

**Mainstay Medical Holdings plc and its subsidiaries
Annual Report
For the year ended 31 December 2025**

Mainstay Medical Holdings plc Table of contents

Corporate and shareholder information	3
Directors' report	4
Directors' responsibilities statement	11
Independent auditor's report to the members of Mainstay Medical Holdings plc	12
Consolidated statement of profit or loss and other comprehensive income	14
Consolidated statement of financial position	15
Consolidated statement of changes in shareholders' equity	16
Consolidated statement of cash flows	17
Notes to the consolidated Financial Statements	18
Parent Company Financial Statements	38

Forward looking statements

All statements in this Annual Report other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements may 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, other variations or comparable terminology, and include all matters that are not historical facts. These forward-looking statements may include, without limitation, statements regarding the company's intentions, beliefs or current expectations concerning, among other things, the company's commercial efforts and performance, financial position, financing strategies, product design and development, regulatory applications and approvals, and reimbursement arrangements.

Forward-looking statements involve risk and uncertainty and are not guarantees of future performance. Actual results may differ materially from those described in, or suggested by, the forward-looking statements. In addition, even if future results and developments are consistent with the forward-looking statements contained in this Annual Report, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements herein, including, without limitation, the Company's ability to successfully commercialize ReActiv8, including (without limitation) securing adequate reimbursement for ReActiv8 implants in the United States and the Company's other commercial markets, the Company's progress in developing new or improved products, the time and process required to obtain regulatory approvals, the availability and cost of capital, general economic and business conditions, global medical device market conditions, industry trends, competition, changes in law or regulation, the time required to commence and complete clinical trials and their results, currency fluctuations, changes in Company's business strategy, and political and economic uncertainty. The forward looking statements herein speak only as of the date of this Annual Report.

Mainstay Medical Holdings plc

Corporate and shareholder information

Directors

Jason Hannon, Chief Executive Officer and Executive Director
David Brabazon, Independent Non-Executive Chairman
Cédric Moreau, Non-Executive Director
Eric Major, Non-Executive Director (Resigned on 12 February 2025)
Geoff Pardo, Non-Executive Director
Jeffrey Dunn, Non-Executive Director
Kevin Reilly, Non-Executive Director
Leslie Norwalk, Non-Executive Director

Secretary

Matthew Onaitis

Registered office

Clonmel House
Forster Way
Swords
County Dublin, K67F2K3 Ireland

Registered number

667520

Website

www.mainstaymedical.com

ISIN

IE00BMC4XQ06

Solicitors/ Lawyers

McCann FitzGerald
Riverside One
Sir John Rogerson's Quay
Dublin 2, Ireland

Latham & Watkins
885 3rd Avenue,
NY 10022, USA

Independent Auditor

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2, Ireland

Principal Bankers

HSBC
Bank of America

Registrar

Computershare Investor Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18, Ireland

Mainstay Medical Holdings plc Directors' report

The Board of Directors is pleased to report on the progress of Mainstay Medical Holdings plc ("Mainstay" or the "Company") and to present the Annual Report of the Company and its subsidiaries (the "Group" or "we") for the year ended 31 December 2025.

Principal Activities

Mainstay is a medical device company dedicated to commercializing its innovative implantable Restorative Neurostimulation™ system, ReActiv8®, designed for individuals suffering from disabling mechanical Chronic Low Back Pain.

Headquartered in Dublin, Ireland, the Company operates through subsidiaries located in Ireland, the United States, Australia, Germany, and the Netherlands.

As of 31 December 2025, the Mainstay Medical Group comprises the Company and its subsidiaries:

- Mainstay Medical International Limited (MMI)
- Mainstay Medical Limited (MML)
- MML US, Inc. (MML US)
- Mainstay Medical (Australia) Pty Limited (MMA)
- Mainstay Medical Distribution Limited (MMD)
- Mainstay Medical B.V. (MMBV)
- Mainstay Medical GmbH (MMG)

Financial review

Income statement

Revenue for the twelve-month period ending 31 December 2025 was \$36.2 million (2024: \$26.4 million), generated from sales of ReActiv8 systems in the United States, Germany, the UK, and Australia.

Operating expenses for ongoing activities were \$64.3 million during the year ended 31 December 2025 (2024: \$61.1 million). These activities included selling, general and administrative efforts, as well as research and development, operations, clinical and regulatory work.

Selling, General, and Administrative Expenses

Expenses totaled \$50.1 million in 2025 (2024: \$44.9 million). The increase of \$5.2 million was primarily driven by increases in commercial-related payroll costs as we build out our commercial capabilities.

R+D & Operations Expenses

Expenses were \$11.3 million in 2025 (2024: \$12.9 million). The \$1.6 million decrease was mainly due to lower costs associated with investments in future product development and our supply chain, in addition to a decrease in share-based payment costs.

Clinical and Regulatory Expenses

Expenses decreased to \$2.9 million in 2025 (2024: \$3.3 million). The reduction of \$0.4 million was primarily due to lower costs incurred in the continuation of the RESTORE clinical trial.

Total Comprehensive Loss

The total comprehensive loss for the year was \$43.7 million (2024: \$47.7 million).

Statement of financial position

Total assets of the Group at year-end were \$61.3 million (2024: \$35.3 million). Cash on hand as of 31 December 2025 was \$34.8 million (2024: \$16.2 million).

Cash used in operating activities was \$39.8 million during the year ended 31 December 2025 (2024: \$40.6 million). This operating cash outflow reflects the costs associated with the commercialization of ReActiv8, ongoing research and development, clinical trials, and other operational expenses of the Group.

Mainstay Medical Holdings plc Directors' report (continued)

Financing Activities

Securing funds

The Group has financed its operations primarily through the issuance of equity securities and debt funding. The management team continues to actively develop and strengthen relationships to explore additional financing options. These options may include debt funding, private placements or public offerings of equity or debt securities, and/or strategic partnerships.

Effective monitoring of use of funds

Management prepares budgets and rolling forecasts to track and monitor the use of funds. Actual expenditure is measured against the budget and is reported to and evaluated by the Directors monthly.

Principal risks and uncertainties

A summary of the principal risks relating to the Group and Company and/or its industry include the following:

- We have incurred significant operating losses and may not be able to achieve or subsequently maintain profitability.
- We have limited history commercializing ReActiv8. Our future financial performance is entirely dependent on the commercial success of ReActiv8, including generating product adoption and market penetration and obtaining adequate reimbursement.
- We expect to require additional funds in the future in order to meet our capital and expenditure needs and further financing may not be available when required or, if available, could be dilutive to current investors, or require us to agree to terms which are specifically favorable to new investors, or to restrictions significantly limiting our access to additional capital.
- We depend on a limited number of third-party suppliers for the manufacture of ReActiv8. Disruption of the supply chain or failure to achieve economies of scale could have a material adverse effect.
- Competition in the medical device industry is intense and expected to increase, and new or competing treatments for chronic low back pain may emerge.
- Tariffs imposed by the United States and foreign governments, and any changes in such tariffs or other trade measures, could increase our manufacturing and distribution costs and negatively affect our gross margins and overall financial position.
- Any inability to fully protect and exploit our intellectual property may adversely impact on our financial condition, business, prospects, and results of operations.
- We could become subject to intellectual property litigation or other disputes that could be costly, result in the diversion of management's time and efforts, require us to pay damages, prevent us from selling or marketing ReActiv8 or other products, and/or reduce our margins.
- There is no guarantee that the commercial performance of ReActiv8 will match the performance of ReActiv8 in clinical trials.
- We continue to conduct additional clinical trials of ReActiv8 for marketing, reimbursement and other purposes. Clinical trials carry substantial risks and are costly and time consuming, with uncertain results.
- Active implantable medical devices such as ReActiv8 carry risks associated with the surgical procedure for implant, removal or use of the device, or failure of the device, or associated with the therapy delivered by the device.
- Our business exposes us to an inherent risk of potential product liability claims relating to the manufacturing, clinical trials, marketing and sale, or recall of an active implantable medical device.
- The discovery of serious safety issues with ReActiv8, or a recall of ReActiv8 either voluntarily or at the direction of a regulatory authority, could have a negative impact on us.
- We operate in a highly regulated environment. Any non-compliance with regulatory requirements could jeopardize our ability to commercialize ReActiv8, and strict or changing regulatory regimes, government policies and legislation in any of our target markets may delay, prohibit or reduce potential sales.
- Failure to comply with debt covenants or failure to make repayments on our debt facility could have a material adverse effect.
- Our share ownership is concentrated in the hands of our principal shareholders, who may be able to exercise a direct or indirect controlling influence on us.

Outlook and future developments

Our corporate objectives for 2026 include continuing to accelerate our ReActiv8 commercialization efforts in the US, Europe, and Australia, including securing adequate reimbursement for ReActiv8 implants, as well as working on future product development and continuing to generate clinical and other evidence to support marketing and reimbursement of ReActiv8.

Directors and Secretary and their interests

The names of the persons who were Directors at the end of the year are set out as follows:

Jason Hannon, Chief Executive Officer and Executive Director
 David Brabazon, Independent Non-Executive Chairman
 Cédric Moreau, Non-Executive Director
 Geoff Pardo, Non-Executive Director
 Jeffrey Dunn, Non-Executive Director
 Kevin Reilly, Non-Executive Director
 Leslie Norwalk, Non-Executive Director

Matthew Onaitis served as Company Secretary.

The beneficial interest of the Directors and Company Secretary, who held office at 31 December 2025, in the ordinary share capital of the Group at the dates below were as follows:

Ordinary shares

Name		At 31 December 2025	At 31 December 2024
David Brabazon	Ordinary shares of €0.001 each	212,828	212,828
Jason Hannon	Ordinary shares of €0.001 each	30,000	30,000

Share options	Deemed date of grant	Exercise price per ordinary share	Expiry date	No. of ordinary shares under option as at 31 December 2025	No. of ordinary shares under option as at 31 December 2024	No. of vested options as at 31 December 2025
Jason Hannon	13 Aug 2019	US\$0.91	10 years from vesting	464,000	464,000	464,000
Jason Hannon	26 June 2020	US\$0.91	10 years from vesting	50,000	50,000	50,000
Jason Hannon	28 Apr 2021	US\$0.91	10 years from vesting	346,993	346,993	346,993
Jason Hannon	28 April 2021	US\$0.91	10 years from vesting	2,338,772	2,338,772	2,338,772
Jason Hannon	1 March 2023	US\$0.91	10 years from vesting	620,770	620,770	426,779
Jason Hannon	5 March 2024	US\$0.91	10 years from vesting	3,138,267	3,138,267	1,372,991
Jason Hannon	15 Aug 2025	US\$0.89	10 years from vesting	1,476,832	-	-
David Brabazon	5 Dec 2013	US\$0.91	10 years from vesting	18,427	18,427	18,427

David Brabazon	13 Dec 2016	US\$0.91	10 years from vesting	5,700	5,700	5,700
David Brabazon	01 Dec 2021	US\$0.91	10 years from vesting	200,000	200,000	200,000
Matt Onaitis	13 Aug 2019	US\$0.91	10 years from vesting	90,000	90,000	90,000
Matt Onaitis	26 June 2020	US\$0.91	10 years from vesting	25,000	25,000	25,000
Matt Onaitis	28 Apr 2021	US\$0.91	10 years from vesting	66,666	66,666	66,666
Matt Onaitis	28 April 2021	US\$0.91	10 years from vesting	517,142	517,142	517,142
Matt Onaitis	1 March 2023	US\$0.91	10 years from vesting	300,000	300,000	206,250
Matt Onaitis	5 March 2024	US\$0.91	10 years from vesting	920,088	920,088	402,538
Matt Onaitis	15 Aug 2025	US\$0.89	10 years from vesting	432,984	-	-
Jeff Dunn	01 Dec 2021	US\$0.91	10 years from vesting	200,000	200,000	200,000
Jeff Dunn	05 March 2024	US\$0.91	10 years from vesting	136,000	136,000	59,500
Jeff Dunn	21 Nov 2024	US\$0.91	10 years from vesting	80,000	80,000	21,666
Jeff Dunn	15 Aug 2025	US\$0.89	10 years from vesting	64,000	-	-
Leslie Norwalk	23 June 2023	US\$0.91	10 years from vesting	100,000	100,000	83,333
Leslie Norwalk	5 March 2024	US\$0.91	10 years from vesting	136,000	136,000	59,500
Leslie Norwalk	15 Aug 2025	US\$0.89	10 years from vesting	64,000	-	-

RSUs	Deemed date of grant	No. of RSUs	Vesting date
Jason Hannon	1 Feb 2019	138,000	100% will vest 6 months following the completion of a US IPO
Jason Hannon	1 Mar 2023	15,094	100% will vest 6 months following the completion of a US IPO
Matt Onaitis	1 Feb 2019	46,000	100% will vest 6 months following the completion of a US IPO
Matt Onaitis	1 Mar 2023	8,264	100% will vest 6 months following the completion of a US IPO

Directors and Secretary and their interests (continued)

Except as disclosed in this report, none of the Directors who held office at 31 December 2025 had a beneficial interest in the share capital of the Company or its subsidiaries, and no such interest, the existence of which is known or could with reasonable diligence be ascertained by the relevant Director, is held by any connected person.

Mr. Moreau held no interest in the issued share capital of the Company other than the interests that he is deemed to hold in the Company by virtue of the interests that he holds in Sofinnova Capital VI and the Sofinnova Crossover Fund. At 31 December 2025, Sofinnova Capital VI owned 2,949,146 ordinary shares and 2,702,702 preferred shares, combined representing approximately 5.0% of the issued share capital of the Company, and Sofinnova Crossover Fund owned 10,991,737 preferred shares amounting to approximately 9.7% of the issued share capital of the Company.

As at 31 December 2025, David Brabazon held 212,828 ordinary shares of the Company. Mr Brabazon is deemed to hold additional interest in the Company by virtue of the interests that he holds in AixVio Research Limited. At 31 December 2025, AixVio Research Limited owns 9,575,076 preferred shares. Combined, the ordinary and preferred shares amount to approximately 8.6% of the issued share capital of the Company.

Mr. Reilly held no interest in the issued share capital of the Company other than the interests that he is deemed to hold in the Company by virtue of the interests that he holds in affiliates of the Ally Bridge Group. At 31 December 2025, affiliates of the Ally Bridge owned 23,470,015 preferred shares amounting to approximately 20.7% of the issued share capital of the Company.

Mr. Pardo held no interest in the issued share capital of the Company other than the interests that he is deemed to hold in the Company by virtue of the interests that he holds in affiliates of the Gilde Healthcare VG. At 31 December 2025, the affiliates of the Gilde Healthcare VG owned 15,876,777 preferred shares amounting to approximately 14.0% of the issued share capital of the Company.

Directors' remuneration

The amount of remuneration paid and benefits in kind granted, including share based payment expense, to all Directors that served during 2025 by the Group for services in all capacities relating to 2025 was \$2.4m (2024: \$3.9m).

None of the Directors exercised any share options in either 2025 or 2024.

Authorized share capital

At 31 December 2025, the authorized share capital of the Company is €2,551,931, comprised of 106,193,074 preferred shares of €0.01 each, and 149,000,000 ordinary shares of €0.01 each. A full description of the rights attached to the preferred and ordinary shares of the Company is set out in the Articles of Association of the Company.

Share Option Plan

The Group operates a share option plan (the "Plan"). As at 31 December 2025, the Plan allows for the Company to grant share options or restricted stock units ("RSUs") to employees of the Group companies, and other eligible persons. Shares are issued when share options are exercised or RSUs are vested in accordance with the Plan.

Memorandum and Articles of Association

The Company's Articles of Association detail the rights attached to the preferred shares and the ordinary shares, as well as the rules relating to the Directors, including their appointment, retirement, re-election and powers. Changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force from time to time.

Going concern

The Directors have assessed whether there are conditions and events considered aggregate, that raise doubts about the Group's ability to continue as a going concern. They note the following key points:

- As of 31 December 2025, the Group had cash of \$34.8 million, compared to \$16.2 million as of 31 December 2024.

- The Group incurred operating cash outflows of \$39.8 million for the year ended 31 December 2025, down from \$40.6 million in the previous year
- The Group is in a net liability position as at 31 December 2025 of \$220.3 million, compared to a net liability position of \$180.2 million as at 31 December 2024.
- Given the Group's current phase of development, it is expected that losses will continue in the near term.

The ongoing investment required for commercial activities, as well as research and development, clinical, regulatory and operations efforts, means the Group will continue to seek additional funding from equity investors or other finance providers. In addition, the Group has access to an additional \$20 million under its debt facility. As of the date of approval of these financial statements, the terms of any such additional equity funding have not yet been finalized, and the Group has not incurred any additional debt. That there can be no certainty that additional funding will be secured, or of terms relating to any such equity funding, represents a material uncertainty that may impact on the Group's ability to continue as a going concern. However, the Directors reasonably believe, based on discussions with investors and the existence of its debt facility, that additional funding will be received and that the amount of such funding will be sufficient to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. As a result, the Directors have prepared the financial statements on the going concern basis.

Dividends

The Company did not pay any interim dividends during the year and the Directors do not recommend the payment of a dividend.

Related party transactions

Details of related party transactions that have taken place during the reporting period are set forth in Note 23 to the consolidated Financial Statements.

Political and charitable contributions

During the year, the Group and Company made no contributions requiring disclosure.

Post balance sheet events

Details of important events affecting the Company which have taken place since the end of the year are provided in Note 24 to the consolidated Financial Statements.

Accounting records

The Directors, using appropriate procedures, personnel and systems, have ensured that measures are in place to secure compliance with the Company's and the Group's obligation to keep adequate accounting records under sections 281-285 of the Companies Act 2014. The books of account of the Company and the Group are maintained at its registered office.

Relevant audit information

The Directors believe they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditor is unaware.

Audit Committee

The Audit, Risk, and Compliance Committee is chaired by Mr. David Brabazon, the Committee's Financial Expert. The Chief Financial Officer and Chief Executive Officer may also be invited to attend meetings of the Committee. The Committee meets at least twice a year and is responsible for ensuring proper monitoring and reporting of the Group's financial performance. It also reviews the findings of the audit with the external auditor. The Committee meets with the auditors at least once a year without any members of management being present. Additionally, it is responsible for considering and making recommendations regarding the appointment and remuneration of the auditors.

Directors Compliance Statement:


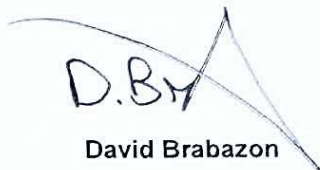
Directors Compliance Statement:

The Directors, in accordance with Section 225(2) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with the Relevant Obligations (as defined by the Companies Act 2014), and the Directors confirm that:

- (a) a compliance policy statement has been drawn up setting out the Company's policies that are, in their opinion, appropriate with regard to such compliance.
- (b) appropriate arrangements or structures are in place that are, in their opinion, designed to provide reasonable assurance of compliance in all material respects with those Relevant Obligations; and
- (c) a review has been conducted, during the financial year, of those arrangements or structures.

Auditor

The auditor, KPMG, Chartered Accountants, will continue in office accordance with Section 383(2) of the Companies Act 2014.

<p>On behalf of the Board on 26 May 2026,</p>  <p>Jason Hannon <i>Chief Executive Officer</i></p>	 <p>David Brabazon <i>Independent Non-Executive Chairman</i></p>
---	---

Mainstay Medical Holdings plc Directors' responsibilities statement

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing or overseeing the preparation of the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group and Company are prepared in accordance with applicable IFRS as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Company's website mainstaymedical.com. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board on 26 May 2026,



Jason Hannon
Chief Executive Officer



David Brabazon
Independent Non-Executive Chairman



KPMG

Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Mainstay Medical Holdings plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mainstay Medical Holdings plc ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2025 set out on pages 15 to 44, which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Shareholders' Equity, the Consolidated and Company Statements of Cash Flows and related notes, including the material accounting policies set out in note 3.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at December 31, 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the Group and Company has experienced negative cashflows during the year and the Group is in a net liability position as at 31 December 2025. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of Mainstay Medical Holdings plc (continued)

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Mainstay Medical Holdings plc (continued)

Respective responsibilities and restrictions on use (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at

<https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Corrigan
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

5 June 2026

Mainstay Medical Holdings plc
Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2025

(\$'000)	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Revenue	4	36,226	26,369
Cost of sales		<u>(11,086)</u>	<u>(8,534)</u>
Gross profit		25,140	17,835
Operating expenses	5	<u>(64,301)</u>	<u>(61,087)</u>
Operating loss		(39,161)	(43,252)
Finance costs	8	<u>3,262</u>	<u>(6,936)</u>
Net finance costs		<u>3,262</u>	<u>(6,936)</u>
Loss before income taxes		(35,899)	(50,188)
Income taxes	9	<u>185</u>	<u>(358)</u>
Loss for the year		<u>(35,714)</u>	<u>(50,546)</u>
Net loss attributable to equity holders		<u>(35,714)</u>	<u>(50,546)</u>
Other Comprehensive Income/Expense			
<i>Items that may be reclassified subsequently to the statement of profit or loss:</i>			
Foreign currency translation differences of foreign operations		<u>(8,023)</u>	<u>2,804</u>
Total comprehensive loss for the year		<u>(43,737)</u>	<u>(47,742)</u>
Total comprehensive loss attributable to equity holders		<u>(43,737)</u>	<u>(47,742)</u>

The accompanying notes form an integral part of these consolidated Financial Statements.

Mainstay Medical Holdings plc
Consolidated statement of financial position
at 31 December 2025

(\$'000)	Notes	31 December 2025	31 December 2024
Non-current assets			
Property, plant and equipment	10	764	898
Right of use asset	16	4,130	1,560
Total non-current assets		<u>4,894</u>	<u>2,458</u>
Current assets			
Trade and other receivables	11	10,121	8,709
Inventory	12	11,462	7,981
Cash and cash equivalents	13	34,848	16,171
Total current assets		<u>56,431</u>	<u>32,861</u>
Total assets		<u>61,325</u>	<u>35,319</u>
Equity			
Share capital		155	153
Share Premium		29,775	29,516
Share based payment reserve		34,749	31,933
Other reserves		128,882	136,905
Retained loss		(413,813)	(378,723)
Total equity		<u>(220,252)</u>	<u>(180,216)</u>
Non-current liabilities			
Loans and borrowings	14	24,955	3,650
Loan related derivatives	14	3,069	3,157
Preference shares classified as liabilities	14	238,601	196,246
Lease liability	16	3,992	1,154
Total non-current liabilities		<u>270,617</u>	<u>204,207</u>
Current liabilities			
Loan related derivatives	14	-	10
Lease liability	16	364	690
Income tax payable		338	636
Trade and other payables	15	10,258	9,992
Total current liabilities		<u>10,960</u>	<u>11,328</u>
Total liabilities		<u>281,577</u>	<u>215,535</u>
Total equity and liabilities		<u>61,325</u>	<u>35,319</u>

The accompanying notes form an integral part of these financial statements.

<p>On behalf of the Board on 26 May 2026,</p>  <p>Jason Hannon Chief Executive Officer</p>	 <p>David Brabazon Independent Non-Executive Chairman</p>
--	--

Mainstay Medical Holdings plc
Consolidated statement of changes in shareholders' equity
for the year ended 31 December 2025

(\$'000)	Share capital	Share Premium	Other Reserves	Share based payment reserve	Retained loss	Total equity
Balance as at 1 January 2024	153	29,490	134,101	26,719	(326,116)	(135,653)
<i>Loss for the year</i>	-	-	-	-	(50,546)	(50,546)
<i>Other comprehensive income</i>	-	-	2,804	-	-	2,804
Total comprehensive loss for the year	-	-	2,804	-	(50,546)	(47,742)
<i>Transactions with owners of the Company</i>						
Issue of Shares	-	26	-	(39)	(2,061)	(2,074)
Share based payments	-	-	-	5,253	-	5,253
Balance at 31 December 2024	153	29,516	136,905	31,933	(378,723)	(180,216)
Balance as at 1 January 2025	153	29,516	136,905	31,933	(378,723)	(180,216)
<i>Loss for the year</i>	-	-	-	-	(35,714)	(35,714)
<i>Other comprehensive income</i>	-	-	(8,023)	-	-	(8,023)
Total comprehensive loss for the year	-	-	(8,023)	-	(35,714)	(43,737)
<i>Transactions with owners of the Company</i>						
Issue of Shares	2	259	-	(624)	624	261
Share based payments	-	-	-	3,440	-	3,440
Balance at 31 December 2025	155	29,775	128,882	34,749	(413,813)	(220,252)

The accompanying notes form an integral part of these consolidated financial statements.

Mainstay Medical Holdings plc
Consolidated statement of cash flows
for the year ended 31 December 2025

(\$'000)	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Cash flow from operating activities			
Loss for the year		(35,714)	(50,546)
Add/(less) non-cash items			
Depreciation	10,16	1,062	1,224
Finance costs	8	(3,262)	6,936
Share-based compensation		3,440	5,253
Income taxes	9	(185)	358
Add/(less) changes in working capital			
Trade and other receivables		(1,526)	(1,467)
Inventory		(3,622)	(3,027)
Trade and other payables		642	613
Taxes paid		77	(20)
Interest paid		(1,547)	(1,507)
Interest received		864	1,568
Net cash used in operations		(39,771)	(40,615)
Cash flow from investing activities			
Acquisition of property, plant and equipment	10	(292)	(301)
Net cash used in investing activities		(292)	(301)
Cash flow used in financing activities			
Net proceeds from issue of shares		40,261	83,018
Proceeds from loans and borrowings	14	25,000	-
Transaction costs from loans and borrowings		(718)	-
Repayment of loans and borrowings		(4,986)	(30,000)
Payment of lease liabilities	16	(817)	(874)
Net cash from / (used in) financing activities		58,740	52,144
Net increase/ (decrease) in cash and cash equivalents			
		18,677	11,228
Cash and cash equivalents at beginning of year		16,171	4,943
Cash and cash equivalents at end of year	13	34,848	16,171

Mainstay Medical Holdings plc

Notes to the consolidated Financial Statements

1 General information and reporting entity

Mainstay Medical Holdings plc (the “Company”) is a public limited company incorporated and registered in Ireland. Details of the registered office, officers, and advisers to the Company are presented on the Corporate and Shareholder Information page.

The Consolidated Financial Statements (“the Financial Statements”) for the years ended 31 December 2025 and 31 December 2024 comprise the results of the Company and of its subsidiaries (together the “Group”).

Mainstay is a medical device company dedicated to commercializing its innovative implantable Restorative Neurostimulation™ system, ReActiv8®, designed for individuals suffering from disabling mechanical Chronic Low Back Pain.

Headquartered in Dublin, Ireland, the Company operates through subsidiaries located in Ireland, the United States, Australia, Germany, and the Netherlands.

As of 31 December 2025, the Mainstay Medical Group comprises the Company and its subsidiaries:

- Mainstay Medical International Limited (MMI)
- Mainstay Medical Limited (MML)
- MML US, Inc. (MML US)
- Mainstay Medical (Australia) Pty Limited (MMA)
- Mainstay Medical Distribution Limited (MMD)
- Mainstay Medical B.V. (MMBV)
- Mainstay Medical GmbH (MMG)

2 Basis of preparation

Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), as adopted by the European Union (“EU”). The Company Financial Statements have also been prepared in accordance with IFRS as adopted by the EU, as applied in accordance with the Companies Act 2014 (the “2014 Act”), which permits a company that publishes its company and group financial statements together to take advantage of the exemption in Section 304 of the 2014 Act from presenting to its members both its company statement of profit or loss and other comprehensive income and related notes which form part of the approved company financial statements.

The IFRS adopted by the EU applied by the Group in the preparation of these Financial Statements are those that were effective for accounting periods beginning on or after 1 January 2025 with no early adoption of forthcoming requirements.

The Financial Statements were authorized for issue by the Board of Directors on [27 February] 2026.

Going concern

The Directors have assessed whether there are conditions and events, considered in aggregate, that raise doubts about the Group’s ability to continue as a going concern. They note the following key points:

- As of 31 December 2025, the Group had cash of \$34.8 million, compared to \$16.2 million as of 31 December 2024.
- The Group incurred operating cash outflows of \$39.8 million for the year ended 31 December 2025, up from \$40.6 million in the previous year.
- The Group is in a net liability position as at 31 December 2025 of \$220.3 million, compared to a net liability position of \$180.2 million as at 31 December 2024.
- Given the Group’s current phase of development, it is expected that losses will continue in the near term.

The ongoing investment required for commercial activities, as well as research and development, clinical,

regulatory and operations efforts, means the Group will continue to seek additional funding from equity investors or other finance providers. In addition, the Group has access to an additional \$20 million under its debt facility. As of the date of approval of these financial statements, the terms of any such additional equity funding have not yet been finalized, and the Group has not incurred any additional debt. That there can be no certainty that additional funding will be secured, or of the terms relating to any such equity funding, these matters indicate the existence of a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern and that the Group and Company may, as a consequence, be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors reasonably believe, based on discussions with investors and the existence of its debt facility, that additional funding will be received and that the amount of such funding will be sufficient to enable the Group to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. As a result, the Directors have prepared the financial statements on the going concern basis.

Basis of measurement

The Financial Statements are prepared using the historical cost method, except for share-based payments, which are initially measured at their grant date fair value. The conversion option and warrants associated with the loans, as well as the embedded derivatives within the preference shares, are carried at fair value.

Currency

The Financial Statements are presented in US Dollars (“\$”), which is the functional and presentational currency of the Company. Balances in the Financial Statements are rounded to the nearest thousand (“\$’000”) except where otherwise indicated.

Use of estimates and judgements

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates, and assumptions. These estimates are reviewed on an ongoing basis. The areas where estimates have the most significant effect on amounts recognized in the Financial Statements include the initial fair value measurement of equity-settled share-based payments and the fair value of identifiable instruments related to the Company's warrants and preference shares.

Basis of consolidation

The Financial Statements comprise the consolidated results of Mainstay Medical Holdings plc and its subsidiaries.

3 Material accounting policies

The Financial Statements have been prepared applying the accounting policies as set out below. These have been applied consistently for all years presented.

Adoption of newly effective accounting standards and amendments

The Group applied the following standards in the current year:

- Lack of Exchangeability – Amendments to IAS 21
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Contracts Referencing Nature-Dependent Electricity – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11

The adoption of these new or amended standards did not have a material impact on the Group's financial statements.

a) Revenue recognition

The Group recognizes revenue when it transfers control over a product or service to a customer. This may arise on shipment, on delivery, or in accordance with specific terms and conditions agreed with customers and provided there are no material remaining performance obligations required of the Group.

Revenue is measured at the fair consideration received/receivable for the sale of goods to external customers net of value added tax and discounts. Expected discounts are estimated and provided for as a reduction in revenue based on agreements with customers, agreed promotional arrangements, and accumulated experience. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it can be reliably measured and when it is probable that future economic benefits of the transaction will flow to the Group. When a customer is invoiced, or cash is received but conditions specified within the contract for recognition of the related revenues have not

been met, revenue is deferred until all conditions are met. The Group occasionally sells goods and services as a bundled arrangement. Such sales are unbundled based on the relative fair value of the individual goods and services components and each component is recognized separately in accordance with the Group's recognition policy.

b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The financial statements of subsidiaries are included in the Financial Statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated on consolidation.

c) Retirement benefit costs

The Group provides retirement benefits to its employees in Ireland, Australia, and the United Kingdom under defined contribution schemes. Obligations for contributions to the defined contribution schemes are expensed as the related service is provided.

d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost of each asset over its estimated future life, as follows:

Computer and office equipment:	3 – 5 years
Leasehold Improvements:	5 years

e) Leases

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

f) Taxation

Tax expense comprises current and deferred tax. Current and deferred taxes are recognized in the consolidated statement of profit or loss and other comprehensive income except to the extent that they relate to a business combination, or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable result for the year and any adjustments in relation to tax payable or receivable in respect of the previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; or
- Temporary differences related to subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates at which the temporary differences are expected to reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset where the entity has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities related to the same taxation authority. Deferred tax assets are recognized to the extent that it is probable that there will be taxable profits in the foreseeable future against which they can be utilized. The Group has no recognized deferred tax asset as at 31 December 2025.

The Group recognizes tax credits as a component of income tax in jurisdictions where the tax credit regime is

not in substance a government grant.

g) Foreign currency

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transactions. Any resulting monetary assets and liabilities are translated at the exchange rate at the reporting date and all exchange differences thereon are dealt with in consolidated profit or loss.

The income statement and balance sheet of subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities at each reporting date are translated at the closing rate at the reporting date; and
- Income and expenses in the income statement and statement of comprehensive income are translated at average exchange rates for the year. Average exchange rates are only permissible if they approximate actual rates.
- All resulting exchange differences are recognized in other comprehensive income and are taken to a separate currency reserve within equity, the foreign currency translation reserve.

h) Financial instruments

Classification and measurement of financial assets and liabilities

On initial recognition a financial asset is classified as measured at Amortized Cost, Fair Value Through Other Comprehensive Income (FVOCI), or Fair Value Recognized Through Profit and Loss (FVTPL). Financial assets are not reclassified after initial recognition unless the related business model changes. A financial asset is measured at amortized cost if it is held in a business model whose objective is to hold assets to collect contractual cashflows and its contractual terms give rise on specific dates to cash flows that are solely payments of principal or interest.

Trade and other receivables

Trade and other receivables are classified by the Group as amortized cost assets under IFRS 9. These assets are recognized initially at fair value. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents are classified by the Group as amortized cost assets under IFRS 9. Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less, which are carried at amortized cost, less any impairment losses.

Trade and other payables

Trade and other payables are classified by the Group as other financial liabilities under IFRS 9. These liabilities are recognized initially at fair value. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are classified by the Group as other financial liabilities under IFRS 9 and are recognized initially at fair value including any attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method over the contractual term.

Substantial modification of financial liabilities

When the terms of financial liabilities are substantially modified, the Company de-recognizes the existing liability and records any new liabilities at fair value on the date of modification. Any difference between the previous

carrying value and the fair value of the new instruments is recorded in the Statement of Profit or Loss and Other Comprehensive Income. Expenses associated with the modification of debt are expensed as incurred.

Derivative financial liabilities

Instruments to be settled in the Company's own shares are recorded as derivative financial liabilities unless they qualify for equity classification due to settlement arising by the exchange of a fixed amount of cash for a fixed number of the Company's own equity.

These instruments are initially recognized at fair value and any subsequent changes in fair value are recorded in the Statement of Profit or Loss and Other Comprehensive Income. The conversion features and warrants issued as part of the Company's prior debt arrangement have variability in the number of shares that may be required to be issued and accordingly were recorded as derivative financial liabilities carried at fair value.

Financial instruments separation

Financial instruments which the Company separates comprise convertible notes issued by the Group that could be converted into shares by the holder, and which could be automatically converted in certain circumstances. These instruments were separated into their components based on the fair value of each component at the date of issue. The Company's prior debt contained the following components:

- Liability component, measured at amortized cost; and
- Derivative component, measured at fair value.

On conversion, any financial liabilities were reclassified to equity.

j) Equity

Ordinary share capital is recognized directly in equity at fair value on issue and is not subsequently re-measured.

Preference shares, the purchase price of which may be repayable on the occurrence of contingent settlement events, are classified as liabilities. These instruments are initially recognized at fair value and any subsequent changes in fair value are recorded in the Statement of Profit or Loss and Other Comprehensive Income.

j) Impairment

Non-financial assets

All non-financial assets other than deferred taxes are reviewed at the reporting date to determine whether there is evidence of impairment. If such indicators exist, then the asset's recoverable value is determined. An impairment loss is recognized if the carrying value exceeds the recoverable amount. Recoverable amount is the greater of an asset's value in use and its fair value. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market conditions.

Financial assets

At each reporting date, in accordance with IFRS 9, the Group assesses whether its financial assets, comprising accounts receivable and cash and cash equivalents, are impaired. The Group evaluates customer accounts with past-due outstanding balances, and analyzes customer credit worthiness, payment patterns and trends. Based upon a review of these accounts and management's analysis and judgement, we estimate the future cash flows expected to be recovered from these receivables. As at 31 December 2025, our trade receivables balances amounted to \$8.7 million. Further information on the Group's credit risk is detailed in Note 18. The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for cash which is measured at 12-month expected credit losses. The maximum period considered when estimating expected credit losses is the maximum contractual period of exposure to credit risk.

k) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that it is probable will result in an outflow of resources and can be estimated reliably.

l) Finance income and expense

Finance income comprises foreign exchange gains on financial items and deposit interest. Interest income is recognized as it accrues. Finance costs comprise interest on borrowings, movement in the fair value of financial

instruments and foreign exchange losses.

m) Warrants

Warrants issued alongside the Company's debt instruments are initially recognized at fair value, with a corresponding reduction in the debt instrument liability. This adjustment to the liability is then amortized to the income statement on an effective interest rate basis.

n) Research and development expenditure

Expenditure on research is charged to the income statement in the year in which it is incurred.

Expenditure on development is charged to the income statement in the year in which it is incurred, with the exception that development expenditure is capitalized where the expenditure is incurred in the development of an asset for sale; the asset is intended to be developed for sale; and for which the likelihood of development and sale is probable. No costs have been capitalized to date.

o) Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the first in – first out principle and includes expenditure in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made, where necessary, for aged, slow moving, obsolete and defective inventories.

p) Share-based payments

The grant date fair value of equity-settled share-based awards made to employees and non-employees is recognized as an expense, with a corresponding adjustment to equity, over the vesting period of the award. The amount recognized as an expense is adjusted to reflect the number of awards for which the achievement of service and non-market conditions is expected to be met, such that the amount ultimately recognized represents only vested awards.

The grant-date fair value of share options granted to employees is determined using a Black-Scholes model, details of which are provided in Note 19. The grant-date fair value of share options granted to non-employees is determined based on the fair value of services received in return for the option, or where such a value is not available, based on the same model as used for employee options. Options can only be settled by way of share issues. The grant date fair value of Restricted Stock Units (RSUs) granted to employees is estimated based on the closing price of the Company's common stock on the date of grant.

4 Revenue

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Revenue arising from the sale of goods	36,226	26,369
Total Revenue	36,226	26,369

5 Operating expenses

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
R+D & operations expenses	11,296	12,848
Clinical and regulatory expenses	2,915	3,347
Selling, general and administration expenses	50,090	44,892
Total operating expenses	64,301	61,087

6 Wages, Salaries and other remuneration

As of 31 December 2025, the Group's employees were based in Ireland, the United Kingdom, Germany, the Netherlands, the United States and Australia.

The table below sets out the number of employees of the Group for each financial year shown, analyzed by category:

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Research and development, quality and operations	28	28
Clinical and regulatory	6	3
Selling, general and administration	139	109
Total employee numbers	173	140
Parent company employees		
Management and administration	2	1

The aggregate payroll costs of these employees, plus Directors, were as follows for each financial year shown:

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Wages and salaries	21,755	18,032
Other remuneration	13,251	9,770
Social security costs/ payroll taxes	2,185	1,550
Share based payments	3,440	5,253
Retirement benefit	276	214
Total	40,907	34,819

7 Statutory information and Auditor's remuneration

The loss before income tax has been arrived at after charging the following items for each financial year shown:

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Fees paid to statutory auditor:		
Audit services	87	94
Tax advisory services	11	25
Total auditor's remuneration	98	119
Foreign exchange (gain) / loss	(8,337)	3,179
Depreciation of plant and equipment	426	524
Right of use asset depreciation	636	700
Research and development expenditure	11,296	12,848
Directors Remuneration (Includes Share Based Payments)	2,393	3,904

8 Net Finance costs

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Finance Costs		
Foreign Exchange (gain)/ loss	(8,337)	3,179
Lease Interest	124	150
Interest Income	(864)	(1,568)
<i>Finance costs associated with borrowings:</i>		
Interest expense	3,559	4,058
Fair value (gain)/ loss on financial instruments	2,256	1,117
Total finance costs	(3,262)	6,936

9 Taxes

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the relevant taxation authorities. The tax rates and tax laws used to compute the amounts are those used in Ireland, the United States, Australia, the Netherlands and Germany.

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Irish income tax	-	-
<i>Income tax in other jurisdictions:</i>		
Foreign current tax	35	632
Adjustments in respect of prior years	(220)	(274)
Total income tax (benefit) / charge	(185)	358

Certain companies within the Group provide services to other group companies, and consequently generate revenues and profits that are subject to corporation tax in Australia, United States, the Netherlands and Germany.

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Loss before taxes	(35,899)	(50,188)
Taxed at tax rate in Ireland of 12.5%	(4,487)	(6,274)
Non-deductible expenses	898	1,307
Tax credits	220	200
Foreign rate differential	(261)	82
Adjustments in respect of prior years	220	303
Unrecognized tax losses	3,225	4,740
Total income tax (benefit) / charge	(185)	358

Unrecognized deferred tax assets

The Group has unrecognized potential deferred tax assets as disclosed below. These potential assets are not recognized because future taxable profits against which they can be utilized are not sufficiently certain. The availability of these assets does not expire provided the group continues generating losses or taxable profits in the same trade.

Gross timing differences:	At 1 January 2024	Arising in year	Adjustment in respect of prior years	At 31 December 2024	Arising in year	Adjustment in respect of prior years	At 31 December 2025
Unrecognized tax losses	255,384	37,920	(7,201)	286,103	25,798	(2,029)	309,872
Intangible assets	15,000	-	-	15,000	-	-	15,000
Derivative financial instruments	9,463	(6,296)	-	3,167	(98)	-	3,069
Total gross temporary differences	279,847	31,624	(7,201)	304,270	25,700	(2,029)	327,941
Unrecognized deferred tax asset							
Unrecognized tax losses	31,923	4,740	(900)	35,763	3,225	(254)	38,734
Intangible assets	1,875	-	-	1,875	-	-	1,875
Derivative financial instruments	1,183	(428)	-	755	(428)	-	327
Total unrecognized deferred tax asset	34,981	4,312	(900)	38,393	2,797	(254)	40,936

10 Property, plant & equipment

(\$'000)	Computer and office equipment Year ended 31 December 2025	Computer and office equipment Year ended 31 December 2024
Cost		
At beginning of year	3,092	2,791
Additions	292	301
At end of year	3,384	3,092
Depreciation		
At beginning of year	2,194	1,670
Charge for the year	426	524
At end of year	2,620	2,194
Carrying value at end of year	764	898

11 Trade and other receivables

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Trade receivables	8,666	7,328
Prepaid expenses and other current assets	1,455	1,381
Total trade and other receivables	10,121	8,709

Information about the Group's exposure to credit risks and impairment losses for trade receivables is included in Note 18.

12 Inventory

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Raw materials	-	-
Work in Progress	464	934
Finished Goods	10,998	7,047
Total inventory	11,462	7,981

There were no provisions netted against inventory as at 31 December 2025. The cost of inventory used in cost of sales during 2025 was \$11.1m (2024: \$8.5m).

13 Cash and cash equivalents

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Cash in bank accounts – USD	34,066	14,170
Cash in bank accounts – EUR	686	924
Cash in bank accounts – AUD	96	1,077
Total cash and cash equivalents	34,848	16,171

14 Interest bearing loans and borrowings and other financing-related liabilities

Horizon Technology Finance Debt Financing

In February 2025 the Company entered into a loan and security agreement with Horizon Technology Finance Corporation (Horizon) under which it can borrow up to \$45 million, subject to certain conditions. Concurrently with entering into the agreement with Horizon, the Company borrowed the first tranche of \$15 million and repaid in full all accrued principal and interest under its existing loan facility with Madryn Health Partners (Madryn). In May 2025 the Company borrowed the second tranche of \$10 million. The Horizon debt facility is secured by way of fixed and floating charges over all of the assets and undertakings of the Company, MMI, MMD, MML and MML US, including intellectual property, and by a guaranty of MMA.

Deferred financing costs of \$0.7 million associated with the Horizon facility have been capitalized.

Madryn Debt Financing Repayment

In September 2022 the Company entered into a loan and security agreement with Madryn under which it could borrow up to \$50 million, subject to certain conditions. Concurrently with entering into the agreement with Madryn, the Company borrowed the first tranche of \$30 million, which was repaid on 30 June 2024 and was eligible to be redrawn after 30 June 2025, plus a separate \$5 million convertible note which was converted into Series B preferred shares in February 2024. The Madryn debt facility was secured by way of fixed and floating charges over all of the assets and undertakings of MML and MML US, including intellectual property.

The remaining balance under the loan facility was repaid in full in February 2025. Following the settlement of all principal and interest obligations, the only outstanding component of the arrangement is the warrants issued to Madryn. These warrants are classified as derivative financial instruments, as their economic characteristics and associated risks are not considered closely related to the host debt instrument.

In accordance with applicable accounting standards, the warrants were initially recognized at fair value. Subsequent changes in fair value are measured at each reporting date and recorded in the Statement of Profit or Loss and Other Comprehensive Income.

Deferred financing costs of \$0.9 million previously capitalized in relation to the Madryn facility have been expensed to the Statement of Profit or Loss and Other Comprehensive Income during the period.

Series A Preferred Shares

The preferred shares are convertible into ordinary shares at the discretion of the holders on a one-to-one basis, with the conversion ratio subject to a weighted average adjustment in the event of certain dilutive share issuances.

Because the preference shares are repayable on the occurrence of contingent settlement events, the Company has determined that they should be classified as liabilities. In addition, the antidilution feature of the preference shares requires separation as a derivative financial instrument. These instruments were initially recognized at fair value and any subsequent changes in fair value are recorded in the Statement of Profit or Loss and Other Comprehensive Income.

Series B Preferred Shares

The terms of the series B preferred shares are identical to the terms of the series A preferred shares, except that in the event of any liquidation, dissolution or winding up of the Company (including certain change of control transactions), the holders of the series B preferred shares are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of series A preferred shares or ordinary shares, an amount equal to the purchase price paid for the series B preferred shares, plus all dividends accrued or declared but unpaid on the series B preferred shares.

Loans and borrowings

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
<i>Loans and borrowings – non-current</i>		
Term loan	25,000	-
Accrued interest	570	4,629
Deferred finance costs	(615)	(979)
Total non-current loans and borrowings	24,955	3,650
Total loans and borrowings	24,955	3,650

See note 18 for detail on the valuation of financial instruments.

Loan-related derivatives

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
<i>Derivatives – current</i>		
Derivative financial instrument – IPF warrant	-	10
Total current derivatives	-	10
<i>Derivatives – non-current</i>		
Derivative financial instrument – Warrants	3,069	3,157
Total non-current derivatives	3,069	3,157
Total loan related derivatives	3,069	3,167

Preference shares classified as liabilities

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Preference shares classified as liabilities – non-current		
Preference shares	236,775	196,774
Derivative financial instrument – preference share antidilution feature	2,600	246
Deferred finance costs	(774)	(774)
Total preference shares classified as liabilities	238,601	196,246

15 Trade and other payables

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Trade and other payables	1,941	2,569
Payroll tax liability	77	53
Accrued expenses	8,239	7,370
Total trade and other payables	10,258	9,992

16 Leases

The Group leases office facilities at two locations. The Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate at the lease inception of 10.5%.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Balance at 1 January	1,561	1,497
Depreciation charge for the year	(636)	(700)
Additions to right-of-use assets	-	-
Modification of right-of-use assets	3,205	763
Right-of-use assets	4,130	1,560

Amounts recognized in profit or loss

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Interest on lease liabilities	124	150
Total Interest on Lease Liability	124	150

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Balance at 1 January	1,844	1,807
Payments made on leased liabilities for the year	(817)	(874)
Additions to liabilities	-	761
Modifications on liabilities	3,329	150
Lease liability	4,356	1,844

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Non-current lease liabilities	3,992	1,154
Current lease liabilities	364	690
Total	4,356	1,844

17 Called up share capital

The Company's ordinary shares are issued and quoted in Euro and have been translated into US Dollars at the rates prevailing at the date of issue.

Preferred shares

The terms of the preferred shares are as follows:

The preferred shares are convertible into ordinary shares at the discretion of the holders on a one-to-one basis, with the conversion ratio subject to a weighted average adjustment in the event of certain dilutive share issuances. The preferred shares will automatically convert to ordinary shares upon an initial public offering of the Company's ordinary shares that meets certain thresholds, or otherwise upon the consent of the holders of at least a majority of the then-issued preferred shares, along with at least 60% of the then-issued series B preferred shares.

In the event of any liquidation, dissolution or winding up of the Company (including certain change of control transactions), the holders of preferred shares are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of ordinary shares, an amount equal to the purchase price paid for the preferred shares, plus all dividends accrued or declared but unpaid on the preferred shares. The remaining proceeds will be distributed on a pro rata basis among the holders of preferred shares and ordinary shares, treating all preferred shares as if they had been converted to ordinary shares immediately prior to such distribution.

The holders of preferred shares are entitled to that number of votes on all matters presented to shareholders equal to the number of ordinary shares then arising upon conversion of such preferred shares and shall vote together with the ordinary shares on an as-converted basis. The holders of preferred shares are separately entitled to elect three members of the Board of Directors and have the ability to vote separately to consent to certain material actions of the Company.

The Company and certain holders of preferred shares entered into agreements providing such holders with customary registration rights, information rights, pre-emptive rights, rights of first refusal, co-sale rights and drag-along rights.

Authorized and Issued Share Capital

	Year ended 31 December 2025	Year ended 31 December 2024
Authorized (€'000)		
149,000,000 ordinary shares of €0.01 each (2024: 149,000,000 ordinary shares of €0.01 each)	1,490,000	1,490,000
106,193,074 preferred shares of €0.01 each (2024: 106,193,074 preferred shares of €0.01 each)	1,061,931	1,061,931
	<u>2,551,931</u>	<u>2,551,931</u>
Issued, called up and fully paid (\$)		
13,919,610 ordinary shares of €0.01 each	155,050	153,048
99,304,775 preferred shares of €0.01 each *	1,087,657	867,752
	<u>1,242,707</u>	<u>1,020,800</u>
In \$'000	<u>1,243</u>	<u>1,021</u>

*Preferred shares have been reclassified to liabilities.

Share Premium

The share premium on the shares above have been classified as follows:
(\$'000)

	Year ended 31 December 2025	Year ended 31 December 2024
Within equity	29,775	29,516
Within financial liabilities (includes embedded derivatives and deferred financing costs)	238,601	196,246
Balance at 31 Dec 2025	268,376	225,762

18 Financial Instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 December 2025 and 31 December 2024:

2025 (\$'000)	Financial assets and liabilities at amortized cost	Other financial liabilities	Financial instruments held at fair value	Fair value
<u>Financial assets</u>				
Cash and cash equivalents	34,848	-	-	N/A
Trade and other receivables	10,121	-	-	N/A
<u>Financial liabilities</u>				
Trade and other payables	-	(10,258)	-	N/A
Interest bearing loans and borrowings	-	(24,955)	-	(24,955)
Loan related derivatives	-	-	(3,069)	(3,069)
Preference shares classified as liabilities (includes embedded derivatives and deferred financing costs)	-	(236,001)	(2,600)	(238,601)
At 31 December 2025	44,969	(271,214)	(5,669)	(266,625)
2024 (\$'000)	Financial assets and liabilities at amortized cost	Other financial liabilities	Financial instruments held at fair value	Fair value
<u>Financial assets</u>				
Cash and cash equivalents	16,171	-	-	N/A
Trade and other receivables	8,709	-	-	N/A
<u>Financial liabilities</u>				
Trade and other payables	-	(9,992)	-	N/A
Interest bearing loans and borrowings	-	(3,650)	-	(3,650)
Loan related derivatives	-	-	(3,167)	(3,167)
Preference shares classified as liabilities (includes embedded derivatives and deferred financing costs)	-	(196,001)	(246)	(196,246)
At 31 December 2024	24,880	(209,642)	(3,413)	(203,063)

All financial instruments are Level 3.

A. Measurement of fair values

Valuation techniques and significant unobservable inputs

Items held at amortized cost where fair value is disclosed

We disclose the fair value of our financial instruments that are measured at amortized cost using the following fair values hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1: Inputs are based upon quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs are based upon other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and trade payables are settleable within 30 days and accordingly fair value is deemed to be equal to carrying value.

The fair value of interest-bearing loans and borrowings is calculated based on the present value of future contractual principal plus interest cash flows discounted at appropriate market rates of interest. The fair value of derivative financial instruments is calculated based on accepted derivative valuation models, including the Black Scholes valuation model & Monte Carlo simulation. All of these are classified as level 3 fair value instruments.

There were no transfers into or out of any classification of financial instruments in any period.

Details of key unobservable inputs and the methodologies used by the Group in determining the fair value disclosures for certain financial instruments are detailed in the table below.

Type	Valuation approach	Key unobservable inputs	Interaction between key unobservable inputs and fair value
Loans and borrowings – Term Loan	Income approach	<ul style="list-style-type: none"> • Market interest rate (10-12%) 	<ul style="list-style-type: none"> • An increase in the interest rate used would decrease the fair value • A decrease in the interest rate would increase the fair value

Risks

I. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities as they fall due.

Since inception the Group has funded its operations primarily through the issuance of equity securities and debt funding. The Group continually evaluates funding strategies (e.g.: equity, debt, partnering) to support its activities into the future. Adequate additional financing may not be available on acceptable terms, or at all. The Group’s inability to raise capital as and when needed would have a negative impact on the Group’s financial position and its ability to pursue its business strategy.

The following is an analysis of the maturity of the contractual (undiscounted) outflows associated with the Group's financial liabilities at 31 December 2025 and 31 December 2024.

(\$'000)	Carrying value	Cash flow (total)	Less than 1 year	Between 1-2 years	Between 2-5 years
31 December 2025:					
Financial Liabilities					
Trade and other payables	10,258	10,258	10,258	-	-
Interest bearing loans and borrowings	24,955	36,359	1,965	2,025	32,369
At 31 December 2025	35,007	46,411	12,017	2,025	32,369
(\$'000)	Carrying value	Cash flow (total)	Less than 1 year	Between 1-2 years	Between 2-5 years
31 December 2024:					
Financial Liabilities					
Trade and other payables	9,992	9,992	9,992	-	-
Interest bearing loans and borrowings	3,650	6,691	384	412	5,896
At 31 December 2024	13,642	16,684	10,376	412	5,896

The cashflows presented for interest bearing loans and borrowings at 31 December 2024 are the cashflows resulting from the Madryn loan repayment arrangement.

II. Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The Group's reporting currency is the US Dollar. The Group's Australian subsidiary has an Australian Dollar functional currency, and the Group's subsidiaries located in Ireland, Germany and the Netherlands have a Euro functional currency.

The following table sets forth, for the years indicated, certain information concerning the exchange rates between: (i) the Euro and the US Dollar; and (ii) the Australian Dollar and the US Dollar:

Euro per USD1.00	End of year	Average
Year ended 31 December 2024	1.039	1.082
Year ended 31 December 2025	1.175	1.132
Australian Dollar per USD1.00	End of year	Average
Year ended 31 December 2024	0.619	0.660
Year ended 31 December 2025	0.668	0.645

The Group did not have material asset or liability amounts in foreign currencies at year end, other than trade payables and accruals (net of cash) of €726,000 and AUD 1,156,000 (2024: €590,000 and AUD 582,000).

Sensitivity analysis

A sensitivity analysis was performed to evaluate the potential impact of exchange rate fluctuations on the financial statements. If the U.S. dollar had weakened or strengthened by 5% against the respective foreign currencies, the estimated impact on the financial results would have been approximately \$51,030 for exposures denominated in Euro (2024: \$43,155), \$41,660 for exposures in Australian Dollars (2024: \$62,217), and \$66,530 for exposures in British Pounds Sterling (2024: \$80,765). These amounts reflect the hypothetical effect of currency movements on the company's financial position and do not represent actual exchange rate

fluctuations or realized gains and losses.

III. Interest rate risk

The Company's debt is at a floating rate of interest. Changes in interest rates would not be expected to have a material impact on the Group's near-term finance costs other than immaterial impacts on the fair value of derivative financial instruments.

The Group's cash balances are maintained in short-term access accounts and carry a floating rate of interest. A 50 basis points change in the rate of interest applied to the cash balance held by the Group would not have had a material impact on the Group's statement of profit or loss in the year.

19 Share Based Payments

Stock Incentive Plan

The Group operates a share option plan (the "Plan"). As of 31 December 2025, the Plan allows for the Company to grant options over ordinary shares of Mainstay Medical Holdings plc to employees of the Group companies, directors, consultants and other contractors. As of 31 December 2025, 23.2m (2024: 19.2m) share options over ordinary shares of the Company that had been granted under the Plan were outstanding.

The Plan also allows for the issue of RSUs, being rights to receive ordinary shares at no cost to the relevant employee, director or consultant. The Company granted 0 RSUs during 2025 and 330,449 are outstanding as of 31 December 2025.

The Plan allows for flexibility in the grant conditions of each individual option or RSU, including variations on the amounts of options or RSUs granted, the vesting requirements for each option or RSU and the expiration terms of the options or RSUs.

Details of RSU's and share options granted that are outstanding (granted net of forfeitures and exercises as of 31 December 2025:

	Number of instruments (in thousands)	Contractual life of options
Awards granted in 2013	36	10 years from vesting
Awards granted in 2014	-	10 years from vesting
Awards granted in 2015	-	10 years from vesting
Awards granted in 2016	6	10 years from vesting
Awards granted in 2017	-	10 years from vesting
Awards granted in 2018	-	10 years from vesting
Awards granted in 2019	746	10 years from vesting
Awards granted in 2020	325	10 years from vesting
Awards granted in 2021	5,816	10 years from vesting
Awards granted in 2022	538	10 years from vesting
Awards granted in 2023	2,514	10 years from vesting
Awards granted in 2024	8,419	10 years from vesting
Awards granted in 2025	4,517	10 years from vesting
Total equity awards in issue	23,248	
RSU's outstanding in 2025	330	

All of the above options include service vesting conditions related to employee and non-employee service and vest over periods ranging from one to four years.

A breakdown of the outstanding share options as of 31 December 2025 and 31 December 2024 is as follows (in thousands, except prices):

	Year ended 31 December 2025	Weighted average exercise price 2025	Year ended 31 December 2024	Weighted average exercise price 2024
(Number of instruments in thousands)				
At beginning of year	19,501	\$0.98	11,501	\$2.06
Options granted during the year	4,804	\$0.89	9,478	\$0.91
RSU's granted during the year	-	-	-	-
Options forfeited	(771)	\$1.51	(1,460)	\$1.67
Options exercised	(286)	\$0.98	(18)	\$1.47
Outstanding at end of year	23,248	\$0.94	19,501	\$0.98
Exercisable at end of year	12,649	\$1.00	8,339	\$1.05

Total non-cash expense charged to profit and loss in relation to share options for the year ended 31 December 2025 was \$3.4m (2024: \$5.3m) and was based on the fair value of the options granted, measured using a Black-Scholes model with the following inputs:

	Year of Grant	
	2025	2024
Weighted average share price (\$)	\$ 0.89	\$ 0.91
Weighted average exercise price (\$)	\$ 0.91	\$ 0.91
Weighted average expected share volatility	70%	70%
Expected term (years)	7	7
Expected dividends	-	-
Risk free rate (average)	4.05%	4.18%
Fair value of option (\$)	\$ 0.89	\$ 0.91

20 Contingencies

The Directors and management are not aware of any contingencies that may have a significant impact on the financial position of the Group.

Subsidiary guarantee

The Company has guaranteed the payment of the liabilities and commitments of its subsidiaries in Ireland for the purposes of section 357 of the Companies Act 2014 for the years ended 31 December 2025 and 31 December 2024.

21 Retirement benefit schemes

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for certain employees in Ireland, the United Kingdom and Australia. The assets of the schemes are held separately from those of the Group in independently administered funds. The advice of a professionally qualified retirement benefit consultant was taken in the establishment and maintenance of the schemes.

Total retirement benefit costs of the defined contribution schemes for the year ended 31 December 2025 amounted to \$270,908 (2024: \$213,938). There were no accruals or prepayments in respect of the retirement benefit costs at 31 December 2025 (2024: None).

22 Subsidiary undertakings

At 31 December 2025, the Company had the following subsidiaries and owns 100% of the called up ordinary share capital of each such subsidiary:

Mainstay Medical Holdings plc is registered in Ireland.

- Mainstay Medical International Limited is registered in Ireland.
- Mainstay Medical Limited is registered in Ireland.
- MML US, Inc. is registered in the United States of America.
- Mainstay Medical (Australia) Pty. Limited is registered in Australia.
- Mainstay Medical Distribution Limited is registered in Ireland.
- Mainstay Medical GmbH is registered in Germany.
- Mainstay Medical BV is registered in the Netherlands.

23 Related party transactions

The Group defines key management as its non-executive directors, executive directors and senior management. Details of remuneration for key management personnel for the year end are provided below:

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Salaries	974	902
Annual incentive	627	598
Non-executive directors' fees	108	192
Other remuneration	83	42
Payroll taxes	49	48
Share based payments	1,566	3,411
Total remuneration	3,408	5,193

There were no other related party transactions in the year. Please refer to page 6 within the Directors Report detailing their beneficial interest as of 31 December 2025.

24 Events subsequent to 31 December 2025

No material subsequent events have occurred since 31 December 2025.

**Parent Company Financial Statements
Mainstay Medical Holdings plc**

**Company statement of financial position
At 31 December 2025**

(\$'000)	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Investment in subsidiary	(d)	50,975	47,605
Right of Use Asset	(g)	13	42
Total non-current assets		50,988	47,647
Current assets			
Prepayments and other receivables	(a)	181	257
Amounts due from subsidiary undertakings	(c)	233,519	194,771
Cash and cash equivalents	(b)	160	523
Total current assets		233,860	195,551
Total assets		284,848	243,198
Equity			
Share capital		155	153
Share premium		29,775	29,516
Share based payment reserve		18,015	15,199
Retained loss (profit)		(5,098)	(1,476)
Surplus on shareholders' equity		42,847	43,392
Non-current liabilities			
Derivatives	(e)	3,069	3,157
Preference shares classified as liabilities	(e)	238,601	196,246
Lease Liability	(g)	-	17
Total non-current liabilities		241,670	199,420
Current liabilities			
Derivatives	(e)	-	10
Trade and other payables	(f)	318	350
Lease Liability	(g)	13	26
Total current liabilities		331	375
Total liabilities		241,191	199,806
Total equity and liabilities		284,848	243,198

On behalf of the Board on 26 May 2026,


Jason Hannon
Chief Executive Officer


David Brabazon
Independent Non-Executive Chairman

**Company statement of changes in shareholder's equity
For the year ended 31 December 2025**

(\$'000)	Share capital	Share Premium	Other Reserves	Share based payment reserve	Retained Earnings	Total equity
Balance at 1 Jan 2024	153	29,490	-	9,984	(1,194)	38,433
Comprehensive profit for the year	-	-	-	-	1,779	1,779
Transactions with owners of the Company:						
Issue of Shares	-	26	-	(39)	(2,061)	(2,074)
Deferred shares	-	-	-	-	-	-
Share based payments	-	-	-	5,254	-	5,254
Balance at 31 December 2024	153	29,516	-	15,199	(1,476)	43,392
Balance at 1 Jan 2025	153	29,516	-	15,199	(1,476)	43,392
Comprehensive loss for the year	-	-	-	-	(4,246)	(4,246)
Transactions with owners of the Company:						
Issue of Shares	2	259	-	(624)	624	261
Deferred shares	-	-	-	-	-	-
Share based payments	-	-	-	3,440	-	3,440
Balance at 31 December 2025	156	29,775	-	18,015	(5,098)	42,847

Company statement of cash flows
At 31 December 2024

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Cash flow from operating activities		
Net profit / (loss) attributable to equity holders	(4,246)	1,779
Add/(less) non-cash items		
Share-based compensation	73	92
Finance income from derivative financial instruments	2,259	(1,632)
Add/(less) changes in working capital		
Prepayments and other receivables	65	31
Amounts due from subsidiary undertakings	1,574	589
Lease Liability	(30)	(25)
Trade and other payables	(58)	(460)
Net cash (used in)/generated from operations	(363)	374
Cash flow from financing activities		
Capitalized Deferred Financing Costs	-	-
Net cash from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(363)	374
Cash and cash equivalents at beginning of year	523	149
Cash and cash equivalents at end of year	160	523

Notes to the Company Financial Statements

Notes 1, 2, 3, and 19 to the Consolidated Financial Statements (as provided earlier herein) also directly apply to the Company Financial Statements. The accounting policies of the Company are the same as the accounting policies of the Group as set out in Note 3 to the consolidated Financial Statements.

The following notes are specific to the Company statement of financial position:

(a) Prepayments and other receivables

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Prepayments	173	246
VAT Receivable	8	11
	181	257

(b) Cash and cash equivalents

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Cash in bank accounts – USD	71	478
Cash in bank accounts – EUR	89	45
	160	523

(c) Amounts due from subsidiary undertakings

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Mainstay Medical companies	233,519	194,771
	233,519	194,771

(d) Investment in subsidiary

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Opening balance	47,605	48,449
Investment in subsidiary movement	3,370	884
Closing balance	50,975	47,605

(e) Loans and borrowings

Derivatives (\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
<i>Loans and borrowings – current</i>		
Derivative financial instrument – IPF warrant	-	10
Total current derivatives	-	10
<i>Derivatives – non-current</i>		
Derivative financial instrument – Madryn convertible note	-	-
Derivative financial instrument – Warrants	3,069	3,157
Total non-current derivatives	3,069	3,157
Total derivatives	3,069	3,167

Preference shares classified as liabilities (\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
<i>Preference shares classified as liabilities – non-current</i>		
Preference shares	236,775	196,774
Derivative financial instrument – preference share antidilution feature	2,600	246
Deferred finance costs	(774)	(774)
Total preference shares classified as liabilities	238,601	196,246

(f) Trade and other payables

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
Payroll tax liability	4	3
Payroll Liabilities	80	82
Accounts Payable	9	4
Accrued expenses	225	261
Trade and other payables Total	318	350

(g) Leases

(\$'000)	Year ended 31 December 2025	Year ended 31 December 2024
ROU Asset	13	42
Total	13	42
Lease Liability – Short Term	13	26
Lease Liability – Long Term	-	17
Total	13	43