

MAUNA KEA TECHNOLOGIES REPORTS FIRST HALF 2017 SALES

Global sales down 26% in 1H 2017, including 12% growth in the Americas clinical business reflecting increased pay-per-use sales

Paris, July 25, 2017 – 5.45 PM CETS – Mauna Kea Technologies (Euronext: MKEA, OTCQX: MKEAY) inventor of Cellvizio®, the multidisciplinary confocal laser endomicroscopy platform, today announced its sales for the half-year ended June 30, 2017. The Company will host a conference call today to review the sales results (see call information below).

Sacha Loiseau, Ph.D., Founder and Chief Executive Officer of Mauna Kea Technologies declared, “Total sales in the first half of 2017 declined 26%, while Americas clinical sales increased 12% in the same period. Both of these results reflect our strategic focus on transitioning to a Cellvizio pay-per-use business model in the U.S. We continue to believe this new model represents a significant opportunity to accelerate Cellvizio adoption and build long-term recurring revenue for consumable probes. While our progress in the second quarter was below our expectations due to slower deal-closings and delays in expanding the U.S. sales team, we exited the second quarter with a large pipeline of consignment opportunities we hope to convert in the second half of 2017. We continued to reduce marketing expenditures and evaluate channel strategies outside the U.S., which contributed to sales decrease in these regions. Finally, while we remain confident regarding our commercial partnership with Cook Medical, delays in the timing of Cook’s commercial launch in urology impacted our sales for the first half.”

First Half 2017 Sales

(in € thousands) – IFRS	2017	2016	Change %
1 st Quarter	1,599	1,954	(18%)
2 nd Quarter	1,686	2,511	(33%)
	<i>q/q % growth</i>	<i>29%</i>	
Total 1H Sales	3,285	4,465	(26%)

First Half 2017 Sales by Category

(in € thousands) – IFRS	1H 2017 (June 30, 2017)	1H 2016 (June 30, 2016)	Change %
Systems	1,522	2,294	(34%)
Consumables	1,098	1,464	(25%)
Services	664	708	(6%)
Total Sales	3,285	4,465	(26%)

In the first half of 2017, the Company sold 14 Cellvizio systems and secured contracts for 8 new systems under consignment in the U.S., compared to 26 systems sold and 6 consignment systems shipped in the first half of 2016. Shipped consumable probes unit volume amounted to 254 units, compared to 414 probes sold in the first half of 2016. The number of probe reorders (probes sold to existing customers or pay-per-use customers) was 222 in the first half of 2017, compared to 306 in the first half of 2016, reflecting increasing volumes in the U.S. (+14%) and significantly lower volumes in other markets (-53%).

**First Half 2017 Sales by Geography with split by activity (Clinical / Pre-clinical)**

(in € thousands) – IFRS	1H 2017 (June 30, 2017)	1H 2016 (June 30, 2016)	Change %
Americas	1,558	1,760	(11%)
Clinical	1,565	1,392	12%
Pre-clinical	(6)	368	(102%)
Asia-Pacific	677	1,482	(54%)
Clinical	433	1,049	(59%)
Pre-clinical	244	434	(44%)
EMEA	1,049	1,224	(14%)
Clinical	638	1,163	(45%)
Pre-clinical	411	60	583%
Total Clinical Sales	2,636	3,604	(27%)
Total Pre-clinical Sales	649	861	(25%)
Total Sales	3,285	4,465	(26%)

Clinical sales

The main focus of the Company is implementing its new pay-per-use business model for Cellvizio's core GI applications in the U.S., which represents a significant market opportunity and is supported by positive reimbursement coverage (cf. press release dated 4 November 2016). As a result, clinical sales in the Americas region increased 12% in the first half of 2017, driven by continuing positive momentum in the U.S., partially offset by the impact of the Company's transition to a consignment model in this market and by a slower pace of sales reps recruitment.

Clinical sales decreased 59% in the Asia-Pacific region and 44% in the EMEA as the company continued to focus its resources on the growth of its core clinical business in the U.S.

Pre-clinical sales

Pre-clinical sales are by nature less recurring compared to clinical ones. Therefore comparison from one period to the other one is difficult. Pre-clinical sales declined 25% in the first half of 2017, with growth in the EMEA region offset by declines in the Americas and Asia-Pacific regions, reflecting the inherent lumpiness in this business and the Company's focus on its clinical business.

1H 2017 Quarterly data
2017 quarterly sales by Geography with Split by activity Clinical / Pre-clinical sales

(in € thousands) – IFRS	30 June 2017			30 June 2016		
	Q1	Q2	H1	Q1	Q2	H1
Americas	850	708	1,558	809	951	1,760
Clinical	871	693	1,565	610	782	1,392
Pre-clinical	(21)	15	(6)	199	169	368
Asia-Pacific	202	476	677	668	814	1,482
Clinical	171	262	433	424	625	1,049
Pre-clinical	31	213	244	244	190	434
EMEA	547	502	1,049	477	746	1,224
Clinical	219	419	638	445	719	1,163
Pre-clinical	328	83	411	33	28	60
Total Clinical Sales	1,261	1,375	2,636	1,479	2,125	3,604
Total Pre-clinical Sales	338	311	649	476	385	861
Total Sales	1,599	1,686	3,285	1,954	2,511	4,465
Systems	685	838	1,522	920	1 374	2,294
Consumables	535	564	1,098	681	783	1,464
Services	380	284	664	353	354	708
Total Sales	1,599	1,686	3,285	1,954	2,511	4,465

2017 units quarterly sales per type

Units	30 June 2017			30 June 2016		
	Q1	Q2	H1	Q1	Q2	H1
New systems straight sales (per unit)	6	8	14	9	17	26
New consignments placed	6	2	8	1	5	6
Probes	125	129	254	197	217	414
<i>o/w reorders or pay-per-use</i>	<i>115</i>	<i>107</i>	<i>222</i>	<i>167</i>	<i>139</i>	<i>306</i>

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 1H 2017 sales results and to provide a business update. The conference call will be hosted by Sacha Loiseau (CEO). To access the conference call, please use one of the following dial-in numbers at least 5 minutes prior to the scheduled start time and follow the instructions: USA: +1 646-722-4939 / UK: +44 – 2033679461 / FR: +33 (0)1 70 77 09 46. 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: +1 877 64 230 18/ UK: +44(0) 2033679460 / FR: +33(0)1 72 00 15 00. The passcode for the replay is: 309922#.



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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