

Mainstay Medical Secures \$15M Debt Financing

Dublin, Ireland – 24 August 2015: Mainstay Medical International plc (“**Mainstay**” or the “**Company**” listed on Euronext Paris: MSTY.PA and ESM of the Irish Stock Exchange: MSTY.IE), a medical device company focused on bringing to market ReActiv8[®], an innovative implantable medical device for people suffering from disabling Chronic Low Back Pain (“CLBP”), today announced a debt facility for up to \$15 million.

The secured debt facility is non-dilutive to existing shareholders, and is being provided by IPF Partners, a leading financing provider focused on the European healthcare sector.

“We are pleased to have secured this \$15 million debt facility. These funds strengthen our financial position, and allow us to continue building momentum towards commercialisation of ReActiv8,” said Peter Crosby, CEO of Mainstay.

The facility can be drawn in three tranches, with an initial tranche of \$4.5 million available immediately. The second and third tranches can be drawn following the achievement of milestones related to progress through the CE Mark process for ReActiv8.

Each tranche has a repayment term of 60 months from drawdown, with interest only payments for the first 12 months. The interest rate is 3-month Euribor plus a margin ranging from 10.5% to 12.5%.

The terms of the agreement include a requirement that the Company hold a minimum cash balance of \$2 million until it achieves revenue targets, initially \$1 million. The facility is subject to customary terms and conditions and includes an exit fee (in lieu of warrants) of 5% of each tranche payable upon repayment, and voluntary prepayment provisions. The facility does not include any preferential right to participate in a future financing of Mainstay.

- End -

About Mainstay

Mainstay is a medical device company which is developing an innovative implantable neurostimulation system, ReActiv8®, for people with disabling Chronic Low Back Pain (CLBP). The Company is headquartered in Dublin, Ireland. It has subsidiaries operating in Ireland, the United States and Australia, and is listed on Euronext Paris (MSTY.PA) and the ESM of the Irish Stock Exchange (MSTY.IE).

About IPF Partners

IPF Partners is an investment platform founded by a team of 4 fund managers and health sector leaders. The IPF I fund, which was launched in October 2011 with 80 million euros of funding and which is aiming to obtain institutional investor commitments of 150 million euros, provides bespoke debt and other financing solutions to health sector companies that have reached the marketing stage in order to help them handle their ongoing and acquisition financing requirements. IPF I has already committed over 50 million euros to various European health product companies.

About the ReActiv8-A Trial

The ReActiv8-A clinical trial is a prospective single arm clinical trial with up to 96 subjects at sites in Australia and Europe. Outcome measures for the ReActiv8-A clinical trial are assessed at a three month endpoint after activation of stimulation and compared to baseline prior to implant. Further details can be obtained at <https://clinicaltrials.gov/show/NCT01985230>.

About Chronic Low Back Pain

One of the recognised root causes of CLBP is impaired control by the nervous system of the muscles that dynamically stabilise the spine in the lower back, and an unstable spine can lead to back pain. ReActiv8 is designed to electrically stimulate the nerves responsible for contracting these muscles and thereby help to restore muscle control and improve dynamic spine stability, allowing the body to recover from CLBP.

People with CLBP usually have a greatly reduced quality of life and score significantly higher on scales for pain, disability, depression, anxiety and sleep disorders. Their pain and disability can persist despite the best available medical treatments, and only a small percentage of cases result from an identified pathological condition or anatomical defect that may be correctable with spine surgery. Their ability to work or be productive is seriously affected by the condition and the resulting days lost from work, disability benefits and health resource utilisation put a significant burden on individuals, families, communities, industry, and governments. Further information can be found at www.mainstay-medical.com

ReActiv8 is an investigational device and is not approved for commercialisation anywhere in the world.

CAUTION – in the United States, ReActiv8 is limited by federal law to investigational use only.

Media Enquiries:

Chris Gardner, Mary-Jane Elliott, Matthew Neal, Hendrik Thys, Consilium Strategic Communications
(international strategic communications - business and trade media)
Tel: +44 203 709 5700 / +44 7921 697 654
Email: mainstaymedical@consilium-comms.com

Jonathan Neilan, FTI Consulting (for Ireland)
Tel: +353 1 663 3686
Email: jonathan.neilan@fticonsulting.com

Astrid Villette, FTI Consulting (French language enquiries)
Tel: +33 1 47 03 69 51
Email: Astrid.Villette@fticonsulting.com

Investor relations:

Jillian Connell, The Trout Group LLC
Tel: +1 646 378 2956 / +1 617 309 8349
Email: jconnell@troutgroup.com

ESM Advisers:

Fergal Meegan or Barry Murphy, Davy
Tel: +353 1 679 6363
Email: fergal.meegan@davy.ie or barry.murphy2@davy.ie

Forward looking statements

This announcement includes statements that are, or may be deemed to be, forward looking statements. These forward looking statements can be identified by the use of forward looking terminology, including the terms “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “should” or “will”, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear throughout this announcement and include, but are not limited to, statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial position, prospects, financing strategies, expectations for product design and development, regulatory applications and approvals, reimbursement arrangements, costs of sales and market penetration.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Company’s operations, and the development of the markets and the industry in which the Company operates, may differ materially from those described in, or suggested by, the forward looking statements contained in this announcement. In addition, even if the Company’s results of operations, financial position and growth, and the development of the markets and the industry in which the Company operates, are consistent with the forward looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments of the Company to differ materially from those expressed or implied by the forward looking statements including, without limitation, general economic and business conditions, the global medical device market conditions, industry trends, competition, changes in law or regulation, changes in taxation regimes, the availability and cost of capital, the time required to commence and complete clinical trials, currency fluctuations, changes in its business strategy, political and economic uncertainty. The forward-looking statements herein speak only at the date of this announcement.