

Mainstay Medical Extends Relationship with Centro de Construcción de Cardioestimuladores del Uruguay S.A. Through New Supply Agreement

Dublin – Ireland, 16 January 2017 – Mainstay Medical International plc (“**Mainstay**” or the “**Company**”, Euronext Paris: MSTY.PA and ESM of the Irish Stock Exchange: MSTY.IE) announces that its subsidiary, Mainstay Medical Limited (“**MML**”), has entered into a new supply agreement with Centro de Construcción de Cardioestimuladores del Uruguay S.A. (“**CCC**”).

The supply agreement becomes effective in January 2017 and replaces the engineering agreement, which has been in place since 2010. Under the supply agreement, CCC will continue to manufacture the implantable pulse generator and certain accompanying technology, including software (“**Products**”), for MML’s ReActiv8® system as exclusive supplier. ReActiv8 is an implantable neurostimulation system used to treat disabling Chronic Low Back Pain.

The material terms of the supply agreement include MML’s requirement to purchase certain minimum annual purchase quantities of the Products by the end of each calendar year of the Agreement, or in the alternative, pay CCC a fixed fee to meet such obligation. Either party may terminate the supply agreement, by written notice, where the other party breaches a material provision of the supply agreement and fails to cure such breach within a defined cure period, or in the event of certain insolvency and other events. MML will indemnify CCC against various third party claims, including claims arising out of MML’s negligence, fault or wrongful conduct. The new agreement becomes effective in January 2017 and continues in force for an initial term of two years. Thereafter, the agreement will automatically be renewed for rolling additional one year term(s) unless either party notifies the other at least six months’ prior to expiry that it does not wish to renew the agreement for an additional one year term. The agreement is governed by the laws of the State of New York and each party submits to the jurisdiction of the courts of New York.

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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”, “will”, or “explore” 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 its main product, 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 its main product and 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, the successful launch and commercialisation of ReActiv8, the progress and success of the ReActiv8-B Clinical Trial, 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, the time and process required to obtain regulatory approvals, currency fluctuations, changes in its business strategy, political and economic uncertainty. The forward-looking statements herein speak only at the date of this announcement.