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28 April, 2014

MAINSTAY MEDICAL INTERNATIONAL PLC

ANNOUNCEMENT OF OFFER PRICE AND NUMBER OF ISSUED ORDINARY SHARES ON ADMISSION TO EURONEXT PARIS AND ESM

Further to the announcement on 9 April, 2014 of its intention to raise funds through an initial public offering, Mainstay Medical International plc ("**Mainstay**" or the "**Company**") announces the successful pricing of its initial public offering of new ordinary shares by way of a public offering in France and of an international private placement to institutional investors (the "**Offer**"), the number of new ordinary shares comprised in the offer and the timing for admission of its existing and new ordinary shares ("**Ordinary Shares**") to trading on the regulated market of Euronext Paris and on the Enterprise Securities Market ("**ESM**") of the Irish Stock Exchange.

Mainstay is an Irish medical device company with operations in Ireland, Australia and the United States. Mainstay is focused on the development of ReActiv8[®], an innovative implantable medical device designed to treat people with Chronic Low Back Pain (CLBP).

HIGHLIGHTS

- ▶ The Offer comprises 851,175 new Ordinary Shares representing gross proceeds of an amount of €18.0 million, excluding any Ordinary Shares that may be issued under the Over-allotment Option.
- ▶ The Offer price has been set at €21.15 per new Ordinary Share ("**Offer Price**").
- ▶ The size of the Offer may be increased by up to 45,953 new Ordinary Shares issued in the case of exercise, in part or in full, of the Over-allotment Option within 30 days after the Offer Price is made public.
- ▶ On commencement of unconditional dealings, the Company will have a market capitalisation, based on the Offer Price, of approximately €90.0 million.
- ▶ The gross proceeds will be used to conduct clinical trials, initially in Australia and then additionally in Europe, to submit an application for CE mark approval and for general corporate purposes.
- ▶ Retail investors who applied for Ordinary Shares under the retail offer have been allocated 16,783 Ordinary Shares, corresponding to €0.4 million, or 2.0% of the new Ordinary Shares.
- ▶ Institutional investors who applied for Ordinary Shares under the institutional private placement have been allocated 834,392 Ordinary Shares, corresponding to €17.6 million, or 98.0% of the new Ordinary Shares. Of the Ordinary Shares allocated to institutional investors, 355,791 Ordinary Shares were allocated to US Qualified Institutional Buyers (QIBs), corresponding to €7.5 million, or 41.8% of the new Ordinary Shares.
- ▶ Mainstay's major institutional shareholders (Sofinnova Partners, Fountain Healthcare Partners, Medtronic, Inc., Capricorn Venture Partners and Seventure Partners Managed Funds) invested €8 million in the Offer. David Brabazon, a director of Mainstay, invested €0.1 million in the Offer.
- ▶ Following commencement of unconditional dealings:
 - Existing shareholders will hold 83.3% of the Ordinary Shares; and

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- Directors will hold 14.1% of the Ordinary Shares.
- ▶ Conditional dealings in the Ordinary Shares on Euronext Paris (under the “if and when issued” product line: MAINSTAY AIW) and the ESM are expected to commence at 9:00 a.m. (CET) on 29 April 2014.
- ▶ Settlement and delivery is expected to occur on 2 May 2014, with unconditional dealings in Ordinary Shares on the ESM expected to start at 9:00 a.m. (CET) on 2 May 2014 and on 5 May 2014 on Euronext Paris.

Dr Oern Stuge, Chairman, said:

“The successful initial public offering marks a major milestone in the company’s progress and we are now ready to move on to the next stage of our development as a listed company. We are very pleased that our IPO has been so well received by institutional and retail investors, who have recognised that Mainstay’s unique and innovative approach to the treatment of debilitating CLBP not only addresses an important clinical need, but moreover creates an interesting investment opportunity. We have recently commenced clinical trials of ReActiv8 and we continue to diligently execute our plans to obtain regulatory approval and subsequent commercialisation.”

Further Information

- ▶ Kempen & Co and Société Générale Corporate & Investment Banking are acting as Joint Bookrunners in connection with the Offer. Davy is acting as Prospectus adviser, ESM adviser and Co-Lead Manager.
- ▶ This Pricing Statement relating to the Offer will be made available on the Company’s website at www.mainstay-medical.com.
- ▶ Capitalised terms used but not defined herein shall have the meaning given to those terms in the Prospectus.

OFFER STATISTICS

Price (per Ordinary Share)	€21.15
Number of Ordinary Shares that will be in issue immediately prior to the commencement of unconditional dealings	3,404,702
Number of Ordinary Shares issued in the Offer ⁽¹⁾	851,175
Maximum number of Ordinary Shares that may be issued under the Over-allotment Option	45,953
Estimated gross proceeds of the Offer receivable by the Company ⁽²⁾	€18.0 million
Estimated net proceeds of the Offer receivable by the Company ⁽²⁾	€14.5 million
Market Capitalisation of the Company at the Offer Price on the commencement of unconditional dealings	€90.0 million
Euronext / ESM ticker	MSTY
ISIN Code	IE00BJYS1G50

(1) The Extension Clause was not exercised, and assuming no exercise of the Over-allotment Option.

(2) Assumes no exercise of the Over-allotment Option.

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About Mainstay Medical

Mainstay Medical is an Irish medical device company that is developing an innovative implantable neurostimulation device, ReActiv8, for people with debilitating Chronic Low Back Pain.

Mainstay is headquartered in Dublin, Ireland and has subsidiaries in the Australia and the United States. Mainstay is backed by investors including Sofinnova Partners (France), Fountain Healthcare Partners (Ireland), Medtronic (USA), Capricorn Venture Partners (Belgium), Seventure Partners (France) and Twin Cities Angels (Minneapolis, USA).

Chronic Low Back Pain

Chronic Low Back Pain is generally defined as Low Back Pain where the pain persists for more than three months. Low Back Pain is a leading cause of activity limitation and work absence throughout much of the developed world, imposing a high economic burden on individuals, families, communities, industry, and governments. The Company estimates that in approximately 7% of all cases of Low Back Pain, the pain persists for more than three months.

About ReActiv8

ReActiv8 represents a new approach to the treatment of Chronic Low Back Pain. ReActiv8 is an implantable neurostimulation device which applies electrical stimulation to nerves that supply one of the key stabilising muscles in the back, the lumbar multifidus muscle. The hypothesis on which ReActiv8 is based is that electrical stimulation of the nerve that innervates the lumbar multifidus muscle to cause contraction of the muscle can help reactivate the muscle control system, thereby leading to improved spine stability and a reduction in the effects of CLBP.

Further information is available at www.mainstay-medical.com

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FOR FURTHER DETAILS, CONTACT:

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DISCLAIMERS

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The information in this announcement is for background purposes only and does not purport to be accurate, full or complete. It is given at the date of its publication (unless otherwise marked) and is subject to updating, revision and amendment and no reliance may be placed for any purpose on it.

The prospectus (the "**Prospectus**") of Mainstay Medical International Plc (the "**Company**") was approved on 9 April 2014 by The Central Bank of Ireland, the Irish competent authority, and notified to the French Autorité des Marchés Financiers ("**AMF**") for passporting in connection with the Company's application for listing its ordinary shares on Euronext Paris and the Enterprise Securities Market operated by the Irish Stock Exchange, and the public offering of its shares in France. The Prospectus and the French translation of the summary is also available on the Company's website at www.mainstay-medical.com; the French translation of the summary is also available on the AMF's website at www.amf-france.org. Any subscription of shares in the proposed Offer should be made solely on the basis of the information contained in the Prospectus. The Company draws the attention of the public in France to Part 2 "Risk Factors" of the Prospectus and their summary in the French translation of the Prospectus summary. These risks may have a material adverse effect on the Company and its subsidiaries, their business, financial condition, results of operations or growth prospects as well as on the market price of Mainstay Medical International's shares once listed on Euronext Paris and the ESM.

The distribution of this document in certain countries may be subject to specific regulations. Persons who come into possession of this press release must inform themselves of and comply with these restrictions.

In particular:

This document does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of securities in United States of America (the "**United States**"), or in any other jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of United States or any such jurisdiction. Such securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. The Company has not registered, and does not intend to register, any portion of any offering of its securities in the United States, and does not intend to conduct a public offering of any of its securities in the United States.

This announcement is solely an advertisement and does not constitute a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4th, 2003 (the "**Prospectus Directive**"), as amended, to the extent such Directive has been transposed in the relevant Member State of the European Economic Area.

With respect to the Member States of the European Economic Area which have implemented the Prospectus Directive (each a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the securities requiring a publication of a prospectus in any Relevant Member State, other than France (and then only after a prospectus has been approved in accordance with applicable laws and regulations). As a result, the new or existing shares of the Company may not be offered or will not be offered in any Relevant Member State other than France, except, (i) to any legal entity which is a qualified investor as defined under the Prospectus Directive; (ii) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of Directive 2010/73/EU, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive; or in any other circumstances not requiring the Company to publish a prospectus as provided under Article 3(2) of the Prospectus Directive and/or regulations applicable in this Relevant Member State, provided that no such offer of new or existing shares of the Company shall result in a requirement for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer to the public**" in relation to the new or existing shares of the Company in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the new or existing shares of the Company to be offered so as to enable an investor to decide to purchase the new or existing shares of the Company, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

In the United Kingdom, this document does not constitute an approved prospectus for the purpose of and as defined in section 85 of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**"), has not been prepared in accordance with the Prospectus Rules issued by the UK Financial Conduct Authority (the "**FCA**") pursuant to section 73A of the FSMA and has not been approved by or filed with the FCA or any other authority which would be a competent authority for the purposes of the Prospectus Directive. The new and existing shares in the Company may not be offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of sections 85 and 102B of the FSMA) save in the circumstances where it is to be lawful to do so without an approved prospectus (within the meaning of section 85 of the FSMA) being made available to the public before the offer is made.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("*high net worth bodies corporate, unincorporated associations etc*") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This

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document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

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 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, currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors to be disclosed in the Prospectus. The forward-looking statements therein speak only at the date of this announcement.

In relation to the over-allotment option to be granted by the Company to Kempen and Société Générale in connection with this offering, Société Générale, acting as a stabilizing manager (or any institution acting on its behalf) (the “Stabilizing Manager”) may, in agreement with Kempen & Co, during a period of 30 days following the date on which the offering price is determined, effect transactions with a view to maintaining the market price of the Company’s shares in a manner consistent with applicable laws and regulations and, in particular, EU Commission Regulation No. 2273/03 of December 22, 2003. However, there is no assurance that the Stabilizing Manager will take any stabilizing action and if begun, such stabilizing action may be ended at any time. Any stabilizing action may affect the price of the Company’s shares and could result in market prices for the shares higher than those which might otherwise prevail.