, at a price of €1.45.
July 2, 2020 (33rd resolution)	Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and securities giving access to the Company's share capital without preferential subscription rights for the benefit of employees who are members of a Group savings plan Maximum nominal amount: €100,000 (Articles L. 225-129 *et seq*. of the French Commercial Code and, in particular, L. 225-138 and L. 3332-1 of the French Labor Code)	January 2, 2022 (18 months)	The Board did not use this delegation during the 2022 financial year.

Extraordinary General Meeting of June 3, 2021			
June 3, 2021 (16th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities giving access to the Company's capital with preferential subscription rights Maximum nominal amount: €60,000,000 (Articles L. 225-129 à L. 225-129-3 and L. 225-129-5, L. 225-129-6, L. 22-10-49, L. 228-91, L. 228- 92 and L. 228-93 of the French Commercial Code)	August 2, 2023 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 3, 2021 (17th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities, without preferential subscription rights, through a public offer (excluding an offer targeting a limited number of investors acting on their own behalf or to qualified investors pursuant to L. 411-2-1 of the French Monetary and Financial Code) Maximum nominal amount: €60,000,000 (Articles L. 225-129 to L. 225-129-3, and L. 225-129-5, L. 225-129-6, L. 22-10-49, L. 225-135, L. 22-10-51, L. 225-135-1 of the French Commercial Code, and, in particular, its Articles L. 225-136, 22-10-52, L. 228-91, L. 228-92 and L. 228-93)	August 2, 2023 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 3, 2021 (18th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities, without preferential subscription rights, through an offer targeting a limited number of investors acting on their own behalf or to qualified investors pursuant to L. 411-2-1 of the French Monetary and Financial Code Maximum nominal amount: €60,000,000 (Articles L. 225-129 to L. 225-129-3, and L. 225-129-5, L. 225-129-6, L. 22-10-49, L. 225-135, L. 22-10-51, L. 225-135-1 of the French Commercial Code, and, in particular, its Articles L. 225-136, L. 22-10-52, L. 228-91, L. 228-92 and L. 228-93)	August 2, 2023 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 3, 2021 (20th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares giving, where applicable, access to other ordinary shares or to the allocation of debt securities (of the Company or a Group company), and/or securities giving access to future ordinary shares (of the Company or a Group company), without preferential subscription rights for shareholders, for the benefit of categories of persons meeting pre-determined criteria (Articles L. 225-129-2, L. 225-138 and L. 228-92 of the French Commercial Code)	December 2, 2022 (18 months)	The Board did not use this delegation during the 2022 financial year. The Board meeting of June 10, 2021, making use of this delegation, decided to issue (i) 5,909,000 new shares and 2,363,600 share purchase warrants (BSA 1) for Armistice Capital Master Fund Ltd and (ii) 5,454,545 new

			shares and 2,181,818 share purchase warrants (BSA 2) for Johnson & Johnson (i.e. a nominal value of €0.04 and a share premium of €1.06)
June 3, 2021 (21st resolution)	Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights pursuant to the sixteenth, seventeenth, eighteenth and twentieth resolutions (Articles L. 225-129, L. 225-129-2, L. 225-135, L. 22-10-51, L. 225-135-1 *et seq*., L. 22-10-52, L. 228-91 and L. 228-92 of the French Commercial Code)	August 2, 2023 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 3, 2021 (22nd resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital, in the event of a public offer with an exchange component initiated by the Company Maximum nominal amount: €60,000,000 (Articles L. 225-129 to L. 225-129-3, and L. 225-129-5, L. 225-129-6, L. 22-10-49, L. 22-10-54, L. 228-91 and L. 228-92 of the French Commercial Code)	August 2, 2023 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 3, 2021 (23rd resolution)	Delegation of authority granted to the Board of Directors to increase the share capital, within a limit of 10% of the share capital, as consideration for contributions in kind of equity securities or securities giving access to the share capital of other companies and not part of a public exchange offering Maximum nominal amount: €60,000,000 (Articles L. 225-147 and L. 22-10-53 of the French Commercial Code)	August 2, 2023 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 3, 2021 (25th resolution	Delegation of authority granted to the Board of Directors to increase capital through incorporation of premiums, reserves, earnings or other Maximum nominal amount: €24,000 (plus, where applicable, the additional amount of shares to be issued to preserve, in accordance with the legal or regulatory provisions and, where applicable, the applicable contractual provisions, the rights of holders of securities giving access to shares (Articles L. 225-129, L. 225-129-2, and L. 225-130, L. 22-10-50 of the French Commercial Code)	August 2, 2023 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 3, 2021 (25th resolution	Delegation of authority to be granted to the Board of Directors to issue and allocate share purchase warrants without preferential subscription rights to (i) members and non-voting members of the Board of	December 2, 2022 (18 months)	The Board did not use this delegation during the 2022 financial year.

	Directors of the Company in office at the warrant allocation date and who are not employees or executives of the Company or of one of its subsidiaries, (ii) a service provider or consultant under contract to the Company or to one of its subsidiaries, or (iii) members of any committee that the Board of Directors established or should establish who are not employees or executives of the Company or of one of its subsidiaries Maximum number of share purchase warrants: 400,000 (Articles L. 225-129 *et seq*. of the French Commercial Code, and, in particular, Articles L. 225-129-2, L. 22-10-49, L. 225-135, L. 22-10-51, L. 225-138 and L. 228-91 *et seq*. of the French Commercial Code)		The Board of Directors, meeting on June 10, 2021, making use of this delegation, decided to issue 61,000 BSAs for the benefit of the Company's Directors, at a price of €0.14, each giving the right to subscribe to one ordinary share with a nominal value of €0.04, at a price of €1.23.
June 3, 2021 (25th resolution)	Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and securities giving access to the Company's share capital without preferential subscription rights for the benefit of employees who are members of a Group savings plan Maximum nominal amount: €100,000 (Articles L. 225-129 *et seq*. of the French Commercial Code and, in particular, L. 225-138 and L. 3332-1 of the French Labor Code)	December 2, 2022 (18 months)	The Board did not use this delegation during the 2022 financial year.

Combined General Meeting of June 2, 2022			
June 2, 2022 (21st resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities giving access to the Company's capital with preferential subscription rights (Articles L. 225-129 à L. 225-129-3, L.225-129-5 and L.225-129-6, L.22-10-49, L. 228-91, L. 228- 92 and L. 228-93 of the French Commercial Code) Maximum nominal amount: €60,000,000 deducted from the overall ceiling of €60,000,000 set by the General Meeting.	August 1, 2024 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 2, 2022 (22nd resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities, without preferential subscription rights, through a public offer (excluding an offer targeting a limited number of investors acting on their own behalf or to qualified investors pursuant to L. 411-2-1 of the French Monetary and Financial Code) (Articles L. 225-129 à L. 225-3, L.225-129-5, L.225-129-6, L.22-10-49, L. 225-135, L.22-10-51, L. 225-	August 1, 2024 (26 months)	The Board did not use this delegation during the 2022 financial year.

	135-1 of the French Commercial Code, and, in particular, its Articles L. 225-136, L22-10-52 L. 228-91, L. 228-92 and L. 228-93) Maximum nominal amount: €60,000,000 deducted from the overall ceiling of €60,000,000 set by the General Meeting.		
June 2, 2022 (23rd resolution)	Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or any securities, without preferential subscription rights, through an offer targeting a limited number of investors acting on their own behalf or to qualified investors pursuant to L. 411-2-1 of the French Monetary and Financial Code (Articles L. 225-129 *et seq*. of the French Commercial Code, and, in particular, Articles L. 225-129-2, L. 225-135, L.22-10-51, L. 225-135-1, L. 225-136, L.22-10-52, L. 228-91, L. 228-92 and L. 228-93 *et seq*. of the French Commercial Code) Maximum nominal amount: €60,000,000 deducted from the overall ceiling of €60,000,000 set by the General Meeting.	August 1, 2024 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 2, 2022 (25th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares giving, where applicable, access to other ordinary shares or to the allocation of debt securities (of the Company or a Group company), and/or securities giving access to future ordinary shares (of the Company or a Group company), without preferential subscription rights for shareholders, for the benefit of categories of persons meeting pre-determined criteria (Articles L. 225-129-2, L. 225-138 and L. 228-92 of the French Commercial Code) Maximum nominal amount: 70% of the share capital on the date of issue of the securities deducted from the overall ceiling of €60,000,000 set by the General Meeting.	December 1, 2023 (18 months)	The Board did not use this delegation during the 2022 financial year.
June 2, 2022 (26th resolution)	Delegation of authority to be granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or	August 1, 2024 (26 months)	The Board did not use this delegation during the 2022 financial year.

	without preferential subscription rights under the aforementioned delegations. (Articles L. 225-129, L. 225-129-2, L. 225-135, L. 22-10-51, L. 225-135-1 *et seq*., L. 22-10-52, L. 228-91 and L. 228-92 of the French Commercial Code) The maximum nominal amount of any capital increase will be deducted from the overall ceiling of €60,000,000 set by the General Meeting.		
June 2, 2022 (27th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital, in the event of a public offer with an exchange component initiated by the Company (Articles L. 225-129 à L. 225-129-3, L.225-129-5, L. 225-129-6, L.22-10-49, L. 22-10-54, L. 228- 91 and L. 228-92 of the French Commercial Code) Maximum nominal amount: €60,000,000 deducted from the overall ceiling of €60,000,000.	August 1, 2024 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 2, 2022 (28th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital, within a limit of 10% of the share capital, as consideration for contributions in kind of equity securities or securities giving access to the share capital of other companies and not part of a public exchange offering (Article L. 22-10-53 of the French Commercial Code) Maximum nominal amount of €60,000,000 deducted from the overall ceiling of €60,000,000.	August 1, 2024 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 2, 2022 (30th resolution)	Delegation of authority granted to the Board of Directors to increase capital through incorporation of premiums, reserves, earnings or other (Articles L. 225-129, L. 225-129-2, and L. 225-130, and L. 22-10-50 of the French Commercial Code) Maximum nominal amount: €24,000 autonomous cap.	August 1, 2024 (26 months)	The Board did not use this delegation during the 2022 financial year.
June 2, 2022 (31st resolution)	Authorization to be given to the Board of Directors to allocate existing shares and/or shares to be issued free of charge to employees and/or certain corporate officers of the Company or related companies, waiver by shareholders of their preferential subscription rights, duration of the authorization,	August 1, 2025 (38 months)	The Board did not use this delegation during the 2022 financial year.

	cap, length of vesting periods, notably in the event of disability and, where applicable, holding periods. (Articles L.225-197-1 and L.225-197-2 of the French Commercial Code) Maximum amount: 500,000 shares with a nominal value of €0.04.		
June 2, 2022 (32nd resolution)	Authorization to be given to the Board of Directors to grant options to subscribe or purchase Company shares, in accordance with the provisions of Articles L. 225-177 *et seq*. and L. 22-10-56 of the French Commercial Code, with the waiver by shareholders of their preferential subscription rights (Articles L. 225-177 *et seq*. of the French Commercial Code) Maximum amount: 500,000 shares with a nominal value of €0.04.	August 1, 2025 (38 months)	The Board did not use this delegation during the 2022 financial year.
June 2, 2022 (33rd resolution)	Delegation of authority to be granted to the Board of Directors to issue and allocate share purchase warrants without preferential subscription rights to (i) members and non-voting members of the Board of Directors of the Company in office at the warrant allocation date and who are not employees or executives of the Company or of one of its subsidiaries, (ii) a service provider or consultant under contract to the Company or to one of its subsidiaries, or (iii) members of any committee that the Board of Directors established or should establish who are not employees or executives of the Company or of one of its subsidiaries (Articles L. 225-129 *et seq*. of the French Commercial Code, and, in particular, Articles L. 225-129-2, L. 22-10-49, L. 225-135, L. 22-10-51, L. 225-138 and L. 228-91 *et seq*. of the French Commercial Code) Maximum amount: 400,000 share purchase warrants.	December 1, 2023 (18 months)	The Board did not use this delegation during the 2022 financial year.
June 2, 2022 (34th resolution)	Delegation of authority to be granted to the Board of Directors to increase the share capital by issuing shares and securities giving access to the Company's share capital without preferential subscription rights for the benefit of employees who are members of a Group savings plan (Articles L. 225-129 *et seq*. of the French Commercial Code and, in particular, L. 225-138 and L. 3332-1 of the French Labor Code) Maximum nominal amount: €100,000 to be deducted from the overall ceiling of €60,000,000 set by the General Meeting.	December 1, 2023 (18 months)	The Board did not use this delegation during the 2022 financial year.

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CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS AT DECEMBER 31, 2022

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of euros)

	Note	12/31/2022	12/31/2021
ASSETS			
Non-current Assets			
Intangible assets	**3**	2 702	3 371
Property, plant and equipment	**4**	786	1 233
Right of use	**4**	941	1 124
Equity-accounted investments		0	0
Non-current financial assets	**5**	301	355
Total of non-current assets		**4 729**	**6 083**
Current assets			
Inventories & Work in progress	**6**	3 166	3 013
Trade receivables	**7**	7 224	1 532
Other current assets	**7**	1 528	2 228
Current financial assets	**8**	9	29
Cash and cash equivalents	**9**	3 137	11 866
Total of current assets		**15 064**	**18 667**
TOTAL OF ASSETS		**19 793**	**24 751**

ETAT DE LA SITUATION FINANCIERE

(Montants en milliers d'euros)	Note	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Issued capital	**10**	1 859	1 784
Share premium	**10**	787	111 920
Reserves		(11 967)	(110 759)
Foreign currency translation on reserve		577	168
Profit / (Loss)		(11 180)	(13 445)
Total of equity		**(19 925)**	**(10 333)**
Non-current Liabilities			
Long-term loans	**11**	26 939	26 890
Non-current provisions	**12**	119	855
Total of non-current liabilities		**27 058**	**27 745**
Current liabilities			
Short-term loans and borrowings	**11**	2 262	1 807
Provisions	**12**	0	0
Trade payables	**13**	1 274	1 667
Other current liabilities	**13**	9 124	3 865
Total of current liabilities		**12 660**	**7 339**
TOTAL OF EQUITY AND LIABILITIES		**19 793**	**24 751**

COMPREHENSIVE INCOME

(Amounts in thousands of euros)

	Note	12/31/2022	12/31/2021
Operating Revenue			
Sales	**15**	7 479	7 700
Other income	**15**	631	839
Total of revenue		**8 111**	**8 539**
Operating expenses			
Cost of sales	**18**	(2 004)	(1 989)
Gross margin rate		*73%*	*74%*
Research & Development	**18**	(4 068)	(3 310)
Sales & Marketing	**18**	(5 800)	(7 620)
Administrative expenses	**18**	(4 894)	(6 399)
Share-based payments	**17**	(327)	(548)
Total of expenses		**(17 093)**	**(19 866)**
Current operating profit		**(8 983)**	**(11 327)**
Non-current operating profit	**19**	(80)	(891)
Operating profit		**(9 063)**	**(12 218)**
Financial revenue	**20**	294	568
Financial expenses	**20**	(2 411)	(1 795)
Profit before tax		**(11 180)**	**(13 445)**
Income tax expense	**21**	0	0
Profit / (Loss)		**(11 180)**	**(13 445)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial differences on defined benefit plans	**13**	15	5
Total of items that will not be reclassified to profit or loss		**15**	**5**
Items that will be reclassified to profit or loss		***0***	***0***
Exchange differences on translation of foreign operations		409	459
Total of items that will be reclassified to profit or loss		**409**	**459**
Other comprehensive income for the year, net of tax		**425**	**464**
Comprehensive income		**(10 755)**	**(12 980)**
Weighted average number of shares outstanding (in thousands)		44 515	38 082
Basic earnings per share (EUR / share)	**24**	**(0,25)**	**(0,35)**
Weighted average number of potential shares (in thousands)		51 996	44 771

STATEMENT OF CHANGES IN EQUITY
(Amounts in thousands of euros)

		Issued capital	Share premium	Treasury shares	Reserves	Foreign currency translation on reserve	Profit / (loss)	Total of equity
Equity as of	**12/31/2020**	**1 224**	**98 286**	**(60)**	**(98 444)**	**(292)**	**(12 791)**	**(12 077)**
Allocation of the profit / (loss)					(12 791)		12 791	0
Capital transactions		560	13 634		(3)			14 191
Share-based payment transactions					561			561
Treasury shares transactions				(0)	(27)			(28)
Comprehensie income as of	12/31/2021				5	458	(13 445)	(12 980)
Other movements								
Equity as of	**12/31/2021**	**1 784**	**111 920**	**(62)**	**(110 697)**	**168**	**(13 445)**	**(10 333)**
Equity as of	**12/31/2021**	**1 784**	**111 920**	**(62)**	**(110 697)**	**168**	**(13 445)**	**(10 333)**
Allocation of the profit / (loss)					(13 445)		13 445	0
Capital transactions		75	(111 133)		111 919			861
Share-based payment transactions					327			327
Treasury shares transactions				6	(31)			(26)
Comprehensie income as of	12/31/2022				15	409	(11 180)	(10 755)
Other movements								
Equity as of	**12/31/2022**	**1 859**	**787**	**(56)**	**(11 912)**	**577**	**(11 180)**	**(19 925)**

CASH-FLOW STATEMENTS
(Amounts in thousands of euros)

	Note	12/31/2022	12/31/2021
Cash flow from operating activities			
Profit / (Loss)		(11 180)	(13 445)
Elimination of amortization, depreciation and provisions		995	2 186
Share-based payment transaction expense and revenue	**17**	327	561
Other items excluded from the auto-financing capacity		1 634	840
Revenue and expenses related to the discounting of repayable advances	**11**	*101*	*130*
Revenue and expenses related to the discounting of loans	**11**	*1 441*	*1 339*
Revenue and expenses related to the fair value of derivatives instruments	**11**	*(159)*	*(568)*
Net financial interests	**11**	*250*	*28*
Other non-cash items			*(89)*
Capital gain or loss from asset sales		6	33
Auto-financing capacity		**(8 219)**	**(9 825)**
Change in WCR related to business activities		(611)	(450)
Inventories & work in progress	**6**	*237*	*180*
Trade receivables	**7**	*(5 613)*	*469*
Other current assets	**7**	*33*	*(1 019)*
Trade payables	**13**	*(398)*	*186*
Other current liabilities	**13**	*5 130*	*(265)*
Net cash flows from operating activities (A)		**(8 830)**	**(10 274)**
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets	**3/4**	(144)	(1 097)
Proceeds from sale of property, plant and equipment and intangible assets		3	
Change in loans and advances granted	**5/8**	84	(44)
Other cash flows from investing operations			
Net cash flows from investing activities (B)		**(57)**	**(1 140)**
Cash flow from financing activities			
Proceeds from exercise of share options, BSA	**10**	861	2 433
Amounts received from shareholders on capital increases	**10**		11 819
Cash receipts from new loans	**11**		
Reimbursable advance grant IPF			504
Fees on issuance and reimbursment of loans	**11**	(396)	42
Reimbursment of debt on leases (IFRS 16)	**11**	(519)	(554)
Other financial interests paid	**11**	(262)	(261)
Financing of Research Tax Credit (*)	**11**	407	711
Other cash flows from financing operations		17	(38)
Net cash flows from financing activities (C)		**108**	**14 655**
Net foreign exchange difference (D)		49	19
Change in cash (A) + (B) + (C) + (D)		**(8 729)**	**3 260**
Cash at the beginning of the period	**9**	11 866	8 606
Cash at the end of the period	**9**	3 137	11 866
Change in cash		**(8 729)**	**3 260**

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Mauna Kea Technologies, inventor of Cellvizio, a multidisciplinary confocal laser endomicroscopy platform using microprobes and needles, designs and sells medical devices specializing in endomicroscopy to eliminate diagnostic uncertainties in biopsy. Applications relate to the fields of gastroenterology, pulmonology, and urology.

A global player in real-time cellular diagnostics, the Company's prime objectives are to constantly improve the quality of care provided to patients and efficiency of healthcare professionals and systems.

The Company's flagship product, Cellvizio, has received market authorization for a wide range of applications in more than 40 countries, including the United States, Europe, Japan, China, Canada, Brazil and Mexico.
A decision in France in 2019 by UNICAM provided for a procedural code for reimbursement of esophageal endoscopy with confocal laser-guided endomicroscopy biopsy.

Highlights of the financial year

During 2022, the Company continued its efforts to use Cellvizio as the key tool for lung cancer characterization and for molecular imaging-guided surgeries.

The Company also continued its efforts in Research and Development and in clinical studies.

Clinical study with the Johnson & Johnson Lung Cancer Initiative

On February 22, 2022, the Company announced that, as part of its collaboration with the Johnson & Johnson Lung Cancer Initiative (LCI), the initial recruitment of patients had begun in a prospective, multi-center, open-label, and a single-arm clinical feasibility study, sponsored by LCI.

The study will combine nCLE and robotic bronchoscopic navigation, using both Cellvizio® and the Monarch® platform of Auris Health, Inc., a subsidiary of Ethicon, Inc., part of Johnson & Johnson Medical Devices Companies, to assess the ability of the nCLE to accurately confirm the position of the needle for the diagnosis of peripheral pulmonary nodules (.gov: NCT05231278).

This study will include between 75 and 85 patients with peripheral pulmonary nodules in at least four US centers.

Creation of a joint venture and conclusion of licensing agreements with Tasly Pharmaceuticals

On July 11, 2022, the Company and Tasly Pharmaceuticals announced the signature of a strategic agreement to create a joint venture (JV). Tasly Mauna Kea Medical Engineering Technology Co., Ltd was established on November 3, 2022, in Shaoxing, China. It will be majority owned and financed by Tasly and jointly managed by Tasly and the Company.

The joint venture will (i) market certain Cellvizio indications in China, (ii) develop and market Cellvizio worldwide in the fields of neurology and neurosurgery, and (iii) manufacture Cellvizio units for the Chinese market. It will use both existing distribution partners and its own marketing network in China to accelerate the adoption of Cellvizio.

Mauna Kea Technologies did not recognize the joint venture's shares as at December 31, 2022, because the transfer of ownership of its contributions was not considered as effective. The contract between the two entities specifies that the transfer of ownership is conditional on the payment of capital of RMB 80 million (€10.8 million) by Tasly, which was only carried out after the closing date of 2022, on January 16, 2023. At the closing date, the aforementioned transfer of ownership had not been completed. Consequently, Tasly Mauna Kea Medical Engineering Technology Co., Ltd was not included in the Group's scope of consolidation for the 2022 financial year. Once the contributions are finalized by Tasly and Mauna Kea, Mauna Kea will receive 49% of the shares in this joint venture before transferring 4.9% of it to Centponts under the joint venture agreement in consideration for the strategic consulting services provided as part of the transaction.

The Company received the first up front payment of US$6.5 million in January 2023. The related invoice was issued in the 2022 financial year and was the subject of deferred income at the end of the year, as the performance obligations identified had not begun to be met as at December 31, 2022. Depending on the rate of progress of the exchanges of the contribution of licenses and other intellectual property rights to the JV, the Company will receive other staggered cash payments totaling $3.5 million and will be the beneficiary of a commitment from the JV to purchase minimum amounts of Cellvizio systems and probes for 5 years.

New 510(k) authorization from the FDA for Cellvizio with a contrast agent and a molecular marker

On April 12, the Company announced a new 510(k) authorization from the US FDA for the use of the Cellvizio platform, with a molecular marker for real-time in vivo visualization during endoscopic, laparoscopic and needle procedures.

This US FDA authorization concerns a new clinical indication for the use of Cellvizio in the fluorescence imaging of tissues targeted by a molecular marker, Pafolacianin, marketed under the name CYTALUX™ and manufactured by On Target Laboratories, in accordance with its approved use and method of administration. In addition, the authorization includes a new clinical indication for the use of Cellvizio for fluorescence imaging and the visualization of ICG (indocyanine green), whether intravenously or interstitial, in accordance with the approved use and method of administration of ICG. The 510(k) includes all Cellvizio™ Confocal Miniprobes in all authorized clinical indications.

The new area of medical procedures to which this new authorization provides access - Molecular Image-Guided Procedures (MIP) - provides Cellvizio with the unique clinical ability to visualize the tissues to which molecular agents bind, which makes it possible to visualize in real time cancer at the cellular level during minimally invasive procedures. The use of MIP during bronchoscopic lung biopsy could improve the diagnostic accuracy of biopsies while reducing the number of procedures, as well as the time and complications associated with obtaining a diagnosis.

New clinical research and product development collaboration with On Target Laboratories in molecular imaging-guided interventions

On March 8, 2022, On Target Laboratories and Mauna Kea Technologies announced a new clinical research and product development collaboration. This collaboration will make it possible to assess and establish the value of molecular imaging guidance for the identification and diagnosis of lung cancers during interventional bronchoscopy, based on two complementary technologies.

On July 5, 2022, a study entitled "Targeted Detection of Cancer Cells During Biopsy Allows Real-Time Diagnosis of Pulmonary Nodules" was published in the peer-reviewed journal *European Journal of Nuclear Medicine and Molecular Imaging (EJNMMI)*.

This groundbreaking study, conducted by the team at the Faculty of Medicine at the University of Pennsylvania in Philadelphia and funded in part by the Johnson & Johnson Lung Cancer Initiative, aimed to assess the diagnostic accuracy of lung cancer detection at the cellular level using On Target's injectable intraoperative molecular marker, CYTALUX™ (pafolacianin), associated with Mauna Kea's Cellvizio platform, authorized by the FDA for the intralesional visualization of cells that have absorbed CYTALUX™ in solitary small pulmonary nodules during a bronchoscopic biopsy.

The study demonstrated that this new approach can allow the real-time detection of malignant cells at the end of the biopsy needle and creates images that allow accurate discrimination between tumor and normal tissue by non-expert observers.

Publication of a meta-analysis demonstrating the significant role of Cellvizio in the detection of esophageal dysplasia and cancer

On June 27, 2022, in a recent meta-analysis entitled "High definition probe-based confocal laser endomicroscopy review and meta-analysis for neoplasia detection in Barrett's esophagus", the MEDLINE and EMBASE biomedical databases were consulted for studies reporting the diagnostic results of confocal laser endomicroscopy with Cellvizio® as an adjunct to randomized 4-quadrant biopsies in the monitoring of patients with Barrett's esophagus for the early detection of dysplasia and cancer. The studies were eligible if they prospectively compared the real-time diagnostic accuracy of confocal laser endomicroscopy by Cellvizio® with the Seattle protocol and if they used the GastroFlex™ UHD miniprobe. After applying these selection criteria, nine studies were considered eligible, including 688 patients and 1,299 lesions. The sensitivity, specificity and negative predictive value of confocal laser endomicroscopy per patient were 96%, 93% and 98%, respectively. Compared to random biopsies, the increases in the absolute and relative detection rates of neoplasia per patient with confocal laser endomicroscopy were significant and equal to 5% and 243%, respectively. The study demonstrates that the addition of endomicroscopy with Cellvizio® as an adjuvant to guide biopsies provides a

significantly higher diagnostic yield for dysplasia and cancer and reduces sampling error compared to random four-quadrant biopsies alone, constituting the standard diagnostic method.

In addition, a retrospective multi-center study entitled "Health service utilization among patients with Barrett's Esophagus using Confocal Laser Endomicroscopy versus standard of care" focused on the analysis of the charts of 60 patients affected by Barrett's esophagus and directed towards monitoring or surveillance. endoscopic treatment. The authors examined the differences in the use of health services in gastroenterology for 8 elements/services among the patients imaged by Cellvizio® as an adjuvant compared to the standard diagnostic alone. The Cellvizio® cohort obtained lower scores in the range of: 1.04 fewer endoscopy and anesthesia services, 7.49 fewer biopsy vials, 1.30 fewer ablations, and 1.46 fewer cytological brushes. Thus, the researchers concluded that confocal laser endomicroscopy by Cellvizio® is associated with a lower overall burden on the healthcare system.

Success of a clinical study on the prediction of remission in patients with chronic inflammatory bowel diseases (IBD) and its publication in Gastroenterology

The final results of the ERIca trial (Erlangen Remission in IBD, clinicaltrials.gov NCT05157750) were published on October 21, 2022, in *Gastroenterology*, the flagship journal of the American Gastroenterological Association, in the article "Intestinal barrier healing is superior to endoscopic and histologic remission for predicting major adverse outcomes in IBD: the prospective ERIca trial" (https://www.gastrojournal.org/article/S0016-5085(22)01192-1/fulltext).

Endoscopy is the key technique for monitoring patients with IBD, with patients undergoing a monitoring colonoscopy once a year or every two years. Endoscopic and histological remission, characterized by visual assessment of the colon and analysis of random biopsies, has become a key therapeutic objective in the management of IBD and is associated with favorable long-term outcomes.

In this study, the authors prospectively compared the predictive value of intestinal barrier scarring assessed dynamically and functionally by confocal laser endomicroscopy (Cellvizio®) and that of endoscopic and histological remission to predict the long-term behavior of the disease in a large cohort of patients with IBD in clinical remission.

Between 2017 and 2019, a total of 296 patients with IBD were selected for the study. Of these, 181 patients with IBD (100 with Crohn's disease and 81 with ulcerative colitis (UC) were ultimately eligible and included in the study, with an average follow-up of 25 months for UC and 35 months for Crohn's disease.

The endoscopic and histological activity of the disease as well as the scarring of the intestinal barrier were evaluated prospectively according to established scores. During monitoring, the patients were closely inspected for the clinical activity of the disease and the appearance of major adverse effects: outbreaks of the disease, hospitalization or surgery related to an IBD, initiation or increase in the dose of systemic steroids, immunosuppressants, small molecules or biological treatments.

The authors noted that the scarring of the intestinal barrier characterized by confocal laser endomicroscopy was much superior to endoscopic and histological remission in predicting survival without major adverse effects in UC and Crohn's disease.

- For patients suffering from UC and whose intestinal barrier scarring in the colon was confirmed by Cellvizio, the probability of survival without major adverse effects was 81%, compared to 47.7% - 64.7% for all other predictors.

- For patients suffering from Crohn's disease and whose recovery of the intestinal barrier in the colon was confirmed by Cellvizio, the probability of survival without major adverse effects was 70.4%, compared to 43.9% - 50 % for all other endoscopic and histological predictors. When the healing of the barrier was confirmed in the ileum, this probability reached 100% compared to 43.9% - 50% for all other predictors.

New financing

On April 22, 2021, Mauna Kea Technologies established an equity financing line with Kepler Cheuvreux acting as financial intermediary under an underwriting agreement.

Under the terms of the agreement, Kepler Cheuvreux has undertaken to underwrite a maximum of 6,000,000 shares at its own initiative, over a maximum period of 24 months, provided that the contractual conditions are met. The shares will be issued based on a volume-weighted average share price over the two trading days preceding each issue, less a maximum discount of 6.0%. These terms and conditions allow Kepler Cheuvreux to underwrite the shares over the term of the agreement. Mauna Kea Technologies retains the right to suspend or terminate this agreement at any time. In 2022, Kepler Cheuvreux underwrote 1,875,000 shares representing a cash amount of €0.7 million, compared to 2,335,000 shares and €2.4 million in 2021.

Management changes

On October 3, 2022, Sacha Loiseau, Founder, and current Chairman of the Board of Directors of Mauna Kea Technologies, was appointed Chief Executive Officer, replacing Nicolas Bouvier, Interim Chief Executive Officer, with immediate effect. Sacha Loiseau will therefore combine the functions of Chairman and Chief Executive Officer of Mauna Kea Technologies.

Ukraine conflict

The Company has no operations or business ties with Russia or Ukraine; however, the consequences of this conflict, whether direct or indirect, cannot be accurately quantified at this time.

Note 1: Accounting methods and principles

1.1 Accounting principles applied by the Group

The financial statements are presented in thousands of euros. Rounding may in some cases cause insignificant variances in totals.

They were approved by the Board of Directors on April 5, 2023. These financial statements will be definitive only after their approval by the General Shareholders' Meeting.

The financial statements are prepared on the basis of historical cost with the exception of financial assets, which are measured at their fair value. The preparation of the financial statements according to IFRS principles requires that estimates be made, and assumptions formulated which impact the amounts and information provided therein with respect to measuring the cost of share-based payments, measuring the value of the research tax credit, and measuring value in use with regard to impairment testing. These assumptions and estimates were made on the basis of information or positions at the date the financial statements were prepared and may differ from actual results. As applicable, a sensitivity analysis may be implemented if this variation is significant.

As at the date of closing of these financial statements, the Board of Directors believes that the Company will be able to cover the financing needs of its operating activities until December 31, 2023, in view of the following considerations:

- Cash available at December 31, 2022, amounted to €3.1 million, to which is added
- Inflow of $6.5 million in January 2023 received by Tasly as part of the signature of the License agreement (see highlights of the financial year)
- Inflow of €0.7 million following the exercise of share purchase warrants (BSA) by Kepler under the equity line contract described in highlights
- Inflow of $2.5 million expected in April 2023 by Tasly as part of the JV agreement
- Inflow of the balance of the 2022 research tax credit for €0.2 million in Q2 2023 and prefinancing of the 2023 research tax credit for €0.6 million in Q4 2023;

The Company is in a position to meet its potential needs until April 30, 2024, by subscribing to a financing line or an equity line.

This financial information was prepared on the basis of the principles underlying all the standards and interpretations adopted by the European Union whose application is mandatory at December 31, 2022. These are available on the European Commission website: *International Accounting Standards Regulation (europa.eu)*

The standards and interpretations adopted by the European Union and mandatory as of January 1, 2022, are as follows:

- Amendments to IAS 16 – Property, plant and equipment - Income generated before intended use
- Amendments to IAS 37 – Costs to be taken into account in determining whether a contract is onerous
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Annual improvements to IFRS standards (2018-2020 cycle)
- IFRIC agenda decision on presentation rules applicable to demand deposits subject to restrictions by a third-party contract (IAS 7) – April 2022

No significant impact is expected following the application of these standards and interpretations.

Equally, the Group does not apply in advance the standards and interpretations published by the IASB but not yet adopted by the European Union at December 31, 2022, namely:

- Amendments to IAS 1 – Presentation of financial statements and Practice Statement 2 – Disclosures on accounting policies, mandatory as of January 1, 2023
- Amendments to IAS 8 – Definition of accounting estimates and change in method, mandatory as of January 1, 2023
- Amendment to IAS 12 – Deferred taxes relating to assets and liabilities arising from a single transaction, mandatory as of January 1, 2023
- Amendments to IAS 1 – Classification of liabilities as current/non-current, mandatory as of January 1, 2024 (subject to adoption by the European Union)
- Amendment to IFRS 16 – Lease liabilities relating to sale-leaseback transactions, mandatory as of January 1, 2024 (subject to adoption by the European Union)

1.2 Consolidation methods

Controlled subsidiaries within the meaning of IFRS 10 "Consolidated financial statements" are fully consolidated. The Group controls an entity when it is exposed or has rights to variable returns from its ties with the entity and has the ability to affect those returns through the power that it holds over it. They are deconsolidated from the date on which control cease to be exercised.

The intra-group transactions and balances are eliminated. The accounting methods of the subsidiaries have been aligned with those of the Company.

1.3 Net investments abroad

In accordance with IAS 21.15, foreign exchange gains and losses on long-term receivables in US dollars owed by a US subsidiary to the Company are recognized in equity. Indeed, these accounts receivables are considered as net investments in currencies within consolidated foreign subsidiaries, considering the unforeseeable nature of the payment of these receivables.

1.4 Intangible assets

In accordance with IAS 38, intangible assets acquired are recognized as assets in the balance sheet at their acquisition or production cost. The subsidies received and related the capitalized expenses are recognized as a reduction of cost.

Research and development expenses

The research expenses are consistently recognized as expenses.

In accordance with IAS 38, development costs are recognized as intangible assets only if all the following criteria are met:

(a) the Company has established the technical feasibility necessary to complete the development project;
(b) the Company intends to complete the project and commission it;
(c) the Company is able to commission the intangible asset;
(d) the Company is able to demonstrate the likelihood of future economic benefits from the asset;
(e) the Company has the technical, financial, and other resources necessary to complete the project; and

(f) the Company has a reliable assessment of development expenses.

In application of this standard, the Company recognized all its R&D costs as expenses, until the first prototypes of Cellvizio were refined.

Development expenses related to finalizing new products were recognized as assets as long as they met the criteria of IAS 38. Expenses related to research and the improvements of existing products remain as expenses for the financial year.

Development costs capitalized are amortized on a straight-line basis over 5 years for the second and third generation of Cellvizio corresponding to their useful life. Useful life is incorporated into the current period until the asset becomes obsolete.

The marketing of the new GEN III platform started on October 1, 2021.

Patents

Patent filing costs incurred by Mauna Kea Technologies until the patents are obtained are recognized as intangible assets in line with the criteria for capitalizing development costs stipulated by IAS 38.

They are amortized on the basis of the straight-line method over the term of protection granted.

Software packages

Costs relating to the acquisition of licenses for software packages are recognized as assets on the basis of the costs incurred to acquire and implement them.

They are amortized using the straight-line method over a period of one to three years.

1.5 Property, plant and equipment and rights-of-use

Property, plant, and equipment subject to a lease of more than twelve months and covering assets whose individual replacement value as new is more than USD 5,000 have, since January 1, 2019, been recognized as an asset representing the right-of-use of the leased asset. The initial valuation of the asset is estimated using the amortized cost model and depreciated over the shorter of the lease term or the term of the right-of-use, in accordance with the requirements of IFRS 16.

Acquired property, plant, and equipment is recognized at acquisition or production cost. The renovations and major improvements are capitalized, and the repair and maintenance expenses and the costs of the other renovation work are expensed as incurred. The subsidies received and related the capitalized expenses are recognized as a reduction of cost.

Property, plant, and equipment are depreciated on the basis of the straight-line method over the estimated lifetime of the property. The fixtures of property rented are depreciated over the term of their own lifetime or over the term of the rental agreement, whichever is shorter.

Cellvizio entrusted to hospitals under partnership agreements (reference centers) and Cellvizio made available under a consignment contract are recorded under non-current assets.

Depreciation and amortization periods are as follows:

Fixtures and fittings of buildings……7 years
Research and development tools……...2 to 5 years
Production tools……3 to 7 years
Cellvizio granted to reference centers, lent or consigned……..5 years
Research equipment and technical facilities……7 years
Office equipment and furniture……5 years
IT equipment……...3 years

1.6 Recoverable amount of non-current property, plant and equipment and intangible assets

Intangible assets and property, plant, and equipment are tested for impairment if the recovery of their carrying amount is uncertain. With respect to intangible assets in progress, even in the absence of indicators of impairment, an impairment test is conducted annually.

An impairment loss is recognized to the extent that the carrying amount exceeds the recoverable value of the asset. The recoverable value of an asset corresponds to its fair value minus the costs of sale or its value in use if the latter is higher. With respect to the Company's intangible assets, there are no market data that allow the net fair value of the costs of sale to be determined other than by an estimation of future cash flows. Consequently, the recoverable amount is essentially equal to the value in use.

The value in use is determined each year, in accordance with IAS 36: it corresponds to the discounted value of estimated future cash flows expected from the continued use of the assets and their disposal at the end of the intended use by the business. It does not take into account the impact of the financial structure, tax effects, or restructuring efforts not undertaken.

The recoverable amount must be estimated for each individual asset. If this is not possible, IAS 36 requires a company to determine the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Only one cash-generating unit has been defined at Group level. It is therefore at Group level that this impairment test was performed.

This value is based on the discounted cash flow method over a period of 5 years and using a terminal value calculated on the basis of an updated standard flow with a growth of 2%.

1.7 Leases

When a lease is entered into, a liability is recorded in the balance sheet corresponding to the discounted future payments of the fixed portion of the rents, in exchange for rights-of-use to the asset amortized over the term of the lease. The amount of the liability significantly depends on the assumptions used regarding the term of the commitments and, to a lesser extent, the discount rate.

The term of the contract generally used to calculate the liability is the term of the contract including the renewal options if it is reasonably certain that the Company will exercise them.

The discount rate used corresponds to the implicit rate of the contract if existing or to the incremental borrowing rate that would be obtained for a loan contracted for an almost equivalent period.
The lessee's weighted average incremental borrowing rate was estimated at 2% for the Paris office lease, as well as for the other leases of Mauna Kea Technologies SA. A rate of 12% was used for the lease of the American premises corresponding to the implicit interest rate provided for in the contract.

The Group applied the following simplification measures:

- use of a single discount rate for a portfolio of leases with reasonably similar characteristics;
- use of previous valuations to determine whether the leases involve a financial outlay;
- recognition as expenses of the rents from short-term leases (those with terms less than or equal to 12 months which do not include purchase options and/or leases concerning low value assets);
- use of knowledge acquired retrospectively to calculate, for example, the term of the lease when it includes extension or termination options.

The contracts restated by the Group mainly correspond to the leases of the head office in France and the offices located in Boston as well as motor vehicle leases.

1.8 Financial assets

The Company's financial assets include loans and receivables, and the cash and cash equivalents.

The measurement and recognition of financial assets and liabilities are defined by IFRS 9 "Financial instruments".

Loans and receivables

This category includes trade receivables, the other loans and receivables, and deposits and guarantees, which are classified under financial investments on the balance sheet.

These instruments are initially recognized at their fair value and then at amortized cost using the effective interest rate (EIR) method. Short-term receivables without a nominal interest rate are measured at the amount of the original invoice unless the application of an implicit interest rate has a material impact. For variable-rate loans and receivables, a periodic reestimation of cash flow variations, in order to translate changes in market interest rates, modifies the effective interest rate and consequently the valuation of the loan or receivable.

The Company analyzes each of its trade receivables past due to determine whether an impairment loss should be recognized.

Loans and receivables are monitored for any objective indication of impairment. A financial asset is impaired if it carrying amount is greater than its recoverable amount as estimated during impairment tests. The impairment is recognized in the income statement.

Assets at fair value through profit or loss

Assets considered to be held for sale include assets that the Company intends to resell in the near future in order to realize a capital gain and that are part of a portfolio of financial instruments managed together customarily sold in the short term.

1.9 Inventories and work in progress

The inventories are valued at their cost or at their net realizable value (NRV) if the latter is lower. In the latter case, a corresponding impairment loss is recognized in profit or loss.

Inventories of raw materials are valued according to the weighted average cost method.

Inventories of semi-finished and finished products are valued at standard cost for the period.

1.10 Cash and cash equivalents

Cash equivalents are held to meet short-term cash commitments rather than for investment or other purposes. They are readily convertible, into a known amount of cash, and are subject to a negligible risk of change in value. The cash and cash equivalents are constituted by liquid assets that are available immediately, long-term investments that can be liquidated immediately, and short-term investment securities. They are evaluated on the basis of the IFRS 9 according to the categories they belong to.

The short-term investment securities are readily convertible into a known amount of cash and are subject to a negligible risk of change in value. They are measured at fair value, and changes in value are recorded in the net finance income or expense.

1.11 Capital

Costs of share capital transactions that are directly attributable to the issue of new shares or options are recognized in equity as a deduction from the proceeds of the issue, net of tax.

1.12 Liquidity contract

Following its listing on the NYSE Euronext Paris regulated market, the Company signed a liquidity contract with a specialized institution in order to limit the intraday volatility of the Mauna Kea Technologies stock.

The portion of the contract that is invested in own shares of the Company by this service provider is posted to the accounts as a deduction from the consolidated shareholders' equity of the Company at the end of each financial year. The balance of "liquidity" is recorded as current financial assets.

1.13 Share-based payments

Since its formation, the Company has established several plans for compensation paid in equity instruments in the form of BSPCEs (stock warrants for business creator shares) granted to employees and/or executives, BSAs (share purchase warrants) granted to non-employee members of the Board of Directors or the Supervisory Board, stock options (SO) granted to employees of the subsidiary Mauna Kea Technologies Inc., and preference shares and free shares awarded to employees and/or executives.

In accordance with IFRS 2, the cost of transactions settled in equity instruments is recorded as an expense with a counterpart increase in equity over the vesting period.

The Company has applied IFRS 2 to all equity instruments granted since 2002 to employees, members of the Board of Directors or the Supervisory Board, natural persons, or entities.

The fair value of stock options or performance shares granted to employees is determined using the Black-Scholes option valuation model. The same applies to options granted to other natural persons who provide similar services, the market value of the latter not being ascertainable.

The determination of the fair value of the converted instruments includes the vesting conditions described in Note 17: Share-based payments. The other factors taken into consideration are also Note 17: Share-based payments.

1.14 Measurement and recognition of financial liabilities

Financial liabilities at the amortized cost

Borrowings and other financial liabilities are valuated initially at their fair value and then at amortized cost using the EIR method.

Transaction costs that are directly attributable to the acquisition or issue of a financial liability are deducted from that financial liability. These expenses are then amortized actuarially over the lifetime of the liability, on the basis of the EIR.

The EIR is the rate at which expected future cash outflows are equal to the net present carrying amount of the financial liability from which their amortized cost is deducted.

A framework agreement for the sale of receivables was signed in 2022 between Mauna Kea Technologies SA (the Seller), the Predirec Innovation 3 securitization fund (the Assignee) and Neftys Conseil (the Arranger) allowing for the sale of receivables in 2022. The amount sold was deducted from guaranteed holdbacks of 7.5%, the initial deduction of 6.49% and the structuring fee of 0.25%.

The sale of these receivables was recorded when ownership was transferred leading to the removal of these receivables from the balance sheet in exchange for the cash received.

The repayment of the 2021 RTC was received at the end of 2022. All that remains is to receive the collective retention of 2.5%. The receivable related to the RTC for 2022 was the subject of pre-financing of €407 thousand at December 19, 2022, with the Predirec Innovation 3 fund and was still the object of a loan as at December 31, 2022.

According to the decision tree of IAS 39 regarding the derecognition of financial assets, it was concluded that the Group had not transferred substantially all of the risks and rewards inherent in the transferred 2022 research tax credit receivable. Therefore, this receivable was not offset, and the funds received from the receivable sale are recognized in current loans and borrowings.

Liabilities at fair value through profit and loss

The liabilities at fair value through profit and loss are measured at their fair value.

In accordance with the provisions of IFRS 9 and the clarifications made in autumn 2017 by the IFRS Interpretation Committee on the treatment of debt changes deemed not to be derecognizable, the Group immediately restates in the income statement the effect of changes in contractual borrowing conditions. The effective interest rate is thus maintained on the residual maturity of the debt.

As part of the financing with the European Investment Bank (EIB), the Group issued share purchase warrants (BSA). This issuance has been analyzed according to IFRS 9 criteria. Because of the put option and the variable nature of the number of shares to which the BSAs will give entitlement, it is recognized as a derivative instrument and measured at fair value on the grant date. It is then remeasured at each reporting date with a corresponding adjustment in profit (loss).

1.15 Conditional advances

The Company receives a certain number of forms of assistance, in the form of subsidies or conditional advances. The details concerning this assistance are provided Note 11: Loans and borrowings.

A conditional non-repayable loan is treated as a public subsidy if there is reasonable assurance that the Company will fulfill the conditions under which the loan need not be repaid. If the contrary is the case, it is classified under debts.

The unpaid interest benefit resulting from an interest-free repayable loan is considered a subsidy. This benefit is determined by applying a discount rate equal to the contractual rate if the latter is known or the market rate.

1.16 Provisions

Provisions for risks and expenses

Provisions for risks and expenses correspond to commitments arising from miscellaneous risks and expenses, whose timing and amount are uncertain, and which the Group may face in the course of its business.

A provision is recognized when there is a legal or implicit obligation to a third party resulting from a past event which is likely or certain to cause an outflow of resources to that third party, without the expectation of at least equal compensation from it, and for which the future outflows of liquid assets can be estimated reliably.

An amount recognized as a provision is the best estimate of the expenditure necessary to settle the obligation, which is discounted if necessary, on the reporting date.

Retirement pension and post-employment benefits

The employees of the Company receive the retirement benefits stipulated by law in France:

- retirement benefits paid by the Company to employees upon their retirement (defined benefit plans);
- payment of retirement pension benefits by Social Security agencies and financed by contributions from employers and employees (defined contribution plans).

For the defined benefit plans, the costs of the retirement benefits are estimated by using the projected credit unit method. According to this method, the cost of the retirement pensions is recognized in the income statement in such a manner as to distribute it uniformly over the term of the services of the employees. The retirement benefits commitments are valuated at the current value of the future payments estimated using the market rate based on the long-term obligations of the first-category companies with a term that corresponds to that estimated for the plan.
The Company relies on actuaries qualified to conduct an annual review of the valuation of these plans.

In accordance with IAS 19 "Defined Benefit Plans: Employee Contributions", service costs and net interest are recorded under operating profit (loss) and other remeasurements are recorded under other comprehensive income.

The Company's payments for the defined contribution plans are recognized as expenses on the income statement of the period with which they are associated.

1.17 Revenue from ordinary activities

The Group recognizes revenue from ordinary activities according to IFRS 15.
Revenue from ordinary activities is measured as the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's business. Revenue from ordinary activities is presented net of value-added tax, product returns, rebates and discounts, and intragroup sales.

Revenue is recorded when the transfer of goods or services promised to a customer is completed for the amount that reflects the payment that the entity expects to receive as consideration for those goods or services. Regarding the sale of products, revenue is recognized either at the products availability or delivery according to the order's conditions.

Regarding the Company's ordinary sales, and when it is a system rental contract, the Cellvizio is recognized as an asset of the Company and the revenue is recognized on the sale of consumables or on a fee-for-service basis by the healthcare professional to the extent that the system remains the property of the Company.
Sales of systems previously leased under the "Pay-Per-Use" contract are classified as "Sales" in the income statement.

1.18 Other income

Subsidies

In accordance with IAS 20, government grants, including non-monetary grants at fair value, are only recognized when there is reasonable assurance that:

- the entity will comply with the conditions of the grants; and
- the grants will be received.

Government grants are recognized in income on a systematic basis over the periods necessary to link them to the costs they are intended to compensate.

In the case of government grants intended to compensate items in the income statement by means of a loan at a preferential rate of interest, and where that rate is final, the savings resulting from the preferential rate are treated as an operating subsidy and are recognized as a deduction from expenses or in income, depending on the terms of the financing agreement.

The Group presents these operating subsidies under "Other income" in the income statement.

Research tax credit and innovation tax credit

Research Tax Credits are granted to companies by the French government in order to encourage them to conduct technical and scientific research. Companies that prove that they have expenditures that meet the required criteria (research expenditures located in France or, since January 1, 2005, within the European Community or in another State that is a party to the Agreement on the European Economic Area that has concluded a tax treaty with France that contains an administrative assistance clause) receive a tax credit that can be used for the payment of the corporate tax due for the financial year in which the expenditures were made and the next three financial years, or, as applicable, be reimbursed for the excess portion. As the Company meets the criteria of an SME within the European Community meaning, it receives a refund of the tax credit the year following the financial year in question.

The part of the tax credit used to finance research costs is recognized under "Other income" for the year in which the eligible expenditures are incurred. The part used to finance eligible development costs is deducted from costs recorded under assets.

1.19 Other operating income and expenses

These are unusual income or expenses of a significant amount and limited in number and frequency that the Company presents as a separate item on its income statement in order to facilitate understanding of its current operational performance and provide useful information for a forward-looking analysis of results.

1.20 Cost of products sold

The cost of products sold is composed of expenses directly related to the products sold, i.e., the consumption of raw materials, direct labor costs and provisions for impairment of inventories.

It also takes into account the depreciation of systems made available to customers under Pay-Per-Use contracts.

1.21 Taxes

The deferred income taxes are recognized on the basis of the broad conception and on the basis of the liability method, for all the temporary differences between the value for tax purposes and the stated carrying amount of the assets and liabilities that appear within the financial statements. The primary temporary differences are related to the tax losses that can be carried forward or backward. The tax rates stipulated by law at the reporting date are used to determine deferred taxes.

Deferred tax assets are only recognized to the extent that probable future profits will be sufficient to absorb the losses carried forward. In view of its stage of development, the Company does not recognize deferred tax assets beyond deferred tax liabilities.

1.22 Segment information

The Company has not at this date identified separate operating segments. It conducts its business in a single operating segment: endomicroscopy.

1.23 Other comprehensive income

The revenue and expense items for the period recognized directly in equity are presented, as applicable, under the rubric "Other comprehensive income". These are principally:

- EUR/USD exchange rate differences relating to the subsidiary Mauna Kea Technologies, Inc.;
- changes in pension plan provisions arising from changes in actuarial assumptions.

1.24 Significant accounting estimates and judgments

Estimates and judgments made by Management when applying the accounting policies described above are based on historical information and other factors, notably the anticipation of future events judged to be reasonable in light of circumstances. These estimates and judgments are primarily the following:

Sales recognition

When a system is sold, the legal warranty period begins when the system is installed at the customer's premises.

In accordance with IFRS 15, revenue from the sale of a system is recognized either when the products are made available or upon delivery, depending on the terms of the order. Sales related to the legal warranty must be deferred until the system is installed at the customer's premises. The Group uses estimates to determine the amount reflecting the payment it expects to receive under the guarantee alone.

Valuation of warrants, stock options and preference shares (Note 11: Loans and borrowings*Note 17: Share-based payments)*

The fair value of warrants, stock options and preference shares granted to employees or service providers is measured on the basis of actuarial models. These models rest on certain calculation assumptions such as the expected volatility of the security.

Valuation of the research tax credit

Income relating to the research tax credit is measured on the basis of methods detailed in Note 1.18: Other income – Research tax credits.

Valuation of intangible assets (Note 3: Intangible assets)

The value in use of intangible assets is measured on the basis of assumed sales growth and a discount rate that reflect the best estimates of management.

1.25 Subsequent events

The balance sheet and the income statement of the Company are adjusted to reflect the subsequent events that alter the amounts related to the situations that exist as of the reporting date. Adjustments are made until the date on which the financial statements are approved by the Board of Directors.

Other subsequent events that did not result in adjustments are presented in Note 26: Subsequent events.

Note 2: Company and scope

Founded in May 2000, Mauna Kea Technologies SA ("the Company") develops and markets medical devices, particularly optical instruments for medical imaging.

As part of its development in the United States, the Company created Mauna Kea Technologies Inc. on January 3, 2005.

(1) Group's parent company.

Note 3: Intangible assets

The changes in intangible assets break down as follows:

INTANGIBLE ASSETS
(Amounts in thousands of euros)

	12/31/2021	Increase	Decrease	Reclassification	12/31/2022
Development costs	6 050				6 050
Patents, licenses and trademarks	1 854	6			1 859
Software packages	953	14	(12)		955
Development costs in progress					
Patents, licenses and trademarks in progress	419				419
Total gross of intangible assets	**9 276**	**20**	**(12)**		**9 284**
Amort. / dep. of development costs	(3 745)	(485)			(4 230)
Amort. / dep. of patents, licenses and trademarks	(1 347)	(119)			(1 467)
Amort. / dep. of software packages	(813)	(76)	3		(886)
Total amort. / dep. of Intangible assets	**(5 905)**	**(681)**	**3**		**(6 582)**
Total net of Intangible assets	**3 371**	**(661)**	**(8)**		**2 702**

INTANGIBLE ASSETS
(Amounts in thousands of euros)

	12/31/2020	Increase	Decrease	Reclassification	12/31/2021
Development costs	3 623			2 427	6 050
Patents, licenses and trademarks	1 846	5		3	1 854
Software packages	949	4			953
Development costs in progress	1 785	642		(2 427)	0
Patents, licenses and trademarks in progress	410	13		(3)	419
Total gross of intangible assets	**8 613**	**663**			**9 276**
Amort. / dep. of development costs	(3 623)	(121)			(3 745)
Amort. / dep. of patents, licenses and trademarks	(1 182)	(166)			(1 347)
Amort. / dep. of software packages	(736)	(76)			(813)
Total amort. / dep. of Intangible assets	**(5 541)**	**(363)**			**(5 905)**
Total net of Intangible assets	**3 072**	**300**			**3 371**

The development costs of the new GEN III platform were capitalized for the first time in 2019: €838 thousand, €947 thousand and €642 thousand capitalized in 2019, 2020 and 2021, respectively.

Since March 2019, these costs have fulfilled the capitalization criteria pursuant to IAS 38:
- the technical feasibility of the intangible asset for use or sale
- the Group's intention to complete the asset and its ability to use or sell it
- expected future economic benefits from the asset
- available resources enabling the development of the system to be completed
- ability to reliably measure the costs of developing the asset

All capitalized development costs relating to GEN III, totaling €2,427 thousand, were commissioned and amortized from the date of marketing, i.e., October 1, 2021.

An impairment test was performed at December 31, 2022, using the methodology described in Note 1.6.

As the Company consists of only one CGU, the impairment test is performed at Group level.

The future cash flows over the period 2023 to 2027 are based on the following assumptions:
- an average sales growth rate broken down by geographical area and by distribution model for the Group's historical activity (pay-per-use, direct sales of systems, sales to distributors) as well as the estimated income from new business activities
- a margin rate up slightly over the period taking into account the change in the expected business model and the cost of products sold depending on the type and generation of the products
- a constant distribution of expenses by type (R&D, Sales & Marketing and Overheads)
- investments (including systems made available through the Pay-Per-Use program in the United States)

These cash flows were discounted at a rate of 15% and the terminal value at a growth rate of 2%.

The recoverable amount obtained is greater than the net carrying amount of the assets tested. At December 31, 2022, no impairment loss had thus been recognized.

The Company tests the effects of a change in the cost of equity assumptions: the variation of +1 and -1 point respectively varies the valuation of the CGU by -10% and +12%.

The Company tests the effects of a change in the assumptions of the perpetual growth rate: the variation of +0.5 point and -0.5 point respectively varies the valuation of the CGU by +6% and -5%.

In addition, a decrease of 5 points in sales assumptions would not lead to the recognition of impairment.

In view of these results and summing up all the impacts of negative assumptions, the Company would not have recognized any impairment loss.

Note 4: Property, plant and equipment and rights-of-use

The changes in property, plant and equipment break down as follows:

TANGIBLE ASSETS
(Amounts in thousands of euros)

	12/31/2021	Increase	Decrease / Scrapping	Exchange differences	Reclassification	12/31/2022
Industrial equipment	3 642	75	(13)	14	1	3 718
Fixture in buildings	51					51
Other tangible assets	1 316	41	(48)	7		1 316
Tangible assets in progress	1	8			(1)	8
Total tangible assets	**5 010**	**124**	**(61)**	**20**		**5 093**
Amort. / dep. of industrial equipment	(2 715)	(449)	13	(12)		(3 163)
Amort. / dep. of fixture in buildings	(51)					(51)
Amort. / dep. of other tangible assets	(1 011)	(123)	46	(5)		(1 093)
Total amort. / dep. of tangible assets	**(3 777)**	**(571)**	**60**	**(18)**		**(4 307)**
Total net of tangible assets	**1 233**	**(448)**	**(1)**	**2**		**786**
Right of use	5 370	323	(49)	11		5 656
Amort. / dep. of right of use	(4 247)	(507)	49	(10)		(4 715)
Total net of Right of use	**1 124**	**(184)**		**1**		**941**

TANGIBLE ASSETS
(Amounts in thousands of euros)

	12/31/2020	Increase	Decrease / Scrapping	Exchange differences	Reclassification	12/31/2021
Industrial equipment	3 643	173	(274)	17	82	3 642
Fixture in buildings	51					51
Other tangible assets	1 194	222	(110)	8	3	1 316
Tangible assets in progress	93	4	(12)		(85)	1
Total tangible assets	**4 981**	**399**	**(396)**	**25**		**5 010**
Amort. / dep. of industrial equipment	(2 467)	(482)	250	(16)		(2 715)
Amort. / dep. of fixture in buildings	(51)					(51)
Amort. / dep. of other tangible assets	(1 012)	(114)	122	(6)		(1 011)
Total amort. / dep. of tangible assets	**(3 530)**	**(596)**	**372**	**(23)**		**(3 777)**
Total net of tangible assets	**1 451**	**(197)**	**(24)**	**3**		**1 233**
Right of use	5 035	319		16		5 370
Amort. / dep. of right of use	(3 692)	(544)		(12)		(4 247)
Total net of Right of use	**1 344**	**(224)**		**3**		**1 124**

The increase in the right-of-use is due to lease renewals. The depreciation recorded for these assets represents €507 thousand for the 2022 financial year.

Note 5: Non-current financial assets

Non-current financial assets at December 31, 2022, include security deposits paid under operating leases for €211 thousand, and collective holdbacks relating to the sale of receivables from the 2017/2018/2019/2020/2021/2022 research tax credits for €90 thousand.

Note 6: Inventories and work-in-progress

The inventories and work in progress break down as follows:

INVENTORIES & WORK IN PROGRESS
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Inventories of raw materials	1 503	1 274
Inventories & work in progress of finished goods	1 965	1 956
Total gross of inventories & work in progress	**3 468**	**3 230**
Dep. of inventories of raw material	(165)	(81)
Dep. of inventories & work in progress of finished goods	(138)	(136)
Total dep. of inventories & work in progress	**(303)**	**(217)**
Total net of inventories & work in progress	**3 166**	**3 013**

At December 31, 2022, a provision for the impairment of inventories relating to Cellvizio equipment purchased more than two years ago was recognized in the amount of €105 thousand.

Note 7: Trade receivables and other current assets

7.1 Trade receivables

TRADE RECEIVABLES
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Trade receivables	7 517	1 691
Dep. of trade receivables	(293)	(159)
Total net of trade receivables	**7 224**	**1 532**

The allowance for doubtful receivables represented 4% of receivables in gross value in 2022 (compared to 9% in 2021).

The analysis of receivables at December 31, 2022, breaks down as follows:

TRADE RECEIVABLES
(Amounts in thousands of euros)

	12/31/2022	Less than 1 yr	Over a year
Trade receivables	7 517	7 517	
Dep. of trade receivables	(293)	(293)	
Total net of trade receivables	**7 224**	**7 224**	

7.2 Other current assets

The other current assets break down as follows:

OTHER CURRENT ASSETS
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
	31/12/2022	31/12/2021
Staff and related accounts	7	9
Research Tax Credit and Innovation Tax Credit	627	1 346
Other tax receivables	204	361
Other receivables	356	146
Prepaid expenses	335	366
Total gross of other current assets	**1 528**	**2 228**
Dep. of other current assets		
Total net of other current assets	**1 528**	**2 228**

The change in the research tax credit is as follows:

CHANGES IN THE RESEARCH TAX CREDIT RECEIVABLE
(Amounts in thousands of euros)

	12/31/2020	Operating revenue	Payment received	Other	12/31/2021
CIR / CII	711	635			1 346

CHANGES IN THE RESEARCH TAX CREDIT RECEIVABLE

	12/31/2021	Operating revenue	Payment received	Other	12/31/2022
CIR / CII	1 346	627	(1 346)		627

Receivables at end-2022 represent the 2022 research and innovation tax credits.

Other tax receivables are related to deductible VAT and a requested VAT reimbursement totaling €204 thousand compared to €361 thousand at December 31, 2021.

Other receivables mainly included advances to suppliers amounting to €243 thousand compared to €146 thousand at December 31, 2021.

Note 8: Current financial assets

Current financial assets correspond to the cash balance of the securities account opened under the Company's liquidity contract held with Gilbert Dupont, which stood at €9 thousand at December 31, 2022 versus €29 thousand at December 31, 2021.

Note 9: Cash and cash equivalents

Cash and cash equivalents break down as follows:

CASH AND CASH EQUIVALENTS
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Short-term bank deposits	3 137	11 866
Total of cash and cash equivalents	**3 137**	**11 866**

Note 10: Capital

10.1 Issued capital

The share capital is set at one million eight hundred and fifty-nine thousand and fifty-nine euros (€1,859,059). It is divided into 46,476,475 ordinary shares, fully subscribed and paid up, each with a nominal value of €0.04.

This figure does not include "Share purchase warrants" (BSA), "Stock warrants for business creator shares" (BSPCE) or stock options (SO) granted to certain investors and natural persons, who may or may not be employees of the Company, free performance shares (AP) and free shares (AGA).

The table below shows the history of the Company's share capital since December 31, 2021:

Movements	Issued capital (€'000)	Share premium (€'000)	Number of shared comprising the issued capital (thousands)
As of December 31, 2021	**1 784**	**111 920**	**44 595**
Conversion of preferred shares	0	1	6
Conversion of warrants (Kepler)	75	774	1 875
Issuance of warrants	0	12	0
Acquistion of free shares	0	0	0
Capital increase	0	0	0
Allocation of debit retained earnings to the share premium account	0	-111 920	0
Others	0	0	0
Total as of December 31, 2021	**1 859**	**787**	**46 477**

10.2 Warrants, stock options and preference shares

Since its formation, the Company issued "Share purchase warrants" (BSA), "Stock warrants for business creator shares" (BSPCE and others) as well as stock options (SO), free performance shares (AP) and free shares (AGA), whose changes since December 31, 2021, are represented below:

Type	Date of granting	Exercice price	Outstanding at 12/31/2021	Created	Exercised	Cancelled	Outstanding at 12/31/2022	Nb potential shares
Options granted before January 1st, 2022			12 959 288	-	1 875 200	1 499 680	9 584 408	10 791 218
BSA	19/04/2022	0,60 €		400 000	-	200 000	200 000	200 000
SO	19/04/2022	0,57 €		296 000	-	63 000	233 000	233 000
AGA	19/04/2022			497 000	-	117 500	379 500	379 500
				1 193 000	1 875 200	1 880 180	10 396 908	11 603 718

Following the reverse stock split of shares (four old shares for a new one) on May 25, 2011, four BSAs, BSPCEs or stock options granted before that date are needed to subscribe for one new share. For warrants and options granted after that date, the ratio is one to one.

Starting from July 2014, the Company could no longer issue any new BSPCE plans, because it had exceeded the threshold of €150 million in market capitalization more than three years previously.

The procedures for exercising preference shares and free shares are described in Note **Erreur ! Source du renvoi introuvable.**

10.3 Company's buyback of its own shares

- *Share buyback program adopted at the Company's Combined General Meeting on July 2, 2020*

The Combined General Meeting of July 2, 2020 authorized the Board of Directors, for a period of 18 months from the date of the meeting, to implement a share buyback program, on one or more occasions, in accordance with the provisions of Article L. 225-209 *et seq*. of the French Commercial Code and in accordance with the General Regulation of the French Financial Markets Authority (*AMF – Autorité des Marchés Financiers*) under the terms and conditions described below. This program took the place of the program adopted at the Ordinary General Meeting of July 5, 2019.

Objectives of the share buyback program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an investment services provider, in accordance with a Code of Ethics approved by the AMF; and/or
- to honor obligations linked to stock option and free share plans;
- company savings schemes or other share awards to employees and executives of the Company or its associates; and/or
- to tender shares upon exercise of the rights attached to securities giving access to the share capital; and/or
- to purchase shares to be held for their subsequent exchange or use as consideration in potential acquisitions in compliance with market practices permitted by the AMF; and/or
- in general, to conduct transactions for any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a situation, the Company would inform its shareholders through a press release.

Maximum purchase price: €5 per share, excluding fees and commissions (this purchase price will be adjusted to take account of capital transactions, in particular in the capitalization of reserves, free share grants, stock splits or reverse stock splits), with an overall ceiling of €4,000,000.

Maximum number of shares that may be purchased: 10% of the total number of shares as of the share buyback date. When shares are purchased for market-making purposes and to ensure the liquidity of the Company's share, the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased, less the number resold during the term of the authorization.
The number of shares acquired by the Company to be held and subsequently exchanged or used as consideration for the purpose of any merger, de-merger, or capital contribution may not exceed 5% of the total number of shares.

Buyback methods: the acquisition, sale or transfer of shares may be carried out by any means, on one or more occasions, in particular on the market or over the counter, including by block purchases or sales, public offers, using options or derivative mechanisms, under the conditions pursuant to the market authorities and in compliance with applicable regulations**.**

- *Share buyback program adopted at the Company's Combined General Meeting on June 3, 2021*

The Combined General Meeting of June 3, 2021 authorized the Board of Directors, for a period of 18 months from the date of the meeting, to implement a share buyback program, on one or more occasions, in accordance with the provisions of Article L. 225-209 *et seq*. of the French Commercial Code and in accordance with the General Regulation of the French Financial Markets Authority (*AMF – Autorité des Marchés Financiers*) under the terms and conditions described below. This program took the place of the program adopted at the Ordinary General Meeting of July 2, 2020.

Objectives of the share buyback program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an investment services provider, in accordance with a Code of Ethics approved by the AMF; and/or
- to honor obligations linked to stock option and free share plans;
- to tender shares upon exercise of the rights attached to securities giving access to the share capital; and/or
- to purchase shares to be held for their subsequent exchange or use as consideration in potential acquisitions in compliance with market practices permitted by the AMF; and/or
- in general, to conduct transactions for any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a situation, the Company would inform its shareholders through a press release.

Maximum purchase price: €5 per share, excluding fees and commissions (this purchase price will be adjusted to take account of capital transactions, in particular in the capitalization of reserves, free share grants, stock splits or reverse stock splits), with an overall ceiling of €4,000,000.

Maximum number of shares that may be purchased: 10% of the total number of shares as of the share buyback date. When shares are purchased for market-making purposes and to ensure the liquidity of the Company's share, the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased, less the number resold during the term of the authorization.

The number of shares acquired by the Company to be held and subsequently exchanged or used as consideration for the purpose of any merger, de-merger, or capital contribution may not exceed 5% of the total number of shares.

Buyback methods: the acquisition, sale or transfer of shares may be carried out by any means, on one or more occasions, in particular on the market or over the counter, including by block purchases or sales, public offers, using options or derivative mechanisms, under the conditions pursuant to the market authorities and in compliance with applicable regulations**.**

- *Share buyback program adopted at the Company's Combined General Meeting on June 2, 2022*

The Combined General Meeting of June 2, 2022 authorized the Board of Directors, for a period of 18 months from the date of the meeting, to implement a share buyback program, on one or more occasions, in accordance with the provisions of Article L. 225-209 *et seq*. of the French Commercial Code and in accordance with the General Regulation of the French Financial Markets Authority (*AMF – Autorité des Marchés Financiers*) under the terms and conditions described below. This program took the place of the program adopted at the Ordinary General Meeting of June 2, 2021.

Objectives of the share buyback program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an investment services provider, in accordance with a Code of Ethics approved by the AMF; and/or
- to honor obligations linked to stock option and free share plans;
- to tender shares upon exercise of the rights attached to securities giving access to the share capital; and/or
- to purchase shares to be held for their subsequent exchange or use as consideration in potential acquisitions in compliance with market practices permitted by the AMF; and/or
- in general, to conduct transactions for any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a situation, the Company would inform its shareholders through a press release.

Maximum purchase price: €5 per share, excluding fees and commissions (this purchase price will be adjusted to take account of capital transactions, in particular in the capitalization of reserves, free share grants, stock splits or reverse stock splits), with an overall ceiling of €4,000,000.

Maximum number of shares that may be purchased: 10% of the total number of shares as of the share buyback date. When shares are purchased for market-making purposes and to ensure the liquidity of the Company's share,

the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased, less the number resold during the term of the authorization.

The number of shares acquired by the Company to be held and subsequently exchanged or used as consideration for the purpose of any merger, de-merger, or capital contribution may not exceed 5% of the total number of shares.

Buyback methods: the acquisition, sale or transfer of shares may be carried out by any means, on one or more occasions, in particular on the market or over the counter, including by block purchases or sales, public offers, using options or derivative mechanisms, under the conditions pursuant to the market authorities and in compliance with applicable regulations.

Summary of the shares purchased and sold over the year:

	2022				
	Q1	Q2	Q3	Q4	Total
Shares purchased	383 910	368 085	418 470	402 268	1 572 733
Price	0,63	0,53	0,72	0,51	
Total amount (€ thousands)	242	196	300	204	942
Shares solde	374 479	378 186	394 961	375 100	1 522 726
Price	0,63	0,54	0,72	0,53	
Total amount (€ thousands)	236	203	285	197	921

At December 31, 2022, the Company held 125,624 Mauna Kea Technologies shares acquired at an average price of €0.415 equal to the realizable value on December 31, 2022.

Note 11: Loans and borrowings

CHANGES IN LOANS AND BORROWINGS

(Amounts in thousands of euros)

	12/31/2021	Drawing	Rembours.	Interest / discount	Reclass from non-current to current	Others	12/31/2022
Repayable advance BPI (ex Oseo)	4 105			101			4 205
IFRS 16 lease liabilities	1 114	323	(519)			2	920
PGE Loan	4 046		(377)	198		(1)	3 867
BEI T1 Loan	12 259			882			13 140
BEI T2 Loan	6 198		(188)	529			6 539
BEI T1 Warrants	173					(105)	68
BEI T2 Warrants	85					(54)	32
Sale of the CIR / CII receivables	711	407	(711)				407
Others	8	15					23
Total loans and borrowings	**28 697**	**746**	**(1 795)**	**1 710**		**(158)**	**29 201**

The amounts presented in the "Other" column correspond to the following items:

- Share purchase warrants EIB T1: fair value adjustment of the BSA of €(105) thousand at December 31, 2022.
- Share purchase warrants EIB T2: fair value adjustment of the BSA of €(54) thousand at December 31, 2022.

The breakdown between non-current and current borrowings at December 31, 2022, is as follows:

CHANGES IN NON-CURRENT LOANS AND

(Amounts in thousands of euros)

	12/31/2021	Drawing	Rembours.	Interest / discount	Reclass from non-current to current	Others	12/31/2022
Repayable advance BPI (ex Oseo)	4 105			101			4 205
IFRS 16 lease liabilities	642	323			(488)	(1)	477
PGE Loan	3 608		(377)	168	(765)	(1)	2 634
BEI T1 Loan	12 259			882			13 140
BEI T2 Loan	6 010			529	(179)		6 360
BEI T1 Warrants	173					(105)	68
BEI T2 Warrants	85					(54)	32
Others	8	15					23
Total non-current loans and borrowings	**26 890**	**339**	**(377)**	**1 679**	**(1 432)**	**(161)**	**26 939**

CHANGES IN CURRENT LOANS AND BORROWINGS
(Amounts in thousands of euros)

	12/31/2021	Drawing	Rembours.	Interest / discount	Reclass from non-current to current	Others	12/31/2022
IFRS 16 lease liabilities	471		(519)		488	3	443
PGE Loan	438			31	765		1 233
BEI T2 Loan	188		(188)		179		179
Sale of the CIR / CII receivables	711	407	(711)				407
Total current loans and borrowings	**1 807**	**407**	**(1 418)**	**31**	**1 432**	**3**	**2 262**

11.1 BPI advances (formerly OSEO Fi)

On May 31, 2010, Mauna Kea Technologies obtained a repayable innovation loan in the amount of €3,416 thousand from OSEO as part of the PERSEE project. The PERSEE project aims to develop, validate and then market a device capable of improving diagnostic and pre-operative assessment techniques for cancer patients. The first payments of the loan were as follows:

- First payment of €454 thousand on May 31, 2010;
- Second payment of €1,138 thousand on December 21, 2011;
- Third payment of €685 thousand on May 29, 2013;
- Fourth payment of €626 thousand on December 22, 2016.

The project was closed at the end of 2020, and the fifth payment of the reimbursable advance of €504 thousand was received in December 2021. The advances granted carry interest at a rate of 2.45%.

The 2010 contract between OSEO, now BPI France, and the Company stipulates that the first repayment should take place once sales of €2,500 thousand on new products are reached.

The amount to repay, based on the new expected repayment schedule, will be €4,724 thousand, including capitalized expenses.

In addition, if the cumulative sales amount is greater than €50,000 thousand, 2% of the sales generated must be paid over fifteen years.

In addition, the specific contract between BPI France (formerly OSEO) and Mauna Kea stipulates in Article 4.3 that in the event of a failure by the Company to comply with any of its obligations as listed in the contract, of any irregular tax and social security situation, of inaccurate or false declarations, of a contribution, merger, demerger, transfer of control or of assets of the Company, Mauna Kea SA must repay in advance the discounted value.

If no repayment occurs within 10 years of the last aid payment, Mauna Kea will be released from any obligation to pay a financial return.

11.2 EIB loans

Following the €22,500 thousand financing agreement signed with the European Investment Bank (EIB) on June 20, 2019, the Company received the first installment of €11,494 thousand net on July 3, 2019. This loan has a term of five years with a capitalized interest of 5%. Principal and interest are repayable at maturity. This loan is accompanied by the issue of share purchase warrants (BSA).

On July 8, 2020, in accordance with the loan agreement as amended on June 19, 2020, the Company received the second tranche of €6,000 thousand. This loan has a term of five years with capitalized interest of 4% and interest of 3% paid annually. The principal and the capitalized interest are repayable at maturity. This loan is accompanied by the issue of share purchase warrants (BSA).

The conditions for issuing share purchase warrants (BSA) are presented in the Note *11.5 Derivatives.*

This loan is recognized at its grant date at fair value and subsequently recognized at amortized cost. The effective interest rate (EIR) for tranche 2 was estimated at 8.3%.

At December 31, 2022, the Company had not met certain of the milestones below for the drawdown of the following tranche of €5,000 thousand:

- increase in equity by €15 thousand since the signing of the initial agreement on June 20, 2019;

- sales of €24,000 thousand over the 12 months preceding the drawdown of the loan.

11.3 Government-backed loan

On July 17, 2020, the Company announced that BNP Paribas and Bpifrance had approved €4 million in financing in the form of a government-backed loan.

BNP Paribas and Bpifrance have each a loan of €2 million at fixed interest rates of 0.25% and 1.75% respectively. These non-dilutive loans will be 90% guaranteed by the French government (ministerial decrees of March 23 and April 17, 2020, granting the State guarantee to credit institutions and financial companies, pursuant to Article 6 of Law No. 2020-289 of March 23, 2020).

Each loan is for an initial term of one year. At the end of the first year, repayment of the principal due may be again deferred, at the Company's option, for a maximum 5-year term.

At August 11, 2020, the loan was fully drawn down.

In 2021, on the initial maturity dates, the loans were renegotiated with BNP Paribas and Bpifrance. The new maturities are on June 24, 2026, and August 31, 2026, with fixed interest rates of 0.75% and 2.25% respectively. BNP Paribas' capital is repaid monthly from July 24, 2022. For the Bpifrance Government-backed loan, it will be quarterly from November 30, 2022

11.4 Sale of the research tax credit/innovation tax credit receivable

The receivable related to the RTC for 2022 was the subject of pre-financing of €407 thousand at December 19, 2022, with the Predirec Innovation 3 fund and was still the object of a loan as at December 31, 2022.

11.5. Derivatives

As part of the financing with the European Investment Bank (EIB), the Group issued share purchase warrants (BSA). This issuance has been analyzed according to IFRS 9 criteria. Because of the put option and the variable nature of the number of shares to which the warrants (BSA) will give entitlement, it is recognized as a derivative instrument and measured at fair value on the grant date (i.e. July 3, 2019 on the receipt of the first loan tranche and on July 8, 2020 on the receipt of the second tranche). It is then remeasured at each reporting date with a corresponding adjustment in profit (loss).

- *Warrants attached to Tranche 1*

Tranche 1 included the issuance of share purchase warrants (BSAs) entitling the holder, in the event of exercise, to subscribe for a maximum of 1,450,000 shares of the Company (i.e., 5.75% of the share capital on a non-diluted basis) subject to the legal and contractual adjustments provided for in the documentation. These BSA warrants were issued on the basis of the fourth resolution (private placement) adopted by the Extraordinary General Meeting of October 5, 2018. The exercise price of the warrants is equal to the weighted average of the volumes of the last three trading days preceding their issue, less a 5% discount, i.e., €1.8856 per warrant. The BSA warrants may be exercised until the twentieth anniversary of their issuance, i.e., July 3, 2039.

This issuance has been analyzed according to IFRS 9 criteria and has led to the recognition of a derivative instrument measured at fair value as of the grant date. It is then remeasured at each reporting date with a corresponding adjustment in profit (loss).

At December 31, 2022, the derivative attached to Tranche 1 was revalued to €68 thousand based on the following assumptions:
theoretical maturity: 17.5 years
probable maturity: 3.5 years
volatility: 50% in 4.5 years and 40% in 18.5 years
repo rate: 2.0% per annum;
reference price: €0.72.

The change in value between December 31, 2021, and December 31, 2022, amounts to €105 thousand and is recognized under finance income in the income statement.

- *Warrants attached to Tranche 2*

Tranche 2 also included the issuance of share purchase warrants (BSAs) entitling the holder, in the event of exercise, to subscribe to a maximum of 500,000 Company shares (i.e., 1.6% of the share capital on a non-diluted basis). These BSA warrants were issued on the basis of the twenty-fourth resolution adopted by the Combined General Meeting of July 2, 2020. The exercise price of the BSA warrants is equal to the volume weighted average of the last three trading days preceding their issue, less a 5% discount. The BSA warrants may be exercised starting from their issuance and until July 3, 2039.

This issuance has been analyzed according to IFRS 9 criteria and has led to the recognition of a derivative instrument measured at fair value as of the grant date. It is then remeasured at each reporting date with a corresponding adjustment in profit (loss).

At December 31, 2022, the derivative attached to Tranche 2 was revalued to €31 thousand based on the following assumptions:
theoretical maturity: 17.5 years
probable maturity: 3.5 years
volatility: 50% in 4.5 years and 40% in 18.5 years
repo rate: 2.0% per annum
reference price: €0.72.

The change in value between December 31, 2021, and December 31, 2022, amounts to €54 thousand and is recognized under finance income in the income statement.

11.6. Maturities of financial liabilities

The maturities of financial liabilities at December 31, 2022, break down as follows:

MATURITIES OF FINANCIAL LIABILITIES
(Amounts in thousands of euros)

	Gross amount	Less than 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years
Long-term loans	26 939		22 253	960	3 725
Short-term loans and borrowings	2 262	2 262			
Trade payables	1 274	1 274			
Other current liabilities	9 124	9 124			
Total financial liabilities	**39 599**	**12 660**	**22 253**	**960**	**3 725**

The maturities of long-term loans and borrowings relating to repayable advances are determined on the basis of estimates of expected repayments at December 31, 2022.

Note 12: Non-current provisions

Non-current provisions break down as follows:

NON-CURRENT PROVISIONS
(Amounts in thousands of euros)

	12/31/2021	Allowance	Unused reversals	Used reversals	Others	12/31/2022
Pension plan provision	111	12	(17)	(10)	(15)	80
Provision for risk	20	26	(20)			26
Provisions for restructuing	724	15		(763)	36	13
Total of non-current provisions	**855**	**54**	**(37)**	**(773)**	**21**	**119**

NON-CURRENT PROVISIONS
(Amounts in thousands of euros)

	12/31/2020	Allowance	Unused reversals	Used reversals	Others	12/31/2021
Pension plan provision	160	27	(71)		(5)	111
Provision for risk	19	20	(19)			20
Provisions for restructuing		724				724
Total of non-current provisions	**179**	**955**	**(294)**		**(5)**	**855**

The reversals used in 2022 concern the payment of €10 thousand in retirement commitments and €763 thousand related to the restructuring plan started in 2021 and finalized in the first half of 2022.

The amounts presented in the "Other" column correspond to actuarial gains and losses recognized in other comprehensive income.

12.1 Retirement commitments

For estimated retirement commitments, the following assumptions were used for all categories of employees (employees, ETAM [Employees, Technicians, and Supervisors], and managers):

retirement age: 65;
terms of retirement: voluntary retirement;
mortality table: INSEE 2022;
collective agreement: metal industries;
employee turnover:
18-25 years old: 0%
26-35 years old: 18%
36-45 years old: 16%
46-55 years old: 24%
>56 years old: 0%;
employer contribution rate used: 47% (identical to 2021);
salary increase rate: 2.5% (identical to 2021);
Discount rate: 4.15% (vs. 1.38% in 2021) equal to the iBoxx Corporate AA10+ rate plus 0.4 points.

The Company does not finance its pension plan provision. A retirement was recorded during the 2022 financial year.

Retirement benefits amounted to €80 thousand at the end of the 2022 financial year.

The impact of the application of IFRIC 21 is not significant and was not taken into account in the assessment of the pension plan provision at December 31, 2022.

12.2 Provisions for risks and expenses

Provisions for 2022 cover employee risks settled in January 2023. The €20 thousand provision was reversed in 2022.

12.3 Restructuring provisions

Non-recurring expenses of €908 thousand were recognized following the announcement of the redundancies to the SEC on December 5, 2021. This expense is mainly composed of severance pay, notice, redeployment costs and legal fees for eight employees in France and 11 in the United States (including the former Chief Executive Officer). The balance of the restructuring provision at December 31, 2022, was €12 thousand, following the payments of these provisions.

Note 13: Trade payables and other current liabilities

No discounts were made on trade payables and other current liabilities because they matured within one year at the end of each financial year in question.

13.1 Trade payables

Trade payables break down as follows:

TRADE PAYABLES
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Trade payables	1 274	1 667

13.2 Other current liabilities

Other current liabilities break down as follows:

OTHER CURRENT LIABILITIES
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Tax payables	199	170
Satff and social security payables	1 572	1 817
Other operating payables	60	350
Deferred revenue	7 292	1 527
Total of other current liabilities	**9 124**	**3 865**

Tax liabilities mainly concern payroll taxes, sales tax and value added tax.

Payroll-related liabilities represent provisions for paid leave, provisions for bonuses and commissions and social security contributions.

Deferred revenue mainly corresponds to service contracts and warranty extensions whose revenue recognition is deferred under IFRS 15. The increase in 2022 was due to the US$6.5 million up-front fee concluded via the joint venture agreement with Tasly Pharmaceutical.

In 2021, the Company signed a collaboration agreement for a clinical study with the Lung Cancer initiative of Johnson & Johnson Enterprise Innovation Inc. This contract will enable Mauna Kea Technology to generate €978 thousand in income over the term of the contract. The latter is broken down into two payments: 1st payment of €685 thousand received in 2021. An amendment was signed in June 2022 to increase the number of patients from sites and a second deposit of €84 thousand was received in 2022. These amounts were recorded as deferred income at the time of receipt.

With regard to IFRS 15, income will be recognized when the performance obligations are met.

For the 2022 financial year, €295 thousand was recognized as income compared to €72 thousand in 2021.

Note 14: Financial instruments on the balance sheet

FINANCIAL INSTRUMENTS ON BALANCE SHEET AND IMPACT ON THE P&L
(Amounts in thousands of euros)

As of December 31st 2022	Value on the Balance sheet	Fair value through P&L	Fair value through equity	Loans and receivables	Debt at amortized cost	Non-financial instruments
Assets						
Non-current financial assets	301			301		
Trade receivables	7 224			7 224		
Other current assets (1)	1 194			1 194		
Current financial assets	9			9		
Cash & cash equivalent	3 137	3 137				
Total assets	**11 864**	**3 137**		**8 727**		
Liabilities						
Long-term loans and borrowings	26 939	99			26 840	
Short-term loans and borrowings	2 262				2 262	
Trade payables	1 274				1 274	
Other current liabilties (1)	1 832				1 832	
Total liabilties	**32 307**	**99**	**0**	**0**	**32 208**	

(1) Advances paid and received that are not repaid in cash, and deferred income and prepaid expenses that do not meet the definition of financial liabilities, are not included.

FINANCIAL INSTRUMENTS ON BALANCE SHEET AND IMPACT ON THE P&L
(Amounts in thousands of euros)

As of December 31st 2021	Valeur au bilan	Juste valeur par résultat	Juste valeur par capitaux propres	Prêts et créances	Dette au coût amorti	Instruments non financiers
Assets						
Non-current financial assets	355			355		
Trade receivables	1 532			1 532		
Other current assets (1)	1 862			1 862		
Current financial assets	29			29		
Cash & cash equivalent	11 866	11 866				
Total assets	**15 644**	**11 866**		**3 779**		
Liabilities						
Long-term loans and borrowings	26 898	258			26 640	
Short-term loans and borrowings	1 797				1 797	
Trade payables	1 667				1 667	
Other current liabilties (1)	2 338				2 338	
Total liabilties	**32 701**	**258**			**32 442**	

Note 15: Sales and operating revenue

Sales and operating revenue consist of the following:

SALES AND OPERATING REVENUE
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Sales	7 479	7 700
Operating grants	5	204
Research Tax Credit and other tax credit	627	635
Total sales and operating revenue	**8 110**	**8 539**

15.1 Total Sales

The Group's sales, consisting of the sale of Cellvizio® products and accessories (probes, software, etc.) as well as services, decreased by -3% in the 2022 financial year compared to 2021. The Company's activities remain partially impacted by the COVID-19 pandemic.

Sales by geographic region at December 31, 2022, break down as follows:

SALES BY GEOGRAPHICAL AREA
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
	31/12/2022	31/12/2021
EMEA & ROW	2 875	1 957
USA & Canada	4 202	4 182
ASIA	402	1 561
	7 479	**7 700**

For the purposes of geographical analysis, the Management of the Group allocates sales according to the place of delivery, or, in the case of services, according to the location of the customer's head office.

15.2 Other operating income

Other operating income at December 31, 2021, of €204 thousand was the PERSEE grant.

15.3 Tax credits

The decrease in tax credits compared to December 31, 2021 (2022: €627 thousand vs. 2021: €635 thousand) was mainly due to a decrease in R&D activities after the marketing of GEN III.

Note 16: Employee expenses

The Group employed 68 persons at December 31, 2022, compared with 87 persons at December 31, 2021.

The employee expense breaks down as follows:

STAFF COSTS
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Wages and salaries, social security costs	8 970	11 468
Net change in pension liabilities	(16)	(44)
Share-based payment transaction expenses	327	548
Total of staff cost	**9 282**	**11 972**

Note 17: Share-based payments

Share-based payments concern all warrants (BSA/BSPCE), stock options (SO), preference shares (AP) and free shares (AGA) awarded to employees, service providers and members of the Board of Directors.

They have been recorded as expenses since the award knowing that the terms for exercising BSPCEs and SOs are as follows for the plans awarded before 2017:

- 25% of the BSPCE/SO may be exercised starting on the first anniversary of their award;
- 25% of the BSPCE/SO may be exercised starting on the second anniversary of their award;
- 25% of the BSPCE/SO may be exercised starting on the third anniversary of their award;
- the remaining balance, i.e., 25% of the BSPCE/SO, may be exercised starting on the fourth anniversary of their award;
- no later than ten years from their issue, or seven years for stock options granted before 2011, it being specified that BSPCE/SO not yet exercised by the end of this ten-year period automatically become null and void.

The terms and conditions for exercising stock options are the following for plans awarded starting in 2017:

- 20% of the options at the end of the first year from the first anniversary date of their award; and
- 40% of the options at the end of the second year from the second anniversary date of their award; and

- 20% of the options at the end of the third and fourth years from the date of their award, and
- no later than ten (10) years from their award, it being specified that the options that have not yet been exercised at the end of this 10-year period automatically become null and void.

The terms and conditions for exercising BSAs are as follows:

- 33.3% of the BSAs may be exercised starting on the first anniversary of their award;
- 33.3% of the BSAs may be exercised starting on the second anniversary of their award;

The remaining balance, i.e., 33.3% of the warrants, may be exercised starting on the third anniversary of their award;

- BSAs not yet exercised within ten years of their issue automatically become null and void.

Regarding preference shares (AP), the terms and conditions for exercise are described in the minutes of the Extraordinary General Meetings of May 4, 2016, in the nineteenth resolution and October 5, 2018, in the fourteenth and fifteenth resolutions.
(https://www.maunakeatech.com/uploads/media/media_pdf/0001/03/PV%20AGM%205%20octobre%202018%20Rev.pdf)

The main characteristics are as follows:

The 2018 Preference Shares vested to their beneficiaries at the Vesting Date will be convertible into new or existing ordinary shares at the Company's choice (the "Ordinary Shares"), at the request of each beneficiary concerned, at any time after the second anniversary of the Vesting Date and no later than the fifth anniversary of the Vesting Date (the "Conversion Period"), unless otherwise specified in the 2018 Preference Shares award plan or otherwise decided by the Board of Directors and notified to each holder of 2018 Preference Shares according to the following terms and conditions:

a. in the event of the Beneficiary's Departure between the Vesting Date (inclusive) and the first anniversary of the Vesting Date (exclusive), each Preference Share will be convertible into twenty Ordinary Shares;

b. in the event of the Beneficiary's Departure between the first anniversary of the Vesting Date (inclusive) and the second anniversary of the Vesting Date (exclusive), each Preference Share will be convertible into thirty-three Ordinary Shares;

c. in the event of the Beneficiary's Departure between the second anniversary (inclusive) and the third anniversary (exclusive) of the Vesting Date, the conversion ratio will be determined as follows:

(i) if the Reference Price 1 is strictly less than the Floor Price, each Preference Share shall be convertible into thirty-three Ordinary Shares;

(ii) if the Reference Price 1 is strictly higher than the Intermediate Price, each Preference Share shall be convertible into sixty-six Ordinary Shares;

(iii) if the Reference Price 1 is between the Floor Price (inclusive) and the Intermediate Price (inclusive), each Preference Share shall carry entitlement to the following number of Ordinary Shares:

$$33 + 33 \times \frac{\text{Reference Price 1 - Floor Price}}{\text{Intermediate Price - Floor Price}}$$

where:
- the term "Floor Price" means 1.75 times the Grant Price;
- the term "Grant Price" means the average of closing prices recorded on Euronext or any other main listing location for the Mauna Kea Technologies share over the 60 trading sessions prior to the grant date of the relevant 2018 Preference Shares ("Vesting Date");
- the term "Intermediate Price" means 2.5 times the Grant Price; and
- the term "Reference Price 1" means the highest average of closing prices for the share on Euronext or any other main listing location for the Mauna Kea Technologies share over a period of 60 consecutive trading sessions, calculated at any time from the Vesting Date and until the second anniversary of the Vesting Date;

d. in the event of the Beneficiary's Departure after the Holding Period, each Preference Share shall carry entitlement to the following number of Ordinary Shares, equal to the sum of:

(x) the number of Ordinary Shares calculated in accordance with the provisions of paragraph 3.c) above as if the Departure of the beneficiary had occurred between the second and the third anniversary of the Vesting Date, and;

(y) the following number of Ordinary Shares:

(i) if the Reference Price 2 is strictly lower than the Floor Price: none;

(ii) if the Reference Price 2 is strictly greater than the Ceiling Price: the difference between one hundred Ordinary Shares and the number of Ordinary Shares determined in (x) (such that the sum of (x) and (y) equals 100);

(iii) if the Reference Price 2 is between the Floor Price (included) and the Ceiling Price (included): the difference, if positive, between:

- $33 + 67 \times \frac{\text{Reference Price 2 - Floor Price}}{\text{Ceiling Price - Floor Price}}$; and
- the number of Ordinary Shares determined in (x).

where:
- the term "Floor Price" means 2.45 times the Grant Price;
- the term "Ceiling Price" means 3.5 times the Grant Price; and
- the term "Reference Price 2" means the highest average of closing prices for the share on Euronext or any other main listing location for the Mauna Kea Technologies share over a period of 60 consecutive trading sessions, calculated at any time from the date of the first anniversary of the Vesting Date and until the third anniversary of the Vesting Date.

It should be noted that this conversion rate may be adjusted to take account of shares to be issued to protect the rights of holders of securities giving access to the Company's share capital, and the beneficiaries of Preference Shares, in accordance with applicable legal and regulatory provisions.

The Preference Shares may be converted only during the period of five years and six months following the expiration of the Holding Period (the "Holding Period").
The main methods of exercising Free Shares (AGA) are as follows:

- the grant of shares to beneficiaries will vest at the end of a vesting period, the term of which will be set by the Board of Directors, which may not be less than one year;
- in order to receive the Shares at the end of the Vesting Period, a Beneficiary must have retained the status of an employee of the Company and/or, as the case may be, a corporate officer during the entire Vesting Period, without interruption;
- at the end of the Vesting Period, each Beneficiary will become holder of the number of Shares set by the Board of Directors on the Grant Date; at the time of their transfer of ownership to the Beneficiaries who have fulfilled the conditions of these Rules, the Shares will be registered in a registered account opened in the name of each Beneficiary;
- the Free Shares may not be sold or transferred and must remain registered for a period of two years from the date of their registration in a shareholder account.

The other main assumptions used to determine share-based payment expenses using the Black-Scholes valuation model were as follows:

- Risk-free interest rate: Government borrowing rate (GFRN index),
- Dividend: none,
- Turnover: 20%,
- Volatility: 60% for BSA, BSPCE and stock options granted before December 31, 2011, 35% for BSPCE and stock options granted in 2012, 34% for BSPCE and stock options granted in 2013, 32% and 33% for plans granted in 2014, 33% for plans granted in 2015, 29.99% for plans granted in 2016, 55% for plans granted in 2017, 59% for plans granted in 2018, 50% for plans granted in 2019 and 40% for plans granted in 2020, 2021 and 2022.

The volatility applied corresponds to the average historic volatility of a panel of listed companies in the Company's industry sector and/or has a market capitalization and traded share volume comparable with those of the Company. Listed companies whose shares were traded for less than €1 were excluded from the panel.

The exercise price estimated life and fair value of underlying shares at the grant date of the warrants were used to value each category of share-based compensation.

Plan	Grant date	Nb of grants	Reference price	Exercise price	Maturity	Volatility	Net Value per share	Valuation
BSA	4/19/2022	400 000	0.59€	0.60€	3 years	40%	0.13	83 362
SO	4/19/2022	296 000	0.59€	0.57€	4 years	40%	0.12	61 169
AGA	4/19/2022	497 000	0.59€	N/A	3 years	40%	0.30	291 242

Share-based payment expenses during the period:

SHARE-BASED PAYMENTS
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Free performance shares (AP)		
Free shares (AGA)	101	199
Warrants (BSA)	68	69
Stock-options (SO)	158	280
Total Share-based payments	**327**	**548**

Note 18: External expenses

18.1 Cost of products sold

COST OF GOODS SOLD
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Purchases consumed	1 252	870
Staff expenses	533	517
External expenses	83	136
Taxes	16	48
Net change in amortization and depreciation	435	377
Variation of work-in-progress and finished products	(307)	40
Other	0	1
Total Cost of goods sold	**4 016**	**1 989**

Purchases consumed correspond to raw materials consumed in the production of the products sold.

Employee benefits expenses include all wages, salaries, and social security costs for production employees.

The gross margin stood at 73.33% in 2022 compared to 74.2% in 2021. This decrease was mainly due to an unfavorable sales mix compared to 2021: fewer sales with a 100% margin rate (old PPU systems, etc.) and also the increase in production costs.

18.2 Research & Development Department

RESEARCH & DEVELOPMENT
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Purchases consumed	40	51
Employee benefits expenses	2 620	2 371
External expenses	626	482
Taxes	665	41
Net change in amortization and depreciation	118	359
Other	0	7
Total Research & Development expenses	**4 068**	**3 310**

Employee benefits expenses include all wages, salaries and social security costs for the research and development activity (excluding employee benefits expenses capitalized as development costs for GEN III).

External expenses mainly include research costs, costs relating to the maintenance of patent protection and consulting fees.

The launch date of GEN III was October 1, 2021.

Employee benefits expenses were higher in 2022 than in 2021 because there was no longer any capitalization of expenses related to the development of GEN III.

At December 31, 2022, the amortization of GEN III amounted to €485 thousand, compared to €121 thousand in 2021.

18.3 Sales & Marketing Department

SALES & MARKETING
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Purchases consumed	16	67
Staff expenses	4 044	5 730
External expenses	1 677	1 520
Taxes	32	22
Net change in amortization and depreciation	234	(338)
Other	(203)	620
Total Sales & Marketing expenses	**5 800**	**7 620**

Employee benefits expenses include all wages, salaries and social security costs for all Sales and Marketing staff.

External expenses mainly include travel expenses for sales representatives and expenses related to trade shows and other marketing events.

The decrease in employee benefits expenses compared to December 31, 2021, was mainly due to efforts to reduce costs, the cancellation of seminars and promotional events and a reduction in travel by the sales teams.

18.4 Administrative Department

ADMINISTRATIVE EXPENSES
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Purchases consumed	54	50
Staff expenses	1 733	2 601
External expenses	2 454	2 823
Taxes	174	178
Net change in amortization and depreciation	617	635
Others	(137)	111
Total Administrative expenses	**4 894**	**6 399**

Employee benefits expenses include all wages, salaries and social security costs for General Management and support functions (human resources, legal, finance, etc.)

External expenses mainly include consulting fees (legal fees, financial communication, etc.).

The decrease in employee benefits and external expenses compared to December 31, 2021, was mainly due to the reorganization related to the change of management, which generated savings, and the efforts made to reduce costs.

Note 19: Non-recurring operating profit (loss)

In 2021, non-recurring operating expenses amounted to €891 thousand. The amount of non-recurring expenses related to the restructuring plan amounted to €908 thousand and consisted of the following items:

Non-recurring expenses
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Severance - Europe	(2)	227
Severance - U.S.A.	82	620
Legal expenses		44
Notice of contract termination		18
Total Non-recurring expenses	**80**	**908**

In 2021, severance payments involved eight employees in France and 11 employees (including the former Chief Executive Officer) in the United States, which were paid at the end of 2021 and in 2022.

In 2022, additional payments involved one employee in France and one employee in the United States.

Note 20: Financial income and expenses

Financial income and expenses break down as follows:

FINANCIAL INCOME AND EXPENSES
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Foreign exchange gains	131	0
Gains on cash equivalents	0	0
Other financial income	162	568
Total financial income	**294**	**568**
Foreign exchange losses	(593)	(249)
Interest expenses	(254)	(27)
Other financial expenses	(30)	(3)
Dot. aux prov. financières	0	(1)
Disount expenses	(1 542)	(1 515)
Total financial expenses	**(2 411)**	**(1 795)**
Total of financial incom and expenses	**(2 118)**	**(1 227)**

Interest expenses at December 31, 2022, mainly include interest on the Government-backed loan and EIB loan as well as IFRS 16 lease liability-related interest.

Other financial income at December 31, 2022, include the fair value adjustment of the EIB BSAs (tranches 1 and 2) for €159 thousand and expenses related to the pre-financing of the research tax credit.

The discounting expenses at December 31, 2022, correspond to the interest on tranches 1 and 2 of the EIB loan for €1,411 thousand, as well as to interest relating to the OSEO repayable advance for €101 thousand.

Note 21: Income tax expense

Under current tax laws, the Group has total tax losses of €105,181 thousand that may be carried forward indefinitely in France and total tax losses of €51,807 thousand that may be carried forward for 20 years in the United States, i.e., a total of €156,988 thousand at December 31, 2022. The deferred tax asset base net of temporary passive differences was not capitalized as a precautionary measure, in accordance with the principles set out in Note 1: Accounting principles.

The tax rate applicable to the Company is the rate in effect in France (25%). By convention, the deferred income tax rate used is 25%.

TAX PROOF
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Net income of consolidated companies	(11 180)	(13 445)
Tax expense	0	0
Pre-tax income of consolidated companies	**(11 180)**	**(13 445)**
Theoretical income tax expense at 25%	**(2 795)**	**(3 563)**
Other non-deductible expenses and non-taxable income	12	40
Tax rate differential	(288)	(261)
Limitation of non-capitalised deferred tax assets	3 071	3 784
Effective tax expense	**0**	**0**

Note 22: Commitments

Lease obligations

Lease obligations are those relating to operating leases that do not fall within the scope of IFRS 16:

- an office lease contract in China for a period of less than or equal to 12 months which does not include any purchase option;
- low-value IT equipment leases.

Commitments under other contracts

The Company subcontracts the manufacturing of some of the sub-assemblies necessary for the manufacturing of its products with suppliers. In order to secure its operations, it has made commitments to purchase a certain quantity of sub-assemblies from certain suppliers as described in the table below:

COMMITMENTS UNDER OTHER CONTRACTS
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Portion with terms of less than 1 year	978	1 503
Portion with terms of between 1 and 5 years	460	711
Portion with terms of more than 5 years	0	0
Total commitments	**1 438**	**2 214**

Commitments related to the EIB loan

Following the financing agreement with the European Investment Bank (EIB) signed on June 20, 2019, for €22.5 million, the Company received the first tranche of €11.5 million on July 3, 2019.

As part of the discussions that led to the EIB's agreement to draw down the second tranche, the guarantees linked to this tranche were modified by an agreement on June 19, 2020. The Company received the second tranche of €6 million on July 8, 2020.

Tranche 3 of €5 million will be available subject to achieving certain milestones, particularly related to commercial progress and the improvement of shareholders' equity. It is subject to €15 million of equity financing and the achievement, over a rolling 12-month period of €24 million of cumulative income. The fixed interest rate includes a portion at 3% annually and a portion at 3% capitalized. Repayment of the principal and capitalized interest will be made in full after the fifth year from the date of drawdown.

Financial covenants are attached to this debt:

- a cash position of more than €4 million;
- from January 1, 2023, a debt coverage ratio of greater than 2:1;
- from January 1, 2023, a debt-to-equity ratio of 1:1.

The guarantees, taken by the European Investment Bank, cover the Company's trade receivables and inventories.

In accordance with the financing agreement as amended on June 19, 2020, the Company granted the European Investment Bank a pledge on the intellectual property rights relating to three patents held by the Company. This pledge agreement will take effect on December 17, 2021, after the expiry of the rights of first negotiation and first refusal granted to JJDC under the strategic financing agreement signed on December 13, 2019.

The Company did not comply with the cash level conditions concerning the EIB loan at the end of June 30, 2022. The EIB granted a waiver to the company until January 31, 2023, indicating that it would not request early repayment of the debt. As the ratios were not met on January 1, 2023, a waiver request was sent by the company at the end of the first quarter of 2023. The case is being processed by the EIB and the company considers that the risk of implementing a request for early repayment of the loan is very low.

Note 23: Transactions with related parties

The compensation presented below, which was granted to members of the Company's General Management and other related parties, was recognized under expenses during the periods presented:

RELATED PARTY TRANSACTIONS
(Amounts in thousands of euros)

	12/31/2022	12/31/2021
Wages and salaries - General direction	142	953
Share-based payments - General direction	0	193
Pension plan - General direction	0	0
Director's fees	147	258
Share-base payments - Executive officers	96	132
Total	**385**	**1 536**

The decrease in general management costs was mainly due to the departures of Mr. Gershon and Mr. Lambeuf at the end of 2021. The Board of Directors also decided to reduce the amount of Directors' fees for corporate officers in 2022.

Note 24: Earnings per share

Basic earnings per share are calculated by dividing the net earnings to which Company shareholders are entitled by the weighted average number of ordinary and preferred shares outstanding during the financial year.

EARNINGS PER SHARE

	12/31/2022	12/31/2021
Profit / (loss) (€'000)	**(11 180)**	**(13 445)**
Weighted average number of shares outstanding (in thousands)	44 515	38 082
Earnings per share (€)	**(0,25)**	**(0,35)**
Weighted average number of potential shares (in thousands)	51 996	44 771

Instruments giving deferred rights to the capital (BSA, BSPCE or stock options) are considered to be anti-dilutive because they lead to an increase in earnings per share.

Thus, diluted earnings per share are identical to basic earnings per share.

Note 25: Management of financial risk

The main financial instruments used by the Group are financial assets, cash, and investment securities. The purpose of managing these instruments is to finance the Company's business activity. It is the Group's policy not to subscribe to financial instruments for speculative purposes.

The primary risks to which the Group is exposed are interest rate risk, credit risk and exchange rate risk.

Exchange rate risk

The main currency for which the Group is exposed to significant exchange rate risk is the US dollar.

The purpose of the Mauna Kea Technologies Inc. subsidiary established in the State of Massachusetts is to distribute and market the Group's products in the United States. To this end, it is fully financed by the parent company, with which it has established three agreements:

- a cash management agreement for a current account in USD;
- a distribution agreement;
- a services agreement (Management fees).

The Group's major exchange rate risk is linked to the EUR/USD parity fluctuation. In fact, the Group markets the product and services in the US through its subsidiary Mauna Kea Technologies Inc. Its revenues and expenses – including the purchases of Cellvizio and probes to Mauna Kea Technologies SA are expressed in US dollars the operational currency of the subsidiary. As a result, the Group is exposed to changes in the EUR/USD exchange rate through that subsidiary.

A change in exchange rates has an impact on Group earnings and shareholders' equity in the same manner, as follows:

- A +10% change in the EUR/USD exchange rate would result in a rise in earnings of €211 thousand at December 31, 2022;
- A -10% change in the EUR/USD exchange rate would result in a drop in earnings of €(258) thousand at December 31, 2022.

Liquidity risk

Note 1.1 describes the elements and assumptions relating to the going concern assumption.

Note *Note 11: Loans and borrowings* financial liabilities to which the Group is committed.

Note *Note 22: Commitments* the commitments and obligations given by the Group.

Interest rate risk

At December 31, 2022, the Company did not hold any investment securities, whose interest rate changes have a direct impact on the rate of return for these investments and the cash flows generated.

The loan with EIB is at a fixed rate and is therefore not subject to interest rate risk.

The repayable BPI/OSEO advances at a 2.45% interest rate for an overall, non-discounted amount of €3,407 thousand are detailed Note 11: Loans and borrowings. They are not subject to interest rate risk.

Credit risk

In the Company's experience, the payment of certain public financing of research expenditures is subject to credit risk.

The Company manages its available cash in a prudent manner. Cash and cash equivalents include cash on hand only.

Credit risk related to cash, cash equivalents, and current financial instruments is insignificant in light of the quality of the co-contracting financial institutions.

With regard to its customers, the Company has no significant concentration of credit risk. The Group has established policies that insure that its customers have an appropriate credit risk history.

Fair value

The fair value of financial instruments traded on an active market is based on the market price at the reporting date. The market prices used for financial assets held by the Company are the purchase prices in effect on the market at the valuation date.

The nominal value, minus provisions for impairment, of other payables and receivables is assumed to approach the fair value of those items.

Note 26: Subsequent events

Progress of the joint venture with Tasly Pharmaceuticals

Events concerning the progress of the joint venture with Tasly Pharmaceutical are presented in the section dedicated to the highlights of the financial year.

Silicon Valley Bank goes bankrupt

On March 10, 2023, the Deposit Guarantee Agency (FDIC), an offshoot of the US government, took control of Silicon Valley Bank (SVB), on the verge of implosion due to massive withdrawals by its customers.

SVB is a financial partner of Mauna Kea Inc., which has a current account in this bank. The account has continued to operate normally since March 13, 2023, insofar as the US subsidiary can make payments, collections and transfers to the French parent company.

As the account is operating normally, as the American authorities intend to protect the bank's deposits and the SVB is in the process of being acquired by First Citizens, the Mauna Kea Group does not identify any risk following this takeover of FDIC.

EXCO SOCODEC

ERNST & YOUNG et Autres

Mauna Kea Technologies

Exercice clos le 31 décembre 2022

Rapport des commissaires aux comptes sur les comptes consolidés

EXCO SOCODEC
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BP 16601
21000 Dijon
S.A.R.L. au capital de € 3 200 000
400 726 048 R.C.S. Dijon

Commissaire aux Comptes
Membre de la compagnie
régionale de Besançon-Dijon

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Mauna Kea Technologies

Exercice clos le 31 décembre 2022

Rapport des commissaires aux comptes sur les comptes consolidés

A l'Assemblée Générale de la société Mauna Kea Technologies,

Opinion

En exécution de la mission qui nous a été confiée par vos assemblées générales, nous avons effectué l'audit des comptes consolidés de la société Mauna Kea Technologies relatifs à l'exercice clos le 31 décembre 2022, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes consolidés sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le Code de commerce et par le Code de déontologie de la profession de commissaire aux comptes sur la période du 1er janvier 2022 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

Observation

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur la note « 1.1 Principes d'établissement des comptes du Groupe » de l'annexe des comptes consolidés qui expose la situation financière de la société et les mesures prises pour lui permettre de couvrir ses besoins de financement.

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L. 823-9 et R. 823-7 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes consolidés de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes consolidés pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

Reconnaissance du chiffre d'affaires

Point clé de l'audit	Notre réponse
Le chiffre d'affaires consolidé s'élève à K€ 7 479 au 31 décembre 2022. Le chiffre d'affaires de votre groupe est reconnu selon les modalités décrites dans la note 1.17 de l'annexe des comptes consolidés. Le chiffre d'affaires de votre groupe résulte essentiellement de la vente et location de systèmes (Cellvizio), de la vente de consommables (sondes) et des prestations de services de maintenance et réparation. Le chiffre d'affaires est constaté dès lors que le transfert de biens ou de services promis à un client est réalisé, et ce pour un montant qui reflète le paiement que l'entité s'attend à recevoir en contrepartie de ces biens et services. Pour les ventes de produits, le chiffre d'affaires est constaté soit à la mise à disposition, soit à la livraison des produits en fonction des conditions de la commande. Lorsqu'il s'agit d'un contrat de location de système, le revenu est reconnu *prorata temporis*. Cellvizio est comptabilisé à l'actif de votre société et le chiffre d'affaires est reconnu à la vente des consommables ou à l'acte pratiqué par le professionnel de santé dans la mesure où le système reste la propriété de votre groupe.	Nous avons pris connaissance des méthodes de reconnaissance du chiffre d'affaires et les contrôles mis en place par votre société. Nos travaux ont consisté à : ► étudier les clauses contractuelles sur un échantillon de contrats de l'exercice, afin d'analyser le traitement comptable applicable ; ► examiner un échantillon de transactions résultant de la vente de systèmes et de sondes en obtenant les bons de commandes, factures, bons de livraison ou bons de mise à disposition ; ► analyser les transactions résultant de la location des systèmes en obtenant les contrats de location ; ► analyser les transactions résultant de la vente de prestations de services en obtenant les contrats et les preuves de réalisation des prestations afin de revoir leurs correctes comptabilisations ; ► effectuer des tests, par sondages, sur une sélection de transactions comptabilisées avant et après la date de clôture afin de déterminer si ces produits sont rattachés à la bonne période et, le cas échéant, si l'étalement du chiffre d'affaires est réalisé sur une durée conforme au contrat.

Nous avons considéré que la reconnaissance du chiffre d'affaires constituait un point clé de l'audit compte tenu du poids du chiffre d'affaires en tant qu'indicateur financier de votre groupe et de l'importance des transactions qui se dénouent à l'approche de la clôture.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires des informations données dans le rapport sur la gestion du groupe du conseil d'administration.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Autres vérifications ou informations prévues par les textes légaux et réglementaires

- **Format de présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel**

Nous avons également procédé, conformément à la norme d'exercice professionnel sur les diligences du commissaire aux comptes relatives aux comptes annuels et consolidés présentés selon le format d'information électronique unique européen, à la vérification du respect de ce format défini par le règlement européen délégué n° 2019/815 du 17 décembre 2018 dans la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1-2 du Code monétaire et financier, établis sous la responsabilité du directeur général. S'agissant de comptes consolidés, nos diligences comprennent la vérification de la conformité du balisage de ces comptes au format défini par le règlement précité.

Sur la base de nos travaux, nous concluons que la présentation des comptes consolidés destinés à être inclus dans le rapport financier annuel respecte, dans tous ses aspects significatifs, le format d'information électronique unique européen.

En raison des limites techniques inhérentes au macro-balisage des comptes consolidés selon le format d'information électronique unique européen, il est possible que le contenu de certaines balises des notes annexes ne soit pas restitué de manière identique aux comptes consolidés joints au présent rapport.

Par ailleurs, il ne nous appartient pas de vérifier que les comptes consolidés qui seront effectivement inclus par votre société dans le rapport financier annuel déposé auprès de l'AMF correspondent à ceux sur lesquels nous avons réalisé nos travaux.

- **Désignation des commissaires aux comptes**

Nous avons été nommés commissaires aux comptes de la société Mauna Kea Technologies par votre assemblée générale du 13 juin 2018 pour le cabinet EXCO SOCODEC et du 25 mai 2011 pour le cabinet ERNST & YOUNG et Autres.

Au 31 décembre 2022, le cabinet EXCO SOCODEC était dans la cinquième année de sa mission sans interruption et le cabinet ERNST & YOUNG et Autres dans la douzième année.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes consolidés

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément au référentiel IFRS tel qu'adopté dans l'Union européenne ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes consolidés ont été arrêtés par le conseil d'administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés

Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes consolidés. Notre objectif est d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L. 823-10-1 du Code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;

- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;

- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes consolidés ;

- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;

- il apprécie la présentation d'ensemble des comptes consolidés et évalue si les comptes consolidés reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle ;

- concernant l'information financière des personnes ou entités comprises dans le périmètre de consolidation, il collecte des éléments qu'il estime suffisants et appropriés pour exprimer une opinion sur les comptes consolidés. Il est responsable de la direction, de la supervision et de la réalisation de l'audit des comptes consolidés ainsi que de l'opinion exprimée sur ces comptes.

Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes consolidés de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537/2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L. 822-10 à L. 822-14 du Code de commerce et dans le Code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Dijon et Paris-La Défense, le 28 avril 2023

Les Commissaires aux Comptes

EXCO SOCODEC	ERNST & YOUNG et Autres
Olivier Gallezot	Franck Sebag

Mauna Kea Technologies

Public Limited Company (*société anonyme*) with share capital of €1,859,059
Head office: 9, rue d'Enghien
75010 Paris
431 268 028 Trade and Companies Register Paris

Annual financial statements at December 31, 2022

I. BALANCE SHEET AT DECEMBER 31, 2022

A. Balance sheet – Assets

Accounts	Gross amount	Amort. Prov.	Net 12/31/2022	Net 12/31/2021
Uncalled capital				
INTANGIBLE ASSETS				
Start-up costs				
Development costs				
Concessions, patents and similar rights	920 725	(878 437)	42 289	112 657
Goodwill				
Other intangible assets	43 025	(14 518)	28 507	29 143
Advances, prepayments on intangible assets			0	
TANGIBLE ASSETS				
Land				
Buildings	51 090	(51 090)	0	0
Technical facilities, machinery and equipment	1 364 729	(1 192 353)	172 376	273 320
Other tangible assets	1 205 079	(994 766)	210 313	280 518
Assets under construction	7 796		7 796	675
Advances and prepayments				
LONG-TERM INVESTMENTS				
Investments accounted by equity method	0	0	0	
Other participating interests	23 077	(23 077)	0	0
Loans related to participating interests	68 965 915	(62 904 732)	6 061 183	5 972 749
Other investments				
Loans				
Other long-term financial investments	348 023	0	348 023	421 913
FIXED ASSETS	**72 929 459**	**(66 058 973)**	**6 870 486**	**7 090 975**
INVENTORIES & WORK IN PROGRESS				
Raw materials and supplies	1 462 617	(164 549)	1 298 069	1 193 381
Work in progress – goods				
Work in progress – services				
Semi-finished and finished goods	2 013 850	(540 095)	1 473 755	1 232 581
Advances and prepayments on orders	232 737		232 737	135 530
RECEIVABLES				
Trade receivables	7 321 565	(26 000)	7 295 565	1 297 166
Other receivables	483 241		483 241	1 032 806
Capital subscribed and called but not paid				
MISCELLANEOUS				
Investment securities				
Cash and cash equivalents	2 447 555		2 447 555	11 091 615
ACCRUALS				
Prepaid expenses	347 088		347 088	295 219
CURRENT ASSETS	**14 308 654**	**(730 643)**	**13 578 011**	**16 278 298**
Deferred issuance expenses				
Bond redemption premium				
Unrealized foreign exchange losses	9 316		9 316	1 785
TOTAL	**87 247 429**	**(66 789 616)**	**20 457 813**	**23 371 058**

B. Balance sheet – Liabilities

Accounts	FY 2022	FY 2021
Share capital (of which paid up: 1 859 059)	1 859 059	1 783 803
Issue, merger and contribution premiums	786 760	111 919 708
Revaluation reserves		
Legal reserves		
Statutory or contractual reserves		
Regulated reserves		
Other reserves	54 212	55 004
Retained earnings	(15 751 336)	(111 637 138)
PROFIT/(LOSS) FOR THE YEAR	**(12 876 699)**	**(16 033 905)**
Investment grants		
Regulated provisions		
SHAREHOLDERS' EQUITY	**(25 928 003)**	**(13 912 528)**
Proceeds from the issue of participating securities		
Conditional advances	4 205 539	4 104 967
OTHER EQUITY	**4 205 539**	**4 104 967**
Provisions for risks	35 504	21 785
Provisions for expenses	12 608	245 571
PROVISIONS	**48 112**	**267 356**
FINANCIAL DEBTS		
Convertible bonds		
Other bonds		
Loans and borrowings from credit institutions	3 668 864	4 046 040
Other loans and borrowings	20 380 103	19 456 634
Advances and prepayments received on current orders	0	274 894
OPERATING LIABILITIES		
Trade payables	1 256 020	2 114 334
Tax and employee-related liabilities	1 459 730	1 304 168
OTHER LIABILITIES		
Payables on fixed assets and related accounts		
Other payable	57 597	80 763
ACCRUALS		
Deferred revenues	6 715 576	934 376
LIABILITIES	**33 537 889**	**28 211 209**
Unrealized foreign currency gains	8 594 275	4 700 054
TOTAL	**20 457 813**	**23 371 058**

II. INCOME STATEMENT AT DECEMBER 31, 2022

Accounts	FY 2022			FY 2021
	France	Export	Total	
Sales of goods	0	2 301	2 301	4 111
Sale of manufactured goods	216 284	3 520 797	3 737 081	5 720 308
Sales of finished products	160 322	1 432 666	1 592 988	1 268 369
TOTAL SALES	**376 606**	**4 955 764**	**5 332 370**	**6 992 788**
Production in stock			285 151	(76 919)
Capitalized production				
Operating grants			4 667	203 889
Reversals of impairments, provisions (and depreciation), expense transfers			246 852	536 843
Other income			199 504	105 747
OPERATING REVENUE			**6 068 543**	**7 762 348**
Purchases of goods (including customs duties)				
Change in stocks (goods)				
Purchases of raw materials and other supplies			910 250	739 697
Change in stocks (raw materials and supplies)			(188 626)	236 649
Other purchases and external expenses			4 902 336	5 393 432
Taxes and similar payments			239 182	277 647
Wages and salaries			4 409 869	5 018 361
Social security expenses			1 969 813	2 122 404
Operating allowances :				
Amortization on fixed assets			288 950	285 598
Impairment on fixed assets				
Impairment on current assets			251 813	127 174
Provisions			26 188	20 000
Other expenses			74 349	634 040
OPERATING EXPENSES			**12 884 124**	**14 855 002**
OPERATING PROFIT (LOSS)			**(6 815 581)**	**(7 092 654)**
FINANCIAL REVENUE			**602 240**	**513 334**
Financial revenue from participating interests				
Revenue from other investments and long-term receivables				
Other interest and similar revenue			552 966	472 134
Reversals of provisions, cost transfers			6 310	7 448
Foreign exchange gains			42 965	33 752
Net proceeds from disposals of investment securities				
FINANCIAL EXPENSES			**7 289 214**	**9 850 882**
Depreciation, amortization and provisions – financial items			5 848 323	8 568 330
Interest and similar expenses			1 338 431	1 241 797
Foreign exchange losses			102 459	40 755
Net expenses on disposals of investment securities				
FINANCIAL NET INCOME			**(6 686 974)**	**(9 337 548)**
PROFIT (LOSS) BEFORE TAX			**(13 502 555)**	**(16 430 202)**
NON-RECURRING REVENUE			**241 565**	**27 101**
Non-recurring revenue from non-capital transactions			2 491	24 531
Non-recurring revenue from capital transactions			3 228	2 570
Reversals of provisions and cost transfers			235 847	
NON-RECURRING EXPENSES			**242 519**	**265 914**
Non-recurring expenses on non-capital transactions			1 174	7 282
Non-recurring expenses on capital transactions			238 462	11
Depreciation, amortization and provisions exceptional items			2 884	258 621
NON-RECURRING INCOME (EXPENSE)			**(954)**	**(238 813)**
Employee profit-sharing				
Income tax			(626 810)	(635 110)
TOTAL INCOME			**6 912 348**	**8 302 783**
TOTAL EXPENSES			**19 789 047**	**24 336 688**
PROFIT (LOSS)			**(12 876 699)**	**(16 033 905)**

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1. THE COMPANY'S ACTIVITY AND HIGHLIGHT OF THE FINANCIAL YEAR

1.1. The Company's activity

Established in 2000, Mauna Kea Technologies is a global medical device company focused on leading innovation in endomicroscopy and optical biopsy. The Company designs, develops and markets innovative tools to visualize and detect cell abnormalities in real time during standard gastrointestinal and pulmonary endoscopy procedures. Its flagship product, Cellvizio, is a confocal miniprobe endomicroscopy system which provides physicians and researchers high-resolution images of tissues at the cellular level. Large-scale, international, multi-center clinical trials have demonstrated Cellvizio's ability to help physicians to more accurately detect early forms of diseases and make immediate treatment decisions. Designed to help physicians in their diagnoses, provide patients with better treatment and reduce hospital costs, the Cellvizio system can be used with practically all endoscopes.

1.2. Highlights of the financial year

The financial statements cover the financial year from 1/1/2022 to 12/31/2022, i.e., for a period of 12 months.

The Company continued its efforts to use Cellvizio as the key tool to aid in lung cancer characterization and for molecular imaging-guided surgeries.

The Company also continued its efforts in Research and Development and in clinical studies.

Clinical study with the Johnson & Johnson Lung Cancer Initiative

On February 22, 2022, the Company announced that, as part of its collaboration with the Johnson & Johnson Lung Cancer Initiative (LCI), the initial recruitment of patients had begun in a prospective, multi-center, open-label, and a single-arm clinical feasibility study, sponsored by LCI.

The study will combine nCLE and robotic bronchoscopic navigation, using both Cellvizio® and the Monarch® platform of Auris Health, Inc., a subsidiary of Ethicon, Inc., part of Johnson & Johnson Medical Devices Companies, to assess the ability of the nCLE to accurately confirm the position of the needle for the diagnosis of peripheral pulmonary nodules (.gov: NCT05231278).

This study will include between 75 and 85 patients with peripheral pulmonary nodules in at least four US centers.

Creation of a joint venture and conclusion of licensing agreements with Tasly Pharmaceuticals

On July 11, 2022, the Company and Tasly Pharmaceuticals announced the signature of a strategic agreement to create a joint venture (JV). Tasly Mauna Kea Medical Engineering Technology Co., Ltd was established on November 3, 2022, in Shaoxing, China. It will be majority owned and financed by Tasly and jointly managed by Tasly and the Company.

The joint venture will (i) market certain Cellvizio indications in China, (ii) develop and market Cellvizio worldwide in the fields of neurology and neurosurgery, and (iii) manufacture Cellvizio units for the Chinese market. It will use both existing distribution partners and its own marketing network in China to accelerate the adoption of Cellvizio.

Mauna Kea Technologies did not recognize the joint venture's shares as at December 31, 2022, because the transfer of ownership of its contributions was not considered as effective. The contract between the two entities specifies that the transfer of ownership is conditional on the payment of capital of RMB 80 million (€10.8 million) by Tasly, which was only carried out after the closing date of 2022, on January 16, 2023. At the closing date, the aforementioned transfer of ownership had not been completed. Consequently, Tasly Mauna Kea Medical Engineering Technology Co., Ltd was not included in the Group's scope of consolidation for the 2022 financial year. Once the contributions are finalized by Tasly and Mauna Kea, Mauna Kea will receive 49% of the shares in this joint venture before transferring 4.9% of it to Centponts under the joint venture agreement in consideration for the strategic consulting services provided as part of the transaction.

The Company received the first up front payment of US$6.5 million in January 2023. The related invoice was issued in the 2022 financial year and was the subject of deferred income at the end of the year, as the performance obligations identified had not begun to be met as at December 31, 2022. Depending on the rate of progress of the exchanges of

the contribution of licenses and other intellectual property rights to the JV, the Company will receive other staggered cash payments totaling $3.5 million and will be the beneficiary of a commitment from the JV to purchase minimum amounts of Cellvizio systems and probes for 5 years.

New 510(k) authorization from the FDA for Cellvizio with a contrast agent and a molecular marker

On April 12, the Company announced a new 510(k) authorization from the US FDA for the use of the Cellvizio platform, with a molecular marker for real-time in vivo visualization during endoscopic, laparoscopic and needle procedures.

This US FDA authorization concerns a new clinical indication for the use of Cellvizio in the fluorescence imaging of tissues targeted by a molecular marker, Pafolacianin, marketed under the name CYTALUX™ and manufactured by On Target Laboratories, in accordance with its approved use and method of administration. In addition, the authorization includes a new clinical indication for the use of Cellvizio for fluorescence imaging and the visualization of ICG (indocyanine green), whether intravenously or interstitial, in accordance with the approved use and method of administration of ICG. The 510(k) includes all Cellvizio™ Confocal Miniprobes in all authorized clinical indications.

The new area of medical procedures to which this new authorization provides access - Molecular Image-Guided Procedures (MIP) - provides Cellvizio with the unique clinical ability to visualize the tissues to which molecular agents bind, which makes it possible to visualize in real time cancer at the cellular level during minimally invasive procedures. The use of MIP during bronchoscopic lung biopsy could improve the diagnostic accuracy of biopsies while reducing the number of procedures, as well as the time and complications associated with obtaining a diagnosis.

New clinical research and product development collaboration with On Target Laboratories in molecular imaging-guided interventions

On March 8, 2022, On Target Laboratories and Mauna Kea Technologies announced a new clinical research and product development collaboration. This collaboration will make it possible to assess and establish the value of molecular imaging guidance for the identification and diagnosis of lung cancers during interventional bronchoscopy, based on two complementary technologies.

On July 5, 2022, a study entitled "Targeted Detection of Cancer Cells During Biopsy Allows Real-Time Diagnosis of Pulmonary Nodules" was published in the peer-reviewed journal *European Journal of Nuclear Medicine and Molecular Imaging (EJNMMI)*.

This groundbreaking study, conducted by the team at the Faculty of Medicine at the University of Pennsylvania in Philadelphia and funded in part by the Johnson & Johnson Lung Cancer Initiative, aimed to assess the diagnostic accuracy of lung cancer detection at the cellular level using On Target's injectable intraoperative molecular marker, CYTALUX™ (pafolacianin), associated with Mauna Kea's Cellvizio platform, authorized by the FDA for the intralesional visualization of cells that have absorbed CYTALUX™ in solitary small pulmonary nodules during a bronchoscopic biopsy.

The study demonstrated that this new approach can allow the real-time detection of malignant cells at the end of the biopsy needle and creates images that allow accurate discrimination between tumor and normal tissue by non-expert observers.

Publication of a meta-analysis demonstrating the significant role of Cellvizio in the detection of esophageal dysplasia and cancer

On June 27, 2022, in a recent meta-analysis entitled "High definition probe-based confocal laser endomicroscopy review and meta-analysis for neoplasia detection in Barrett's esophagus", the MEDLINE and EMBASE biomedical databases were consulted for studies reporting the diagnostic results of confocal laser endomicroscopy with Cellvizio® as an adjunct to randomized 4-quadrant biopsies in the monitoring of patients with Barrett's esophagus for the early detection of dysplasia and cancer. The studies were eligible if they prospectively compared the real-time diagnostic accuracy of confocal laser endomicroscopy by Cellvizio® with the Seattle protocol and if they used the GastroFlex™ UHD miniprobe. After applying these selection criteria, nine studies were considered eligible, including 688 patients and 1,299 lesions. The sensitivity, specificity, and negative predictive value of confocal laser endomicroscopy per

patient were 96%, 93% and 98%, respectively. Compared to random biopsies, the increases in the absolute and relative detection rates of neoplasia per patient with confocal laser endomicroscopy were significant and equal to 5% and 243%, respectively. The study demonstrates that the addition of endomicroscopy with Cellvizio® as an adjuvant to guide biopsies provides a significantly higher diagnostic yield for dysplasia and cancer and reduces sampling error compared to random four-quadrant biopsies alone, constituting the standard diagnostic method.

In addition, a retrospective multi-center study entitled “Health service utilization among patients with Barrett’s Esophagus using Confocal Laser Endomicroscopy versus standard of care” focused on the analysis of the charts of 60 patients affected by Barrett’s esophagus and directed towards monitoring or surveillance. endoscopic treatment. The authors examined the differences in the use of health services in gastroenterology for 8 elements/services among the patients imaged by Cellvizio® as an adjuvant compared to the standard diagnostic alone. The Cellvizio® cohort obtained lower scores in the range of: 1.04 fewer endoscopy and anesthesia services, 7.49 fewer biopsy vials, 1.30 fewer ablations, and 1.46 fewer cytological brushes. Thus, the researchers concluded that confocal laser endomicroscopy by Cellvizio® is associated with a lower overall burden on the healthcare system.

Success of a clinical study on the prediction of remission in patients with chronic inflammatory bowel diseases (IBD) and its publication in Gastroenterology

The final results of the ERIca trial (Erlangen Remission in IBD, clinicaltrials.gov NCT05157750) were published on October 21, 2022, in *Gastroenterology*, the flagship journal of the American Gastroenterological Association, in the article “Intestinal barrier healing is superior to endoscopic and histologic remission for predicting major adverse outcomes in IBD: the prospective ERIca trial” (https://www.gastrojournal.org/article/S0016-5085(22)01192-1/fulltext).

Endoscopy is the key technique for monitoring patients with IBD, with patients undergoing a monitoring colonoscopy once a year or every two years. Endoscopic and histological remission, characterized by visual assessment of the colon and analysis of random biopsies, has become a key therapeutic objective in the management of IBD and is associated with favorable long-term outcomes.

In this study, the authors prospectively compared the predictive value of intestinal barrier scarring assessed dynamically and functionally by confocal laser endomicroscopy (Cellvizio®) and that of endoscopic and histological remission to predict the long-term behavior of the disease in a large cohort of patients with IBD in clinical remission.

Between 2017 and 2019, a total of 296 patients with IBD were selected for the study. Of these, 181 patients with IBD (100 with Crohn’s disease and 81 with ulcerative colitis (UC) were ultimately eligible and included in the study, with an average follow-up of 25 months for UC and 35 months for Crohn’s disease.

The endoscopic and histological activity of the disease as well as the scarring of the intestinal barrier were evaluated prospectively according to established scores. During monitoring, the patients were closely inspected for the clinical activity of the disease and the appearance of major adverse effects: outbreaks of the disease, hospitalization or surgery related to an IBD, initiation or increase in the dose of systemic steroids, immunosuppressants, small molecules or biological treatments.

The authors noted that the scarring of the intestinal barrier characterized by confocal laser endomicroscopy was much superior to endoscopic and histological remission in predicting survival without major adverse effects in UC and Crohn’s disease.

- For patients suffering from UC and whose intestinal barrier scarring in the colon was confirmed by Cellvizio, the probability of survival without major adverse effects was 81%, compared to 47.7% - 64.7% for all other predictors.

- For patients suffering from Crohn’s disease and whose recovery of the intestinal barrier in the colon was confirmed by Cellvizio, the probability of survival without major adverse effects was 70.4%, compared to 43.9% - 50 % for all other endoscopic and histological predictors. When the healing of the barrier was confirmed in the ileum, this probability reached 100% compared to 43.9% - 50% for all other predictors.

New financing

On April 22, 2021, Mauna Kea Technologies established an equity financing line with Kepler Cheuvreux acting as financial intermediary under an underwriting agreement.

Under the terms of the agreement, Kepler Cheuvreux has undertaken to underwrite a maximum of 6,000,000 shares at its own initiative, over a maximum period of 24 months, provided that the contractual conditions are met. The shares will be issued based on a volume-weighted average share price over the two trading days preceding each issue, less a maximum discount of 6.0%. These terms and conditions allow Kepler Cheuvreux to underwrite the shares over the term of the agreement. Mauna Kea Technologies retains the right to suspend or terminate this agreement at any time. In 2022, Kepler Cheuvreux underwrote 1,875,000 shares representing a cash amount of €0.7 million, compared to 2,335,000 shares and €2.4 million in 2021.

Management changes

On October 3, 2022, Sacha Loiseau, Founder, and current Chairman of the Board of Directors of Mauna Kea Technologies, was appointed Chief Executive Officer, replacing Nicolas Bouvier, Interim Chief Executive Officer, with immediate effect. Sacha Loiseau will therefore combine the functions of Chairman and Chief Executive Officer of Mauna Kea Technologies.

Ukraine conflict

The Company has no operations or business ties with Russia or Ukraine; however, the consequences of this conflict, whether direct or indirect, cannot be accurately quantified at this time.

2. MAJOR EVENTS SINCE THE END OF THE REPORTING PERIOD

Progress of the joint venture with Tasly Pharmaceuticals

Events concerning the progress of the joint venture with Tasly Pharmaceutical are presented in the section dedicated to the highlights of the financial year.

Silicon Valley Bank goes bankrupt

On March 10, 2023, the Deposit Guarantee Agency (FDIC), an offshoot of the US government, took control of Silicon Valley Bank (SVB), on the verge of implosion due to massive withdrawals by its customers.

SVB is a financial partner of Mauna Kea Inc., which has a current account in this bank. The account has continued to operate normally since March 13, 2023, insofar as the US subsidiary can make payments, collections and transfers to the French parent company.

As the account is operating normally, as the American authorities intend to protect the bank’s deposits and the SVB is in the process of being acquired by First Citizens, the Mauna Kea Group does not identify any risk following this takeover of FDIC.

3. ACCOUNTING RULES AND METHODS

The Company's annual financial statements were prepared according to the standards, principles and methods of the general accounting plan attached to regulation 2016-07 of the French Accounting Standards Authority (*Autorité des Normes Comptables*) of November 4, 2016, approved by order of November 2016, in accordance with the provisions of French legislation, in line with the principle of prudence and in accordance with the general rules for preparing and presenting the annual financial statements:

i. continuity of accounting methods from one financial year to another;
ii. independence of financial years;
iii. going concern.

As at the date of closing of these financial statements, the Board of Directors believes that the Company will be able to cover the financing needs of its operating activities until December 31, 2023, in view of the following considerations:

- Cash available at December 31, 2022, amounted to €3.1 million, to which is added
- Inflow of $6.5 million in January 2023 received by Tasly as part of the signature of the License agreement (see highlights of the financial year)
- Inflow of €0.7 million following the exercise of share purchase warrants (BSA) by Kepler under the equity line contract described in highlights
- Inflow of $2.5 million expected in April 2023 by Tasly as part of the JV agreement
- Inflow of the balance of the 2022 research tax credit for €0.2 million in Q2 2023 and prefinancing of the 2023 research tax credit for €0.6 million in Q4 2023;

The Company is in a position to meet its potential needs until April 30, 2024, by subscribing to a financing line or an equity line.

The accounting elements are valued according to the historical cost method.

The most significant accounting principles and methods, used in the preparation of the company financial statements are as follows:

3.1. Non-current assets

Property, plant and equipment and intangible assets

Patent expenses as well as research and development expenses incurred internally are recognized as expenses during the period.

Property, plant and equipment and intangible assets are recognized at the cost of acquisition and their depreciation and amortization is calculated on the basis of their estimated useful lives.

The depreciation method and period by category of non-current assets is as follows:

Category	Term	Method
Software packages	1 to 3 years	Straight line method
Patents, Licenses, Trademarks	10 years	Straight line method
Other property, plant and equipment:		
- fixtures	7 years	Straight line method
- tools	2 to 7 years	Straight line method
- computer equipment	3 years	Straight line method
- furniture	5 years	Straight line method

Financial investments and investment securities

The elements constituting the fixed assets were valued according to the historical cost method, which is marked by the use of nominal costs expressed in current euros. The gross value comprises the purchase price, excluding transaction costs. Where the inventory value is less than the gross value, a provision for impairment is recorded for the difference.

3.2. Valuation of inventories

Inventories are valued at their cost of acquisition according to the following methods:

Description	Methods
Raw materials	Weighted average cost
Work in progress	Cost of work in progress
Finished products	Cost price, except for marketing costs

The acquisition cost is comprised of:

- the purchase price, including customs duties and other non-recoverable taxes;
- post-deduction of trade rebates, deductions, cash discounts and other similar elements;
- transport, handling, and storage costs (if justified by specific operating conditions);
- and other costs directly attributable to the acquisition.

The cost of production includes consumption of raw materials, direct costs, depreciation of assets used in production.

The demonstration equipment intended for sale in the short term is recognized in inventories.

Where applicable, stocks were impaired through provisions to take into account their realizable value on the reporting date.

3.3. Receivables

Receivables are recorded at their nominal value. A provision for impairment is made when the inventory value is less than the carrying amount.

3.4. Provisions

Pursuant to the principle of prudence, provisions for risks and expenses are made to face probable outflows of resources in favor of third parties with no counterparty for the Company. These provisions are estimated by taking into consideration the most probable assumptions on the reporting date.

The Company has not chosen to recognize the provision for pension plan commitments.

3.5. Foreign currency transactions

The expenses and revenue in foreign currency are recorded for their corresponding value on the transaction date.

Foreign currency receivables and payables existing at year-end are converted at the exchange rate on this date. The conversion difference is recorded in the balance sheet under “Translation differences”.

Unrealized foreign exchange gains that have not been offset are recorded under provision for risks.

Foreign currency cash accounts existing at year-end are converted at the exchange rate on this date. The unrealized foreign exchange gains or losses resulting from this conversion are recorded in profit or loss.

3.6. Subsidies

The Company receives a certain number of forms of assistance, in the form of subsidies or conditional advances. The details concerning this assistance are provided in Note 5.3 5.3Borrowings.

Subsidies are recognized where there is reasonable assurance that the Company will comply with the conditions attached to the subsidies and that they will be received.

Subsidies are thus recognized when the documentation justifying the R&D expenses incurred has been accepted by the funding agency.

3.7. Research tax credit

Research Tax Credits are granted to companies by the French government in order to encourage them to conduct technical and scientific research. Companies that justify expenses that meet the required criteria (research expenses located in France or, since January 1, 2005, within the European Community or in another State party to the agreement on the European Economic Area that has a tax treaty with France containing an administrative assistance clause) benefit from a tax credit. Under the terms of Article 199 *ter* B (II) of the French General Tax Code, research tax credit

receivables may be reimbursed immediately when incurred by small and medium-sized enterprises (SMEs) within the meaning of European Union (EU) law.

The Company has benefited from the research tax credit since its establishment and the innovation tax credit since 2019.

A framework agreement for the sale of receivables was signed in 2022 between Mauna Kea Technologies SA (the Seller), the Predirec Innovation 3 securitization fund (the Assignee) and Neftys Conseil (the Arranger) allowing for the sale of receivables in 2022. The amount sold was deducted from guaranteed holdbacks of 7.5%, the initial deduction of 6.49% and the structuring fee of 0.25%.

The sale of these receivables was recorded when ownership was transferred leading to the removal of these receivables from the balance sheet in exchange for the cash received.

The repayment of the 2021 RTC was received at the end of 2022. All that remains is to receive the collective retention of 2.5%.

The receivable related to the RTC for 2022 was the subject of pre-financing of €407 thousand at December 19, 2022, with the Predirec Innovation 3 fund and was still the object of a loan as at December 31, 2022.

3.8. Deviation from general principles

3.8.1. Change in the valuation method

There was no notable change in the valuation method during the financial year.

3.8.2. Change in the presentation method

There was no notable change in the presentation method during the financial year.

3.9. Sales recognition

The sales consist of 3 types of products:

- System sales
- Consumable sales (probes)
- Maintenance and repair services.

The Company recognizes the sales of systems and consumables in sales revenue when the transfer of ownership is realized. This transfer of ownership is documented by a contract, a purchase order and a delivery note.

Sales of maintenance services covering a period exceeding the financial year are recognized as deferred income. These deferred revenues are therefore spread over time according to the duration of the services contracted with the customer.

4. INFORMATION ON BALANCE SHEET ASSETS

4.1. Property, plant and equipment and intangible assets

4.1.1. Table of acquisitions and disposals during the financial year

Figures expressed in euros	At 12/31/2021	Acquisitions	Transfers between items and corrections +/-	Disposals	At 12/31/2022
Start-up and development costs					0
Other intangible fixed assets	961 075	14 175		(11 500)	963 750
Total intangible assets	**961 075**	**14 175**	**0**	**(11 500)**	**963 750**
Land					0
Building on freehold land					0
Building on non-freehold land					0
Buildings and facilities fixtures, etc.	51 090				51 090
General facilities and fittings	478 365	4 314			482 679
Technical facilities, machinery and equipments	1 364 055		675		1 364 730
Vehicles					0
Office and computer equipments	727 931	36 615		(42 146)	722 399
Recoverable packaging and other items					0
Total tangible assets	**2 621 441**	**40 929**	**675**	**(42 146)**	**2 620 898**
Tangible assets in progress	675	7 796	(675)		7 796
Total assets in progress	**675**	**7 796**	**(675)**	**0**	**7 796**
Prepayments					0
TOTAL	**3 583 191**	**62 900**	**0**	**(53 646)**	**3 592 444**

These changes in the property, plant and equipment and intangible asset items from one financial year to another are due to asset acquisitions and asset sales completed by the Company for business purposes.

Depreciation and amortization table:

The depreciation and amortization of property, plant and equipment and intangible assets are calculated on a straight line or digressive basis, according to the nature of the goods and based on the estimated useful life.

Technical depreciation and amortization table:

Figures expressed in euros	At 12/31/2021	Allowance	Decrease/ reversal	At 12/31/2022
Start-up and development costs				0
Other intangible assets	819 275	76 873	(3 194)	892 954
Total amortization of intangible assets	**819 275**	**76 873**	**(3 194)**	**892 954**
Land				0
Buildings	51 090			51 090
General installations and fixtures	378 504	32 285		410 790
Technical facilities, machinery and equipments	1 090 735	101 619		1 192 354
Vehicles				0
Office and computer equipments	547 273	78 173	(41 470)	583 977
Recoverable packaging and other items				0
Total depreciation of tangible assets	**2 067 602**	**212 077**	**(41 470)**	**2 238 211**
TOTAL	**2 886 877**	**288 950**	**(44 664)**	**3 131 165**

4.1.2. Provisions for non-current assets impairment

See section 5.2. Provisions.

4.2. Financial investments

Table of transactions for the financial year:

Figures expressed in euros	Gross value at 12/31/2021	Acquisitions and transfers between items	Sales and transfers between items	Gross value at 12/31/2022	Provision	Net value at 12/31/2022
Investment in MKT Inc. and related interco accounts	63 062 380	6 812 981	(886 370)	68 988 991	(62 927 809)	6 061 182
Loans and other long-term investments	425 608	242 306	(319 891)	348 023		348 023
TOTAL	**63 487 988**	**7 055 287**	**(1 206 261)**	**69 337 014**	**(62 927 809)**	**6 409 205**

* MKT Inc. shares represented €23,077 at end-2021 and end-2022 and were fully impaired in 2021 and 2022. The MKT Inc. intercompany account is written down to the net position of the subsidiary.

4.3. Inventories of goods and work in progress

At the end of each period, inventories and work in progress of finished goods include certain assets related to goods that no longer appear in our catalogue. These assets are held by the Company for use by the after-sales customer service. They are impaired by 80%. The inventory amount is broken down as follows:

Figures expressed in euros	Gross amount	Depreciation	Net value at 12/31/2022
Raw materials	1 462 617	(164 549)	1 298 069
Finished products	2 013 850	(540 095)	1 473 755
TOTAL	**3 476 467**	**(704 643)**	**2 771 824**

The “Finished products” amount of €2,013,850 includes finished and semi-finished products.

4.4. Provisions for impairment of inventories and receivables

See section 5.2. Provisions.

4.5. Maturity of receivables

The gross value of receivables held by the Company amounts to €77,465,833 as of 12/31/2022 and can be broken down as follows:

Figures expressed in euros	Gross amount	Less than 1 year	1 year and more
FIXED ASSETS:	**69 313 938**	**0**	**69 313 938**
Loans related to participating interests	68 965 915		68 965 915
Loans	0		
Other long-term investments	348 023		348 023
CURRENT ASSETS:	**8 151 895**	**8 125 895**	**26 000**
Trade receivables	7 295 565	7 295 565	
Doubtful receivables	26 000		26 000
Personnel and related accounts	43 997	43 997	
Social security bodies	14 127	14 127	
Statement: various taxes	416 871	416 871	
Group companies and associates	0		
Sundry debtors	8 247	8 247	
Prepaid expenses	347 088	347 088	
TOTAL	**77 465 833**	**8 125 895**	**69 339 938**
Amounts of loans granted during the year			
Amounts of repayments received during the year			
Loans and advances granted to partners (natural persons)			

4.6. Trade receivables

RECEIVABLES	Gross amount	Amort. Prov.	Net 12/31/2022	Net 12/31/2021
Trade receivables	7 321 565	26 000	7 295 565	1 297 166
Other receivables	483 241		483 241	1 032 806
TOTAL	**7 804 806**	**26 000**	**7 778 806**	**2 329 972**

Of which Group receivables:

Figures expressed in euros	At 12/31/2022	At 12/31/2021
Consolidated affiliated companies	1 010 648	1 014 704
TOTAL	**1 010 648**	**1 014 704**

Provisions are established according to the methods described in section 5.2.5.

4.7. Accrued revenue

The amount of accrued revenue included in the following balance sheet items is:

Figures expressed in euros	At 12/31/2022	At 12/31/2021
Receivables – Invoices to be issued	775 005	644 539
Accrued revenue	34 125	918
TOTAL	**809 130**	**645 457**

4.8. Investment securities

At December 31, 2022, the Company held no money market funds.

4.9. Accruals

4.9.1. Prepaid expenses

Prepaid expenses amount to €347,088.

Figures expressed in euros	At 12/31/2022	At 12/31/2021
Operating expenses	218 348	295 219
Financial expenses	128 740	
Non-recurring expenses		
TOTAL	**347 088**	**295 219**

4.9.2. Translation difference

DIFFERENCE ON THE ASSET SIDE		DIFFERENCE ON THE LIABILITY SIDE	
	Euros		Euros
Decrease in receivables	972	Decrease in liabilities	4 618
Increase in liabilities	8 344	Increase in receivables	8 589 657
TOTAL	**9 316**	**TOTAL**	**8 594 275**

The translation difference is mainly related to receivables in US dollars with its subsidiary Mauna Kea Technologies Inc.

5. INFORMATION ON BALANCE SHEET LIABILITIES

5.1. Equity

Issued capital

The share capital is set at one million eight hundred and fifty-nine thousand and fifty-nine euros (€1,859,059). It is comprised of 46,476,475 shares with a nominal value of €0.04 each.

This figure does not include share purchase warrants (BSAs), stock warrants for business creator shares (BSPCEs) or stock options (SOs) granted to certain investors and natural persons, who may or may not be employees of the Company.

The table below shows the history of the Company's share capital since December 31, 2021:

Movements	Issued capital (€'000)	Share premium (€'000)	Number of shared comprising the issued capital (thousands)
As of December 31, 2021	**1 784**	**111 920**	**44 595**
Conversion of preferred shares	0	1	6
Conversion of warrants (Kepler)	75	774	1 875
Issuance of warrants	0	12	0
Acquistion of free shares	0	0	0
Capital increase	0	0	0
Allocation of debit retained earnings to the share premium account	0	-111 920	0
Others	0	0	0
Total as of December 31, 2021	**1 859**	**787**	**46 477**

Warrants, stock options and performance shares

Since its formation, the Company issued “share purchase warrants” (BSA), “stock warrants for business creator shares” (BSPCE and others) as well as stock options (SO), free performance shares (AP), and free shares (AGA) whose changes since December 31, 2021, are represented below.

Type	Date of granting	Exercice price	Outstanding at 12/31/2021	Created	Exercised	Cancelled	Outstanding at 12/31/2022	Nb potential shares
Options granted before January 1st, 2022			12 959 288	-	1 875 200	1 499 680	9 584 408	10 791 218
BSA	19/04/2022	0,60 €		400 000	-	200 000	200 000	200 000
SO	19/04/2022	0,57 €		296 000	-	63 000	233 000	233 000
AGA	19/04/2022			497 000	-	117 500	379 500	379 500
				1 193 000	1 875 200	1 880 180	10 396 908	11 603 718

Starting from July 2014, the Company could no longer issue any new BSPCE plans, because it had exceeded the threshold of €150 million in market capitalization more than three years ago.

The terms and conditions for exercising preference shares are described in the minutes of the Extraordinary General Meetings of May 4, 2016 in the nineteenth resolution and October 5, 2018 in the fourteenth and fifteenth resolutions: (https://www.maunakeatech.com/uploads/media/media_pdf/0001/03/PV%20AGM%205%20octobre%202018%20Rev.pdf).

Company's buyback of its own shares

- ***Share buyback program adopted at the Company’s Combined General Meeting on June 2, 2022***

The Combined General Meeting of June 2, 2022 authorized the Board of Directors, for a period of 18 months from the date of the meeting, to implement a share buyback program, on one or more occasions, in accordance with the provisions of Article L. 225-209 *et seq*. of the French Commercial Code and in accordance with the General Regulation of the French Financial Markets Authority (*AMF – Autorité des Marchés Financiers*) under the terms and conditions described below. This program took the place of the program adopted at the Ordinary General Meeting of June 2, 2021.

Objectives of the share buyback program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an investment services provider, in accordance with a Code of Ethics approved by the AMF; and/or
- to honor obligations linked to stock option and free share plans;
- to tender shares upon exercise of the rights attached to securities giving access to the share capital; and/or
- to purchase shares to be held for their subsequent exchange or use as consideration in potential acquisitions in compliance with market practices permitted by the AMF; and/or
- in general, to conduct transactions for any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a situation, the Company would inform its shareholders through a press release.

Maximum purchase price: €5 per share, excluding fees and commissions (this purchase price will be adjusted to take account of capital transactions, in particular in the capitalization of reserves, free share grants, stock splits or reverse stock splits), with an overall ceiling of €4,000,000.

Maximum number of shares that may be purchased: 10% of the total number of shares as of the share buyback date. When shares are purchased for market-making purposes and to ensure the liquidity of the Company's share, the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased, less the number resold during the term of the authorization.

The number of shares acquired by the Company to be held and subsequently exchanged or used as consideration for the purpose of any merger, de-merger, or capital contribution may not exceed 5% of the total number of shares.

Buyback methods: the acquisition, sale or transfer of shares may be carried out by any means, on one or more occasions, in particular on the market or over the counter, including by block purchases or sales, public offers, using options or derivative mechanisms, under the conditions pursuant to the market authorities and in compliance with applicable regulations.

- ***Share buyback program adopted at the Company's Combined General Meeting on June 3, 2021***

The Combined General Meeting of June 3, 2021 authorized the Board of Directors, for a period of 18 months from the date of the meeting, to implement a share buyback program, on one or more occasions, in accordance with the provisions of Article L. 225-209 *et seq*. of the French Commercial Code and in accordance with the General Regulation of the French Financial Markets Authority (*AMF – Autorité des Marchés Financiers*) under the terms and conditions described below. This program took the place of the program adopted at the Ordinary General Meeting of July 2, 2020.

Objectives of the share buyback program:

- to ensure the liquidity of the Company's shares under the terms of a liquidity contract to be concluded with an investment services provider, in accordance with a Code of Ethics approved by the AMF; and/or
- to honor obligations linked to stock option and free share plans;
- to tender shares upon exercise of the rights attached to securities giving access to the share capital; and/or
- to purchase shares to be held for their subsequent exchange or use as consideration in potential acquisitions in compliance with market practices permitted by the AMF; and/or
- in general, to conduct transactions for any purpose that may be authorized by law or any market practice that may be permitted by the market authorities, it being specified that, in such a situation, the Company would inform its shareholders through a press release.

Maximum purchase price: €5 per share, excluding fees and commissions (this purchase price will be adjusted to take account of capital transactions, in particular in the capitalization of reserves, free share grants, stock splits or reverse stock splits), with an overall ceiling of €4,000,000.

Maximum number of shares that may be purchased: 10% of the total number of shares as of the share buyback date. When shares are purchased for market-making purposes and to ensure the liquidity of the Company's share, the number of shares included in the calculation of the 10% ceiling above is equal to the number of shares purchased, less the number resold during the term of the authorization.

The number of shares acquired by the Company to be held and subsequently exchanged or used as consideration for the purpose of any merger, de-merger, or capital contribution may not exceed 5% of the total number of shares.

Buyback methods: the acquisition, sale or transfer of shares may be carried out by any means, on one or more occasions, in particular on the market or over the counter, including by block purchases or sales, public offers, using options or derivative mechanisms, under the conditions pursuant to the market authorities and in compliance with applicable regulations.

Summary of the shares purchased and sold over the year:

	2022				
	Q1	Q2	Q3	Q4	Total
Shares purchased	383 910	368 085	418 470	402 268	1 572 733
Price	0,63	0,53	0,72	0,51	
Total amount (€ thousands)	242	196	300	204	942
Shares solde	374 479	378 186	394 961	375 100	1 522 726
Price	0,63	0,54	0,72	0,53	
Total amount (€ thousands)	236	203	285	197	921

At December 31, 2022, the Company held 125,624 Mauna Kea Technologies shares acquired at an average price of €0.415 equal to the realizable value on December 31, 2022.

Treasury shares are recognized as financial investments.

Appropriation of earnings for the 2021 financial year :

The financial statements for the 2021 financial year showed income of €(16,033,905.38). Following the decision of the Annual General Meeting on June 2, 2022, approving the financial statements, this loss was appropriated to retained earnings.

5.2. Provisions

Provisions by type break down as follows:

5.2.1. Provisions for risks and expenses

Figures expressed in euros	At 12/31/2021	Allowance	Reversal	At 12/31/2022
Provisions for risks	20 000	26 188	(20 000)	26 188
TOTAL	**20 000**	**26 188**	**(20 000)**	**26 188**

Provisions for 2022 cover employee risks settled in the 1st quarter of 2023.

5.2.2. Provisions for foreign exchange losses

Figures expressed in euros	At 12/31/2021	Allowance	Reversal	At 12/31/2022
Provisions for foreign exchange losses	1 785	9 316	(1 785)	9 316
TOTAL	**1 785**	**9 316**	**(1 785)**	**9 316**

5.2.3. Provisions for non-current assets impairment

Figures expressed in euros	At 12/31/2021	Allowance	Reversal	At 12/31/2022
Provision for long-term investments	57 089 631	5 838 178		62 927 809
Provision for other financial assets	3 695		(3 695)	(0)
TOTAL	**57 093 326**	**5 838 178**	**(3 695)**	**62 927 809**

During the 2022 financial year, a net advance of €5,927 thousand was granted to the subsidiary Mauna Kea Technologies Inc. The total amount of advances stood at €68,965,914 at end-2022. This amount has been provisioned for the negative net asset value of the subsidiary, i.e., €62,904 thousand.

Taking into account the revaluation of the receivable with the exchange rate of EUR/USD of 1.0666, the total amount of the advances is €62,904,732.

5.2.4. Provisions for impairment of inventories

Figures expressed in euros	At 12/31/2021	Allowance	Reversal	At 12/31/2022
Raw materials	80 611	85 797	(1 859)	164 549
Finished products	496 283	73 636	(29 824)	540 095
TOTAL	**576 893**	**159 433**	**(31 683)**	**704 643**

5.2.5. Provisions for impairment of receivables

Figures expressed in euros	At 12/31/2021	Allowance	Reversal	At 12/31/2022
Doubtful receivables	70 000	92 380	(136 380)	26 000
Other receivables				
TOTAL	**70 000**	**92 380**	**(136 380)**	**26 000**

5.2.6 Restructuring provisions

Changes in the restructuring provision:

Figures expressed in euros	At 12/31/2021	Allowance	Reversal	At 12/31/2022
Restructuring provisions	245 571	2 884	(235 847)	12 608
TOTAL	**245 571**	**2 884**	**(235 847)**	**12 608**

The provision for restructuring of €245,571 was recorded following the announcement of redundancies to the SEC on December 5, 2021. Payments were made in 2022 and January 2023.

5.3. Borrowings

Figures expressed in euros	12/31/2021	+	-	31/12/2022
Refundable advance BPI (ex OSEO)	3 407 529			3 407 529
Accrued interest on conditional advances	697 438	100 572		798 010
Conditional advances	**4 104 967**	**100 572**	**0**	**4 205 539**
Government guaranteed loan BNP/BPI	4 042 165		(376 934)	3 665 231
Accrued interest on government guaranteed loan	3 875	3 633	(3 875)	3 633
Loan BEI	18 915 417	883 404		19 798 821
Accrued interest on loan BEI	538 226	1 095 221	(1 070 504)	562 943
Deposits received	2 991	15 349		18 340
Loans and other financial liabilities	**23 502 674**	**1 997 607**	**(1 451 313)**	**24 048 968**

5.3.1. BPI advances (formerly OSEO Fi)

On May 31, 2010, Mauna Kea Technologies obtained a repayable innovation loan in the amount of €3,416 thousand from OSEO as part of the PERSEE project. The PERSEE project aims to develop, validate and then market a device capable of improving diagnostic and pre-operative assessment techniques for cancer patients. The first payments of the loan were as follows:

- first payment of €454 thousand on May 31, 2010;
- second payment of €1,138 thousand on December 21, 2011;
- third payment of €685 thousand on May 29, 2013;
- fourth payment of €626 thousand on December 22, 2016.

The project was closed at the end of 2020, and the fifth payment of the reimbursable advance of €504 thousand was received in December 2021. The advances granted carry interest at a rate of 2.45%.

The 2010 contract between OSEO, now BPI France, and the Company stipulates that the first repayment should take place once sales of €2,500 thousand on new products are reached.

The amount to repay, based on the new expected repayment schedule, will be €4,724 thousand, including capitalized expenses. If no repayment occurs within 10 years of the last aid payment, Mauna Kea will be released from any obligation to pay a financial return. In addition, if the cumulative sales amount is greater than €50,000 thousand, 2% of the sales generated must be paid over fifteen years.

In addition, the specific contract between BPI France (formerly OSEO) and Mauna Kea stipulates in Article 4.3 that in the event of a failure by the Company to comply with any of its obligations as listed in the contract, of any irregular tax and social security situation, of inaccurate or false declarations, of a contribution, merger, demerger, transfer of control or of assets of the Company, Mauna Kea SA must repay in advance the discounted value.

If no repayment occurs within 10 years of the last aid payment, Mauna Kea will be released from any obligation to pay a financial return.

5.3.2. Loans

Following the €22,500 thousand financing agreement signed with the European Investment Bank (EIB) on June 20, 2019, the Company received the first installment of €11,494 thousand net on July 3, 2019.

On July 8, 2020, in accordance with the loan agreement as amended on June 19, 2020, the Company received the second tranche of €6,000 thousand. The following tranche of €5,000 thousand will be available subject to the achievement of certain milestones.

Tranche 1 included the issuance of share purchase warrants (BSAs) entitling the holder, in the event of exercise, to subscribe for a maximum of 1,450,000 shares of the Company (i.e., 5.75% of the share capital on a non-diluted basis) subject to the legal and contractual adjustments provided for in the documentation. These BSA warrants were issued on the basis of the fourth resolution (private placement) adopted by the Extraordinary General Meeting of October 5, 2018. The exercise price of the warrants is equal to the weighted average of the

volumes of the last three trading days preceding their issue, less a 5% discount, i.e., €1.8856 per warrant. The BSA warrants may be exercised until the twentieth anniversary of their issuance, i.e., July 3, 2039.

Tranche 2 also included the issuance of share purchase warrants (BSAs) entitling the holder, in the event of exercise, to subscribe to a maximum of 500,000 Company shares (i.e., 1.6% of the share capital on a non-diluted basis). These BSA warrants were issued on the basis of the twenty-fourth resolution adopted by the Combined General Meeting of July 2, 2020. The exercise price of the BSA warrants is equal to the volume weighted average of the last three trading days preceding their issue, less a 5% discount. The BSA warrants may be exercised starting from their issuance and until July 3, 2039.

On July 17, 2020, the Company announced that BNP Paribas and Bpifrance had approved €4 million in financing in the form of a Government-backed loan. BNP Paribas and Bpifrance have each a loan of €2 million at fixed interest rates of 0.25% and 1.75% respectively. These non-dilutive loans will be 90% guaranteed by the French government (ministerial decrees of March 23 and April 17, 2020, granting the State guarantee to credit institutions and financial companies, pursuant to Article 6 of Law No. 2020-289 of March 23, 2020). Each loan is for an initial term of one year. At the end of the first year, repayment of the principal due may be again deferred, at the Company's option, for a maximum 5-year term. At August 11, 2020, the loan was fully drawn down.

In 2021, on the initial maturity dates, the loans were renegotiated with BNP Paribas and Bpifrance. The new maturities are on June 24, 2026, and August 31, 2026, with fixed interest rates of 0.75% and 2.25% respectively. BNP Paribas' capital is repaid monthly from July 24, 2022. For the Bpifrance Government-backed loan, it will be quarterly from November 30, 2022

5.4. Debt repayment schedule

LIABILITIES	Gross amount End of FY.	Less than 1 year	1 to 5 years	More than 5 years
Convertible bonds				
Other bonds				
Loans and borrowings from credit institutions:				
- repayable within one year	3 668 864	1 006 710	2 662 154	
- repayable in more than one year				
Other loans and borrowings	20 380 103	212 924	20 167 179	
Trade payables	1 256 020	1 256 020		
Personnel and related accounts	713 615	713 615		
Social security and other welfare agencies	596 693	596 693		
State and other public authorities :				
Income tax				
Value added tax				
Guaranteed bonds				
Other taxes and related accounts	149 422	149 422		
Amount due on fixed assets and related accounts				
Group companies and associates	5 000			5 000
Other payable	52 597	52 597		
Liabilities representing borrowed securities or securities provided as collateral				
Deferred revenues	6 715 576	2 652 822	4 062 754	
TOTAL	**33 537 889**	**6 640 803**	**26 892 087**	**5 000**
Loans issued during the financial year	883 404			
Loans repaid during the financial year	376 934			

5.5. Trade payables

Figures expressed in euros	At 31/12/2022	At 31/12/2021
Group suppliers		
Suppliers in France	344 739	771 753
International suppliers	234 043	209 600
Suppliers whose invoices are not yet received	677 238	1 132 981
Total trade payables	**1 256 020**	**2 114 334**

5.6. Accrued expenses

The amount of accrued expenses included in the following balance sheet items is:

5.7. Accruals

5.7.1 Deferred revenue

Deferred revenue breaks down as follows:

Figures expressed in euros	At 12/31/2022	At 12/31/2021
Produits d'exploitation	6 715 576	934 376
Produits financiers		
Produits exceptionnels		
TOTAL	**6 715 576**	**934 376**

Deferred revenue relates to the invoice issued for the joint venture created with the partner Tasly (see Note 1.2 Highlights of the financial year).

5.7.2 Translation difference

See section 4.9.2

5.8. Amount due to related companies

As of December 31, 2022, the Company had no debt to its subsidiary. It has an unpaid invoice to its subsidiary MKT Inc. in the amount of €71 thousand.

6.1. Breakdown of the net sales amount

Sales for the 2022 financial year break down as follows:

Figures expressed in euros	FY 2022			FY 2021
	France	EEC + Export	Total	Total
Sales of goods	0	2 301	2 301	4 110
Sales of finished products	216 284	3 520 797	3 737 081	5 720 308
Sales of finished products	160 322	1 432 666	1 592 988	1 268 369
Total Sales	**376 606**	**4 955 764**	**5 332 370**	**6 992 787**
%	7%	93%	100%	

6.2. Other operating income

Figures expressed in euros	At 12/31/2022	At 12/31/2021
Production in stock	285 151	(76 918)
Capitalized production		
Other management revenue and operating subsidies	4 667	203 889
Reversals of depreciation and amortization, provisions, cost transfers and other revenue	246 852	536 843
Other income	199 504	105 747
TOTAL	**736 173**	**769 561**

Former receivables now classified as bad debts were subject to a provision reversal of €136 thousand.

6.3. Compensation of the statutory auditors

Depending on their mission statements, the summary of fees of the statutory auditors for the current and previous financial years is as follows:

Figures expressed in euros	FY 2022		FY 2021	
	EY	EXCO	EY	EXCO
Audit				
Statutory audit , certification and review of the annual and the consolidated accounts				
- Mauna Kea Technologies SA & and its fully consolidated subsidiaries	105 800	63 000	88 002	51 752
- ESEF reporting	12 000			
Subtotal	**117 800**	**63 000**	**88 002**	**51 752**
Others services rendered by the network to the fully consolidated subsidiaries				
Other services than the account certification (SACC)	15 000	6 000	35 991	18 500
Subtotal	**15 000**	**6 000**	**35 991**	**18 500**

Services other than the certification of the financial statements performed in the financial year by the statutory auditors are related to the issuance of specific certificates, completion letters on the prospectus and the Universal Registration Document as well as the issuance of reports on capital transactions.

6.4. Net finance income (expense)

Net finance income (expense) for the financial year was €(6,687) thousand and breaks down as follows:

Accounts	FY 2022	FY 2021
FINANCIAL INCOME	**602 240**	**513 334**
Financial income from participating interests		
Revenue from other investments and long-term receivables		
Other interest and similar income	552 966	472 134
Reversals of provisions and cost transfers	6 310	7 448
Foreign exchange gains	42 965	33 752
Net proceeds from disposals of investment securities		
FINANCIAL EXPENSES	**(7 289 214)**	**(9 850 882)**
Depreciation, amortization and provisions – financial items	(5 848 323)	(8 568 330)
Interest and similar expenses	(1 338 431)	(1 241 797)
Foreign exchange losses	(102 459)	(40 755)
Net expenses on disposals of investment securities		
NET FINANCIAL INCOME (EXPENSES)	**(6 686 974)**	**(9 337 548)**

The financial allocations to depreciation, amortization and provisions come mainly from the impairment of the current account advance of the US subsidiary, which varies according to the amount of the advance granted to the subsidiary and the exchange rate. It was less significant in 2022 than the previous year.

Interest expense is mainly related to the EIB loan, Tranche 1 and 2 for €1,095 thousand.

6.5. Non-recurring profit (loss)

Non-recurring profit (loss) of €(954) for the financial year breaks down as follows:

Accounts	FY 2022	FY 2021
NON-RECURRING INCOME	**241 565**	**27 101**
Non-recurring income from non-capital transactions	2 491	24 531
Non-recurring income from capital transactions	3 228	2 570
Reversals of provisions and cost transfers	235 847	
NON-RECURRING EXPENSES	**(242 519)**	**(265 914)**
Non-recurring expenses on non-capital transactions	(1 174)	(7 282)
Non-recurring expenses on capital transactions	(238 462)	(11)
Depreciation, amortization and provisions of exceptional items	(2 884)	(258 621)
RESULTAT EXCEPTIONNEL	**(954)**	**(238 813)**

6.6. Income tax

6.6.1 Tax situation

At December 31, 2022, the Company has a tax loss carry forward of €108,833,794.

6.6.2 Deferred taxation

BASES (in euros)	Opening balance	Changes in net income of the financial year	Closing balance
Differences between the tax regime and the accounting treatment of some revenues and expenses:rges :			
Social security contribution			
Other provisions for risks	1 785	7 531	9 316
TOTAL	**1 785**	**7 531**	**9 316**

6.6.3 Tax credits

The Company benefits from the provisions of Articles 244 *quater* B and 49 *septies* F of the French General Tax Code relating to research tax credits. The research tax credit and innovation tax credit for the 2022 financial year amounted to €626,810.

7 MISCELLANEOUS INFORMATION

7.1. Number of salaried and temporary employees

At December 31, 2022, the headcount broke down as follows:

FY 2022	Headcount
Managers	48
Supervisors, technicians and employees	8
Operators	0
TOTAL	**56**

7.2. List of subsidiaries and investments

Company name	Issued capital (€)	Capital held	Equity including profit/(loss) (€)	Profit/(loss) (€)
Mauna Kea Technologies Inc	30 000	100%	(64 633 579)	(5 112 113)

7.3. Information on related parties

There is no information on transactions between related parties as current transactions are excluded from the list of transactions with related parties.

7.4. Compensation of administrative bodies

The compensation of the management bodies is not provided as this would reveal individual compensation.

7.5. Financial commitments

7.5.1. Commitments given

- **To the European Investment Bank (EIB)**

Following the financing agreement with the European Investment Bank (EIB) signed on June 20, 2019, for €22.5 million, the Company received the first tranche of €11.5 million on July 3, 2019.

Tranche 1 included the issuance of share purchase warrants (BSAs) entitling the holder, in the event of exercise, to subscribe for a maximum of 1,450,000 shares of the Company (i.e., 5.75% of the share capital on a non-diluted basis) subject to the legal and contractual adjustments provided for in the documentation. These BSA warrants were issued on the basis of the fourth resolution (private placement) adopted by the Extraordinary General Meeting of October 5, 2018. The exercise price of the warrants is equal to the weighted average of the volumes of the last three trading days preceding their issue, less a 5% discount, i.e., €1.8856 per warrant. The BSA warrants may be exercised until the twentieth anniversary of their issuance, i.e., July 3, 2039.

As part of the discussions that led to the EIB's agreement to draw down the second tranche, the guarantees linked to this tranche were modified by an agreement on June 19, 2020.

The Company received the second tranche of €6 million on July 8, 2020.

Tranche 2 also included the issuance of share purchase warrants (BSAs) entitling the holder, in the event of exercise, to subscribe to a maximum of 500,000 Company shares (i.e., 1.6% of the share capital on a non-diluted basis). These BSA warrants were issued on the basis of the twenty-fourth resolution adopted by the Combined General Meeting of July 2, 2020. The exercise price of the BSA warrants is equal to the volume weighted average of the last three trading days preceding their issue, less a 5% discount. The BSA warrants may be exercised starting from their issuance and until July 3, 2039. The fixed interest rate includes an annual portion of 3% and a capitalized interest of 4% payable in five years with the principal.

Tranche 3 of €5 million will be available subject to achieving certain milestones, particularly related to commercial progress and the improvement of shareholders' equity. It is subject to €15 million of equity financing and the achievement, over a rolling 12-month period of €24 million of cumulative income. The fixed interest rate includes a portion at 3% annually and a portion at 3% capitalized. Repayment of the principal and capitalized interest will be made in full after the fifth year from the date of drawdown.

Financial covenants are attached to this debt.

The guarantees, taken by the European Investment Bank, cover the Company's trade receivables and inventories.

In accordance with the financing agreement as amended on June 19, 2020, the Company granted the European Investment Bank a pledge on the intellectual property rights relating to three patents held by the Company. This pledge agreement will take effect on December 17, 2021, after the expiry of the rights of first negotiation and first refusal granted to JJDC under the strategic financing agreement signed on December 13, 2019.

The Company did not comply with the cash level conditions concerning the EIB loan at the end of June 30, 2022. The EIB granted a waiver to the company until January 31, 2023, indicating that it would not request early repayment of the debt. As the ratios were not met on January 1, 2023, a waiver request was sent by the company at the end of the first quarter of 2023. The case is being processed by the EIB and the company considers that the risk of implementing a request for early repayment of the loan is very low.

- **To partners**

Commitments given	Total	Less than 1 year	From 1 to 5 years	+5 years
Related to leases	764 635	395 275	369 360	
Related to supply contracts	673 613	582 667	90 947	
Bank counter-guarantee	1 837 949		1 837 949	
TOTAL	**3 276 197**	**977 942**	**2 298 256**	**0**

7.5.2. Commitments received

The French government-backed loan (PGE) granted by the BPI and the BNP benefits from a State guarantee under the National Coronavirus State Guarantee Fund of up to 90%.

7.6. Commitments towards employees

7.6.1. Retirement commitments

For estimated retirement commitments, the following assumptions were used for all categories of employees (employees, ETAM [Employees, Technicians, and Supervisors], and managers):

- retirement age: 65 years old;
- terms of retirement: voluntary retirement;
- mortality table: INSEE 2022;
- collective agreement: metal industries;
- employee turnover:
  - 18-25 years old: 0%
  - 26-35 years old: 18%
  - 36-45 years old: 16%
  - 46-55 years old: 24%
  - >56 years old: 0%;

- employer contribution rate used: 47% (identical to 2021);
- salary increase rate: 2.5% (identical to 2021);
- discount rate: 4.15% (vs. 1.38% in 2021) equal to the iBoxx Corporate AA10+ rate plus 0.4 points.

Retirement benefits stand at €80 thousand at the end of the 2022 financial year and are not recorded in the company financial statements.

The Company does not finance its pension plan provision. A retirement was recorded during the 2022 financial year.

EXCO SOCODEC

ERNST & YOUNG et Autres

Mauna Kea Technologies

Exercice clos le 31 décembre 2022

Rapport des commissaires aux comptes sur les comptes annuels

EXCO SOCODEC
51, avenue Françoise Giroud
BP 16601
21000 Dijon
S.A.R.L. au capital de € 3 200 000
400 726 048 R.C.S. Dijon

Commissaire aux Comptes
Membre de la compagnie
régionale de Besançon-Dijon

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Mauna Kea Technologies

Exercice clos le 31 décembre 2022

Rapport des commissaires aux comptes sur les comptes annuels

A l'Assemblée Générale de la société Mauna Kea Technologies,

Opinion

En exécution de la mission qui nous a été confiée par vos assemblées générales, nous avons effectué l'audit des comptes annuels de la société Mauna Kea Technologies relatifs à l'exercice clos le 31 décembre 2022, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

- **Référentiel d'audit**

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels » du présent rapport.

- **Indépendance**

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le Code de commerce et par le Code de déontologie de la profession de commissaire aux comptes sur la période du 1er janvier 2022 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014.

Observation

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur la note 3. « Règles et méthodes comptables » de l'annexe des comptes annuels qui expose la situation financière de la société et les mesures prises pour lui permettre de couvrir ses besoins de financement.

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L. 823-9 et R. 823-7 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes annuels de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

Reconnaissance du chiffre d'affaires

Risque identifié	Notre réponse
Le chiffre d'affaires de la société s'élève à K€ 5 332 au 31 décembre 2022. Le chiffre d'affaires est reconnu selon les modalités décrites dans la note 3.9 de l'annexe aux comptes annuels. Le chiffre d'affaires de la société résulte essentiellement de la vente de systèmes, la vente de consommables (sondes) et des prestations de services de maintenance et de réparation. Pour les ventes de systèmes et de consommables, le chiffre d'affaires est constaté dès lors que le transfert de propriété est réalisé. Les ventes de prestations de services de maintenance couvrant une période dépassant l'exercice comptable sont étalées dans le temps selon la durée des prestations contractuelles. Nous avons considéré que la reconnaissance du chiffre d'affaires est un point clé de l'audit compte tenu du poids du chiffre d'affaires en tant qu'indicateur financier du groupe et du caractère significatif des transactions qui se dénouent à l'approche de la clôture.	Nous avons pris connaissance des méthodes de reconnaissance du chiffre d'affaires et des contrôles mis en place par la société. Nos travaux ont consisté à : ► étudier les clauses contractuelles sur un échantillon de contrats, afin d'analyser le traitement comptable applicable ; ► examiner un échantillon de transactions résultant de la vente de systèmes et de sondes en obtenant les bons de commande, factures, bons de livraison ou bons de mise à disposition ; ► analyser un échantillon de transactions résultant de la vente de prestations de services en obtenant les contrats et les preuves de réalisation des prestations afin de contrôler leur comptabilisation ; ► effectuer des tests, par sondages, sur une sélection de transactions comptabilisées avant et après la date de clôture afin de déterminer si ces produits sont rattachés à la période et, le cas échéant, si l'étalement du chiffre d'affaires est réalisé sur une durée conforme au contrat.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

■ **Informations données dans le rapport de gestion et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires**

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du conseil d'administration et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires.

Nous attestons de la sincérité et de la concordance avec les comptes annuels des informations relatives aux délais de paiement mentionnées à l'article D. 441-6 du Code de commerce.

■ **Informations relatives au gouvernement d'entreprise**

Nous attestons de l'existence, dans la section du rapport de gestion du conseil d'administration consacrée au gouvernement d'entreprise, des informations requises par les articles L. 225-37-4, L. 22-10-10 et L. 22-10-9 du Code de commerce.

Concernant les informations fournies en application des dispositions de l'article L. 22-10-9 du Code de commerce sur les rémunérations et avantages versés ou attribués aux mandataires sociaux ainsi que sur les engagements consentis en leur faveur, nous avons vérifié leur concordance avec les comptes ou avec les données ayant servi à l'établissement de ces comptes et, le cas échéant, avec les éléments recueillis par votre société auprès des entreprises contrôlées par elle qui sont comprises dans le périmètre de consolidation. Sur la base de ces travaux, nous attestons l'exactitude et la sincérité de ces informations.

Concernant les informations relatives aux éléments que votre société a considéré susceptibles d'avoir une incidence en cas d'offre publique d'achat ou d'échange, fournies en application des dispositions de l'article L. 22-10-11 du Code de commerce, nous avons vérifié leur conformité avec les documents dont elles sont issues et qui nous ont été communiqués. Sur la base de ces travaux, nous n'avons pas d'observation à formuler sur ces informations.

■ **Autres informations**

En application de la loi, nous nous sommes assurés que les diverses informations relatives à l'identité des détenteurs du capital ou des droits de vote vous ont été communiquées dans le rapport de gestion.

Autres vérifications ou informations prévues par les textes légaux et réglementaires

■ **Format de présentation des comptes annuels destinés à être inclus dans le rapport financier annuel**

Nous avons également procédé, conformément à la norme d'exercice professionnel sur les diligences du commissaire aux comptes relatives aux comptes annuels et consolidés présentés selon le format d'information électronique unique européen, à la vérification du respect de ce format défini par le règlement européen délégué n° 2019/815 du 17 décembre 2018 dans la présentation des comptes annuels destinés à être inclus dans le rapport financier annuel mentionné au I de l'article L. 451-1-2 du Code monétaire et financier, établis sous la responsabilité du directeur général.

Sur la base de nos travaux, nous concluons que la présentation des comptes annuels destinés à être inclus dans le rapport financier annuel respecte, dans tous ses aspects significatifs, le format d'information électronique unique européen.

Il ne nous appartient pas de vérifier que les comptes annuels qui seront effectivement inclus par votre société dans le rapport financier annuel déposé auprès de l'AMF correspondent à ceux sur lesquels nous avons réalisé nos travaux.

- **Désignation des commissaires aux comptes**

Nous avons été nommés commissaires aux comptes de la société Mauna Kea Technologies par votre assemblée générale du 13 juin 2018 pour le cabinet EXCO SOCODEC et du 25 mai 2011 pour le cabinet ERNST & YOUNG et Autres.

Au 31 décembre 2022, le cabinet EXCO SOCODEC était dans la cinquième année de sa mission sans interruption et le cabinet ERNST & YOUNG et Autres dans la douzième année.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes annuels ont été arrêtés par le conseil d'administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels

- **Objectif et démarche d'audit**

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L. 823-10-1 du Code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;
- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;
- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle.

Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes annuels de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537/2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L. 822-10 à L. 822-14 du Code de commerce et dans le Code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Dijon et Paris-La Défense, le 28 avril 2023

Les Commissaires aux Comptes

EXCO SOCODEC	ERNST & YOUNG et Autres
Signé électroniquement le 28/04/2023 par Olivier Gallezot	
Olivier Gallezot	
Olivier Gallezot	Franck Sebag

EXCO SOCODEC

ERNST & YOUNG et Autres

Mauna Kea Technologies

Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2022

Rapport spécial des commissaires aux comptes sur les conventions réglementées

EXCO SOCODEC
51, avenue Françoise Giroud
B.P. 16601
21 000 Dijon
S.A.R.L. au capital de € 3 200 000
400 726 048 R.C.S. Dijon

Commissaire aux Comptes
Membre de la compagnie
régionale de Besançon-Dijon

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Mauna Kea Technologies

Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2022

Rapport spécial des commissaires aux comptes sur les conventions réglementées

A l'Assemblée Générale de la société Mauna Kea Technologies,

En notre qualité de commissaires aux comptes de votre société, nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été données, les caractéristiques, les modalités essentielles ainsi que les motifs justifiant de l'intérêt pour la société des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R. 225-31 du Code de commerce, d'apprécier l'intérêt qui s'attachait à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations prévues à l'article R. 225-31 du Code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par l'assemblée générale.

Nous avons mis en œuvre les diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission.

Conventions soumises à l'approbation de l'assemblée générale

Nous vous informons qu'il ne nous a été donné avis d'aucune convention autorisée et conclue au cours de l'exercice écoulé à soumettre à l'approbation de l'assemblée générale en application des dispositions de l'article L. 225-38 du Code de commerce.

Conventions déjà approuvées par l'assemblée générale

Nous vous informons qu'il ne nous a été donné avis d'aucune convention déjà approuvée par l'assemblée générale dont l'exécution se serait poursuivie au cours de l'exercice écoulé.

Dijon et Paris-La Défense, le 28 avril 2023

Les Commissaires aux Comptes

EXCO SOCODEC	ERNST & YOUNG et Autres
Signé électroniquement le 28/04/2023 par Olivier Gallezot	
Olivier Gallezot	
Olivier Gallezot	Franck Sebag

ATTESTATION DE LA PERSONNE RESPONSABLE DU RAPPORT FINANCIER ANNUEL

(Art. 222-3 - 4° du Règlement Général de l'AMF)

« J'atteste que les informations contenues dans le présent rapport financier sont, à ma connaissance, conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée »

J'atteste à ma connaissance, que les comptes sont établis conformément aux normes comptables applicables (normes IFRS telles qu'adoptées par l'Union Européenne pour les comptes consolidés) et donnent une image fidèle du patrimoine, de la situation financière et du résultat de la Société et de l'ensemble des entreprises comprises dans la consolidation et que le rapport de gestion ci-joint présente un tableau fidèle de l'évolution des affaires, des résultats et de la situation financière de la Société et des entreprises comprises dans la consolidation ainsi qu'une description des principaux risques et incertitudes auxquelles elles sont confrontées. »

Alexandre Loiseau
Président - Directeur Général