

NEWS RELEASE

Mauna Kea Technologies Reports Full Year 2023 Sales of €10.5m, Up +42%1 vs 2022

1/25/2024

Record-high PPU Growth of +109%1 in Q4 2023, Full Year PPU Growth of +57%1

Tasly and Telix Partnerships Remain On-Track

Partnership Pipeline Building

PARIS & BOSTON--(BUSINESS WIRE)-- Regulatory News:

Mauna Kea Technologies (Euronext Growth: ALMKT), inventor of Cellvizio®, the multidisciplinary probe and needle-based confocal laser endomicroscopy (p/nCLE) platform, today reported its unaudited sales for the fourth quarter and full year 2023, ended December 31, 2023.

Sacha Loiseau, Ph.D., Chairman and CEO of Mauna Kea Technologies, commented: "In addition to advancing important strategic relationships with announced development partners Tasly Pharmaceutical (neurology), Telix Pharmaceuticals (urology) and Johnson & Johnson (lung), in 2023 Mauna Kea remained disciplined in all phases of the business. I am particularly pleased with the U.S. performance, where we saw, once again, improved operational efficiency and sales force productivity as well as 10% organic sales growth on a constant currency basis. Likewise, in Asia, our team is working actively with our partners at Tasly to operationalize our Joint Venture, which we expect will deliver initial Cellvizio orders for the Chinese domestic market from 2024 onwards. Finally, our R&D team continues to enhance the capabilities and clinical effectiveness of Cellvizio, including advancing AI and wireless connectivity solutions. With a building pipeline of potential new development partners and the ongoing support of the global clinical community, I am excited for what we can accomplish in the year

ahead."

2023 Highlights

- Successful Shift in U.S. Operations

In 2023, sales efforts focused on high volume Ambulatory Surgery Centers (ASCs) with our Pay-Per-Use (PPU) program which represented 63% of Q4 sales. This model offers greater stability and more consistent recurring revenue, enables access to a high volume of patients, and generates significant operational leverage as system usage increases.

Throughout the year, PPU growth accelerated significantly, culminating to year-on-year growth of +109%¹ in Q4 2023 and a +52%¹ rise from Q3 2023. This growth trajectory is primarily attributed to the high satisfaction rates among physicians using Cellvizio leading to increased adoption among existing accounts and the onboarding of 11 new accounts over the year.

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Volume of PPU procedures	678	686	613	589	693	1,013	899	1,361

- Enhanced Operational Leverage Through U.S. Sales Growth

In 2023, the United States solidified its position as the 1st market, accounting for 72% of total sales, marking a significant increase of 16 percentage points from the previous year. This shift has yielded substantial operational leverage and has particularly improved the Group's profitability profile due to the region's high gross margin.

This solid performance was accomplished with a sales force that was reduced by half compared with 2021, reflecting a notable increase in productivity and profitability.

- Initial Contributions and Operational Launch of the Tasly Joint Venture

In 2023, the Group recorded revenues of \$4.7 million (€4.3 million), including upfront fees of \$6.5 million (€6.2 million) spread over 3 years and a technology transfer milestone of \$2.5 million (€2.3 million).

The year was pivotal in laying the groundwork for the operational launch of the JV, setting up the JV structure, recruiting the leadership and sales teams, and acquiring the necessary business licenses for the marketing of Cellvizio.

- Strategic Investment from Telix Pharmaceuticals in Mauna Kea Paving the Way for Long-Term Collaboration

At the end of 2023, Telix Pharmaceuticals made a strategic €6.0 million investment in Mauna Kea, reflecting an expansion of their existing alliance in uro-oncologic surgery. The shared vision between the groups is to develop new hybrid pharmaceutical-device products through the combination of Telix's cancer-targeting agents with the Cellvizio platform in order to provide uro-oncologic surgeons with enhanced tools for patient care.

This investment marks a significant milestone for Mauna Kea, underscoring the attractiveness and strategic importance of the Cellvizio technology for key players such as Telix. It signals the beginning of a more integrated collaboration between the two entities, aimed at combining the advanced technologies of both groups for the contemplated therapeutic area.

Fourth Quarter & Full Year 2023 Sales by Category

(in €k) – IFRS	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
			%	% CER			%	% CER
Systems	83	1,351	-94%	-94%	1,171	2,979	-61%	-60%
Consumables	1,344	964	+39%	+42%	3,900	3,131	+25%	+28%
Services	222	338	-34%	-34%	1,134	1,370	-17%	-17%
License fees	498	-	n.a.	n.a.	4,299	-	n.a.	n.a.
Total sales	2,147	2,653	-19%	-18%	10,504	7,479	+40%	+42%

In the fourth quarter of 2023, total sales amounted to €2.1 million, a decrease of 18% compared to 2022 which was in line with expectations considering the exceptional system orders of 10 systems in Latin America in Q4 2022.

Sales of consumables grew by +42% during the period, driven by the acceleration of the PPU activity and, to a lesser extent, the sales of probes. Finally, service sales were impacted by a decrease in billing to our partner Johnson & Johnson with the completion of CLEAR Study enrollment.

For the year 2023, total sales increased by +42% to €10.5 million, reflecting the increase in consumable sales and the recognition of the first €4.3 million of revenues related to the Tasly JV.

Fourth Quarter & Full Year 2023 Sales by Geography

(in €k) – IFRS	Q4 2023	Q4 2022	Change		FY 2023	FY 2022	Change	
			%	% CER			%	% CER
United States	1,136	1,150	-1%	+1%	4,480	4,202	+7%	+10%
EMEA & ROW	500	1,525	-67%	-67%	1,622	2,875	-44%	-44%

Asia Pacific	512	(22)	n.a.	n.a.	4,402	402	+995%	+995%
Total sales	2,147	2,653	-19%	-18%	10,504	7,479	+40%	+42%

In the U.S. sales were up +1% despite the lack of system sales, which are typically much harder to predict. These sales, initially anticipated by the end of the year, have been postponed to 2024. However, this shortfall was completely offset by an impressive 109% rise in PPU revenue.

On the contrary, Europe and the RoW faced a demanding comparison with the previous year's exceptional quarter, which included the sale of 10 systems in Latin America. In Asia Pacific, sales were positively impacted by the recognition of the payments received from the Tasly JV.

For the year 2023, growth was mainly driven by the U.S. and the contribution from the Tasly JV.

Fourth Quarter 2023 Sales in Unit

Units (#)	Q4 2023	Q4 2022	Change
New systems sold*	2	11	-9
New systems placed**	5	1	+4
Total systems	7	12	-5
Consumables delivered	109	151	-42

* The change in the number of new systems sold over the period may differ from that in reported sales, due to inventory adjustments and product mix variation

** The reference date is the contract signature date, which may differ from the system installation date

About Mauna Kea Technologies

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

Disclaimer

This press release contains forward-looking statements about Mauna Kea Technologies and its business. All statements other than statements of historical fact included in this press release, including, but not limited to,

statements regarding Mauna Kea Technologies' financial condition, business, strategies, plans and objectives for future operations are forward-looking statements. Mauna Kea Technologies believes that these forward-looking statements are based on reasonable assumptions. However, no assurance can be given that the expectations expressed in these forward-looking statements will be achieved. These forward-looking statements are subject to numerous risks and uncertainties, including those described in Chapter 3 of Mauna Kea Technologies' 2022 Universal Registration Document filed with the Autorité des marchés financiers (AMF) on June 28, 2023 under number D-23-0545, which is available on the Company's website (www.maunakeatech.fr), as well as the risks associated with changes in economic conditions, financial markets and the markets in which Mauna Kea Technologies operates. The forward-looking statements contained in this press release are also subject to risks that are unknown to Mauna Kea Technologies or that Mauna Kea Technologies does not currently consider material. The occurrence of some or all of these risks could cause the actual results, financial condition, performance or achievements of Mauna Kea Technologies to differ materially from those expressed in the forward-looking statements. This press release and the information contained herein do not constitute an offer to sell or subscribe for, or the solicitation of an order to buy or subscribe for, shares of Mauna Kea Technologies in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The distribution of this press release may be restricted in certain jurisdictions by local law. Persons into whose possession this document comes are required to comply with all local regulations applicable to this document.

1 Growth at constant exchange rate (CER)

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