

Nexstim

Nexstim has secured 100 per cent of the Warrant Plan 2019 and decided on a directed issue of approximately EUR 1.1 million subject to the approval of the Extraordinary General Meeting

Company announcement, insider information, Helsinki, 21 October 2019 at 9.10 AM (EEST)

The Board of Directors of Nexstim Plc (NXTMH:HEX, NXTMS:STO) ("Nexstim" or the "Company") - the company developing and marketing a unique brain stimulation technology for diagnostics and therapy -has decided to secure 100 per cent of offer warrants i.e. special rights to shares which were allocated in connection with the rights issue which ended on 24 April 2019 in Sweden and on 26 April 2019 in Finland (the "Offer Warrants") through obtaining subscription commitments and underwriting commitments from a limited number of existing shareholders of the Company and external investors (the "Underwriters"). This means total proceeds amounting to approximately EUR 1.8 million (excluding applicable fees and expenses).

For the amount of shares of Nexstim that are not subscribed for based on the Offer Warrants by the holders of the Offer Warrants (the remaining of 15,601,167 shares), the Board of Directors has decided on a directed share issue of up to 11,510,252 new shares to the Underwriters (the "Underwriting Issue"). Additionally, the Board of Directors has decided on another directed share issue of up to 9,771,118 new shares to the Underwriters (the "Directed Issue"). Both the Underwriting Issue and the Directed Issue are conditional upon that the Extraordinary General Meeting of Shareholders of Nexstim to be held on 11 November 2019 (in accordance with the notice to be amended), gives authorization to the Board of Directors to resolve on the Underwriting Issue and the Directed Issue (the "EGM Approval").

The share subscription price based on the Offer Warrants i.e. EUR 0.115 or SEK 1.24 per share would be applicable in both the Underwriting Issue and the Directed Issue. Pursuant to the above-mentioned:

- The Offer Warrants have been secured to 100 per cent by the Underwriters, totalling to approximately EUR 1.8 million in proceeds (excluding applicable fees and expenses). Subscription commitments equalling approximately 26 per cent of the Offer Warrants have been secured from existing shareholders and underwriting commitments equalling approximately 74 per cent of the Offer Warrants have been secured from current shareholders and external investors.
- Subscription commitments of approximately EUR 0.5 million have been received from the Company's largest holders of the Offer Warrants Kaikarhenni Oy, Ossi Haapaniemi, Kalksten Properties Koy and Capricorn Health-tech Fund as well as members of the Board of Directors and management of the Company holding such Offer Warrants.
- The Directed Issue of 9,771,118 shares, equalling approximately EUR 1.1 million will also be subscribed for by the Underwriters.
- The Underwriting Issue and the Directed Issue are conditional upon the EGM Approval.

In accordance with the underwriting commitments for the Underwriting Issue, the Underwriters are entitled, subject to the EGM Approval, to an underwriting fee equal to 6 per cent of the aggregate underwriting commitment if payable in cash by the Company or 8 per cent of the underwriting commitment if payable in shares of the Company. Each Underwriter would be entitled to choose between cash or share payment. The maximum amount of the underwriting fee would be EUR 79,421 if payable only in cash and EUR 105,892 if payable only in shares of Nexstim (i.e. 920,820

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shares applying the subscription price of EUR 0.115). Notwithstanding, no fee would be payable to current owners who have given a subscription commitment for Offer Warrants they hold.

The Board of Directors of Nexstim shall shortly approve a proposal regarding the EGM Approval as well as an amendment of the notice to the Extraordinary General Meeting of Shareholders convening on 11 November 2019.

The proceeds of the Underwriting Issue and the Directed Issue would be primarily used for marketing and similar commercialization efforts, particularly in the US market, of the Company's NBT System in depression treatment, finance its purchases regarding NBT System deliveries, repayment of loans, evaluate new clinical trials in the area of chronic neuropathic pain as well as finance its R&D and working capital needs.

The reason for deviation from the shareholders' pre-emptive rights in both the Underwriting Issue and the Directed Issue is to raise capital and improve the Company's financial position in a cost-effective and timely manner and enable further development and growth of the Company's core businesses. Hence, there is a weighty financial reason to deviate from the shareholder's pre-emptive subscription right in both directed share issues set forth above.

The subscription period of the shares in the Underwriting Issue and the Directed Issue would be 11-14 November 2019 when the subscription price should also be paid in full (unless the Board of Directors resolves otherwise).

The subscription prices of the new shares would be recorded in its entirety to the invested unrestricted equity reserve.

The Board of Directors shall, subject to and after obtaining EGM Approval, pass a final resolution on the Underwriting Issue and the Directed Issue.

Martin Jamieson, Chairman of the Board of Directors and CEO of Nexstim, commented: "We have now reached the phase where the Offer Warrants issued are ready for exercise and the securing of such Warrants is an important milestone. Nexstim's renewed depression led strategy is making already a good progress and with these new funds, Nexstim will continue to drive the sales of its NBT® systems globally. I would also like to encourage all warrant holders to take this opportunity to strengthen Nexstim and be part of our growth story in enabling personalized and efficient treatment for depression."

Advisers

Augment Partners AB is acting as financial advisor to the Company in connection with the securing of the Offer Warrants and the Directed Share Issue. Attorneys at Law Trust Ltd is acting as the legal adviser to the Company on aspects related to Finnish law.

Further information is available on the website www.nexstim.com, or by contacting:

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About Nexstim Plc

Nexstim is a Finnish, globally operating medical technology company. Our mission is to enable personalized and effective therapies and diagnostics for challenging brain diseases and disorders.

Nexstim has developed a world-leading non-invasive brain stimulation technology called SmartFocus®. It is a navigated transcranial magnetic stimulation (nTMS) technology with highly sophisticated 3D navigation providing accurate and personalized targeting of the TMS to the specific area of the brain.

SmartFocus® technology is used in Nexstim's proprietary Navigated Brain Therapy (NBT®) system, which is FDA cleared for marketing and commercial distribution for the treatment of major depressive disorder (MDD) in the United States. In Europe, the NBT® system is CE marked for the treatment of major depression and chronic neuropathic pain.

In addition, Nexstim is commercializing its SmartFocus® based Navigated Brain Stimulation (NBS) system for diagnostic applications. The NBS system is the only FDA cleared and CE marked navigated TMS system for pre-surgical mapping of the speech and motor cortices of the brain. Nexstim shares are listed on the Nasdaq First North Growth Market Finland and Nasdaq First North Growth Market Sweden.

For more information please visit www.nexstim.com