

MAUNA KEA TECHNOLOGIES REPORTS FOURTH QUARTER AND FULL YEAR 2016 SALES

2016 sales up 3% to €8.8 million, core clinical sales up 19%

2016 consumable probe reorder sales up 34%

Q4 2016 sales down 17% y/y, impacted by a 56% decline in preclinical sales

Paris, January 24, 2017 – Mauna Kea Technologies (Euronext: MKEA, OTCQX: MKEAY) inventor of Cellvizio®, the multidisciplinary confocal laser endomicroscopy platform, today announced its sales for the fourth quarter and full year ended December 31, 2016 and provided an update on its business. The Company will host a conference call to discuss the fourth quarter and full year 2016 results today (information below).

Sacha Loiseau, Ph.D., Founder and Chief Executive Officer of Mauna Kea Technologies declared: “In the fourth quarter, we continued to focus on our core clinical business, particularly in the U.S., where we have growing momentum due to recently announced reimbursement changes that are expected to accelerate our business in 2017. For the full year, our core clinical sales (systems and consumables) grew 19%, reflecting double-digit growth in all regions and 34% growth in sales of consumable probes to existing customers. We anticipate this positive Cellvizio utilization trend will accelerate in 2017 driven by traction in our consignment model. Our accomplishments in the clinical business in 2016 were offset by disappointing results in the pre-clinical business, where we are evaluating alternative channel strategies to achieve an efficient commercial infrastructure.”

Full Year 2016 Revenue

(in € thousands) – IFRS	2016	2015	Change %
1 st Quarter	1,954	1,855	5%
2 nd Quarter	2,511	2,170	16%
3 rd Quarter	2,108	1,867	13%
4 th Quarter	2,213	2,655	(17%)
Total Sales	8,787	8,547	3%

Full Year 2016 Revenue by Category

(in € thousands) – IFRS	2016	2015	Change %
Systems	4,217	5,190	(19%)
Consumables	2,941	2,474	19%
Services	1,629	884	84%
Total Sales	8,787	8,547	3%

The Company shipped 54 Cellvizio systems in the full year 2016, including 6 systems placed under the Company’s recently launched consignment program, compared to 51 systems in the full year 2015. The Company shipped 43 clinical systems and 11 pre-clinical systems in the full year 2016, compared to 38 clinical systems and 13 pre-clinical systems in the full year 2015. Consumable probes unit volume increased 7% to 716 units, compared to 669 probes in the full year 2015. The number of probe reorders (probes sold to existing customers) increased from 492 in the full year 2015 to 541 in the full year 2016, representing 10% growth year-over-year. Consumable probe reorder sales grew 34% for the full year 2016. The year-over-year increases in consumable probe sales, and particularly the reorder rate and sales, reflect increased utilization of the Cellvizio systems, particularly in the U.S., along with growth of the installed base.

**Full Year 2016 Revenue by Geography with Split by activity Clinical / Pre-clinical sales**

(in € thousands) – IFRS	2016	2015	Change %
Americas	3,811	3,603	6%
Clinical	3,350	2,875	16%
Pre-clinical	461	728	(37%)
Asia-Pacific	2,853	2,491	15%
Clinical	1,890	1,573	20%
Pre-clinical	962	918	5%
EMEA	2,124	2,453	(13%)
Clinical	2,022	1,634	24%
Pre-clinical	102	820	(88%)
Total Clinical Sales	7,261	6,082	19%
Total Pre-clinical Sales	1,526	2,465	(38%)
Total Sales	8,787	8,547	3%

As of December 31, 2016, the net cash was €9.1 million. This amount does not include the €1.2 million 2015 Research Tax Credit payment request submitted to the French Ministry of Finance in 2016.

Fourth Quarter 2016 Revenue by Category

(in € thousands) – IFRS	Q4 2016 (December 31, 2016)	Q4 2015 (December 31, 2015)	Change %
Systems	1,034	1,751	(41%)
Consumables	701	648	8%
Services	478	256	87%
Total Sales	2,213	2,655	(17%)

The Company shipped 12 Cellvizio systems in the fourth quarter 2016, compared to 14 systems in the fourth quarter of 2015. Consumable probes unit volume was 151 units, compared to 176 probes in the fourth quarter 2015. The number of probe reorders (probes sold to existing customers) was 125 in the fourth quarter 2016, compared to 146 in the fourth quarter 2015, mainly due to lower sales in the Asia-Pacific region. Consumable probe reorder sales grew 10% year-over-year in the fourth quarter 2016, driven by a higher average selling price associated with geographic mix and increased volume from the Company's higher margin consignment model in the U.S.

Fourth Quarter 2016 Revenue by Geography with Split by activity Clinical / Pre-clinical sales

(in € thousands) – IFRS	2016	2015	Change %
Americas	1,140	557	105%
Clinical	1,104	480	130%
Pre-clinical	36	77	(54%)
Asia-Pacific	653	1,192	(45%)
Clinical	227	676	(66%)
Pre-clinical	426	516	(18%)
EMEA	420	906	(54%)
Clinical	401	406	(1%)
Pre-clinical	19	500	(96%)
Total Clinical Sales	1,733	1,562	11%
Total Pre-clinical Sales	481	1,094	(56%)
Total Sales	2,213	2,655	(17%)



The company recorded 11% growth in its core clinical business in the fourth quarter 2016, with clinical sales in the Americas region increasing 130%, driven by continuing positive sequential momentum in the U.S. Clinical sales in the Asia-Pacific region decreased 66%, reflecting a lower than expected volume of system sales in China and Japan. Clinical sales were stable in the EMEA region. Overall, total fourth quarter sales were impacted by lower sales for the preclinical business, which decreased 56% as the company continued to focus its resources on the growth of its core clinical business in the U.S. Accordingly, the company is evaluating alternative commercial strategies for its preclinical business.

Mauna Kea Technologies will host a conference call today at 7:15 PM (CET / Paris time) / 1:15 PM (ET / New York time) to discuss the Company's 4Q and full year 2016 sales results and to provide a business update. The conference call will be hosted by Sacha Loiseau (CEO) and Benoit Jacheet (CFO). To access the conference call, please use one of the following dial-in numbers at least 5 minutes prior to the scheduled start time and follow the instructions: USA: +1 8554027761 / UK: +44 - 2033679461. Following the conclusion of the live call, a replay will be available for 90 days. To access the replay, please dial one of the following numbers: USA: +1 8776423018 / UK: +44(0)2033679460. The passcode for the replay is: 305983#.

About Mauna Kea Technologies

Mauna Kea Technologies is a global medical device company focused on eliminating uncertainties related to the diagnosis and treatment of cancer and other diseases thanks to real time in vivo microscopic visualization. The Company's flagship product, Cellvizio, has received clearance to sell a wide range of applications in more than 40 countries, including the United States, Europe, Japan, China, Canada, Brazil and Mexico.

For more information on Mauna Kea Technologies, visit www.maunakeatech.com

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