

Nexstim

NEXSTIM PLC FINANCIAL STATEMENTS RELEASE 2019

Company announcement, Helsinki, 28 February 2020 at 9:00 am

Nexstim Plc (NXTMH:HEX, NXTMS:STO) ("Nexstim" or "Company"), today provides its financial statements for the full year 2019 (1 January–31 December 2019) and H2 2019 (1 July-31 December 2019).

Highlights, July – December 2019

- The NBT[®] system active commercial installed base grew to a total of 23 systems at end of December 2019, of which the US NBT[®] system installed base was a total of 10 systems and in Europe and rest of the world a total of 13 NBT[®] systems.
- Nexstim received a medical device license from Health Canada, which allows Nexstim to start marketing and commercial distribution of the NBT[®] system for the treatment of Major Depressive Disorder (MDD) in Canada
- H2 revenues amounted to EUR 2.1 million (2018: EUR 1.6 million), an increase of 33.8 percent year-on-year.
- H2 NBT revenues amounted to EUR 0.9 million (2018: EUR 0.4 million), an increase of 110.4 percent year-on-year.

Post-period Highlights

- On 11 February 2020, the Company announced that Martin Jamieson left his positions as the CEO of the Company and as a member of the Board of Directors of Nexstim. Nexstim's Board of Directors appointed Mikko Karvinen as interim CEO and Joonas Juokslahti as interim CFO with immediate effect.

Business Overview

Nexstim is a neuromodulation company developing and marketing pioneering navigated non-invasive brain stimulation systems for both therapeutic (NBT[®] system) and diagnostic (NBS system) applications.

The Company developed its NBT[®] device based on its NBS technology platform; commercialisation of the NBT[®] system is currently Nexstim's key strategic focus.

NBT[®]

- Nexstim's NBT[®] platform is based on its unique navigated Transcranial Magnetic Stimulation (nTMS) technology which allows for personalized, accurate, reproducible and non-invasive brain stimulation
- In May 2018, Nexstim launched its Navigated Brain Therapy (NBT[®]) system in the US for the treatment of MDD following FDA clearance in November 2017
- MDD affects more than 300 million people worldwide with 20-40% of patients not responding to current treatment options. As a result, MDD is the key focus for Nexstim's sales and marketing activities for its NBT[®] system
- The NBT[®] system is CE marked for the treatment of depression and chronic pain
- Active commercial installed base of 23 therapy treatment systems across three continents

NBS

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- Nexstim's NBS system is the only CE-marked and FDA-cleared non-invasive solution for pre-surgical mapping of the motor cortex in brain cancer. Clinical data has been generated demonstrating the value of Nexstim's unique navigation system for pre-surgical mapping with regard to patient outcomes
- The NBS system allows surgeons to be better prepared and more aggressive with tumor resection, due to their confidence in the location of the motor and speech cortex because of pre-surgical mapping. The non-invasive device has demonstrated a 46% increase in progression free survival in low grade gliomas versus the current gold standard
- The NBS system has been sold to approximately 170 research universities and leading hospitals across the world

CEO Mikko Karvinen's review

In my first report as the new interim CEO of Nexstim, I am happy to report the important progress that Nexstim has made during the second half of 2019 and full year of executing its strategy, which is focused on driving the sales of its NBT[®] system for the treatment of MDD.

During 2019, we have delivered and installed a total of 17 new NBT[®] systems - 9 in the US and 8 in Europe (Austria, Finland, Germany, Italy and Sweden) - for the treatment of MDD. As a result, there are now a total of 23 NBT[®] Systems installed for the treatment of depression and chronic neuropathic pain, globally.

We are confident that by continuing to highlight the NBT[®] system's unique navigational capabilities, we will be able to gain further market share, by clearly differentiating it from the non-navigational TMS devices currently on the market. It's probable that the need for navigational capabilities will increase in the future technology to treat patients with severe depression, who are hospitalised and may have suicidal ideation. This could open an exciting new TMS market for Nexstim in treatment resistant depression (TRD), which is distinct from the current market.

The NBT business net sales for 2019 grew strongly by 131 percent to EUR 1.5 million, compared to EUR 0.7 million in 2018. Sales of the NBS system were lower during 2019 due to the focus of the commercial organization shifting more towards the faster growing NBT business. This led to the Company's net sales total increasing by 25 percent to EUR 3.3 million in 2019, compared to EUR 2.7 million in 2018.

In addition to the progress with our NBT[®] system, we are continuing to see an improvement in our sales mix with a growing contribution from high margin after sales, including revenue from services, support, spare parts and consumable head trackers. As more of Nexstim's revenue is generated from NBT[®] therapy business, the portion of recurring revenue is growing. Recurring revenue (total therapy sales less NBT[®] capital system sales) was about 66 percent of the total therapy revenue during year 2019. Nexstim targets an annual revenue of approximately EUR 100 thousand per NBT[®] system a year in active established customer sites. During 2019 Nexstim reached an average therapy revenue per NBT[®] system of EUR 85 thousand.

Year 2019 has been a time of investment to support our growth, particularly in our US commercial team as well as in Europe. As a result of this investment, operating cash burn amounted to EUR -6.7 million in 2019 compared to EUR -6.2 million in 2018.

In order to finance our growth strategy, we raised a total of EUR 6.6 million of new capital in share offerings in 2019. I wish to thank our investors for participating our share offers and I am delighted that we were able to attract new major anchor investors. This support reflects their confidence and strong commitment to Nexstim's future.

In the operational business we will focus on growing the active installed base of NBT[®] Systems used for treatment of MDD with the emphasis on the large US market. It is our priority to continue to raise the market awareness of our NBT[®] System. We are looking to achieve this by increasing the number of MDD patients treated with our NBT[®] System which will allow us to collect more clinical data showing the benefits that our unique system is able to deliver to the large number of patients with depression. This data will be used to support our marketing efforts which we are confident will increase the adoption of our NBT[®] system across the US. This clear therapy focused strategy means that we continue seeking a partner for our pre-surgical mapping business.

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We also plan to continue to leverage our strong Key Opinion Leader network in the US and to utilize the patient registry data we are generating to publish a series of White Papers highlighting the advantages that our NBT® System delivers when used to treat MDD. We believe that these efforts will allow us to generate higher therapy sales as we leverage our existing organisation in commercial sales, marketing, and clinical resources.

As of 31 December 2019, Nexstim had a cash position of EUR 4.3 million, which includes the Kreos loan.

My first more extensive reform work as the interim CEO of Nexstim will be a strategy review and update in close cooperation with the Board and management team. The main purpose of this strategy work is to update the long-term business outlook and financial objectives for NBT and NBS businesses. We will at the same time evaluate a number of different funding options and strategic alternatives for our businesses.

Key performance indicators

EUR in thousands	7-12/2019	7-12/2018	1-12/2019	1-12/2018
	6 months	6 months	12 months	12 months
Net sales	2,130.7	1,592.8	3,348.1	2,672.1
Personnel expenses	-2,634.0	-2,413.7	-4,713.0	-3,937.5
Other operating expenses	-1,679.3	-2,184.7	-3,647.5	-3,985.9
Depreciation and amortisation	-319.3	-269.6	-524.6	-424.0
Operating profit (loss)	-3,155.5	-3,108.2	-6,517.5	-6,315.6
Profit/ -Loss for the period	-3,117.8	-3,713.8	-6,782.6	-6,154.3
Earnings per share (EUR)*	-0.07	-1.14	-0.25	-1.93
Cash flows from operating activities	-3,002.5	-3,069.4	-6,681.5	-6,192.5
Cash in hand and at banks	4,266.2	7,175.2	4,266.2	7,175.2
Total equity	-740.1	-294.3	-740.1	-294.3
Equity ratio (%)	-8.49	-0.98	-8.49	-0.98
Number of shares in the end of the period (pcs)*	62,789,630	3,253,751	62,786,630	3,253,751
Average number of shares during the period (pcs)*	42,146,358	3,251,865	27,611,274	3,187,487
Diluted number of shares in the end of the period (pcs)*	64,080,578	4,431,575	64,080,578	4,431,575
Diluted average number of shares during the period (pcs)*	54,664,246	4,701,628	36,392,323	4,577,627

*The number of shares has been adjusted to take account the effect of the reverse share split on 26 November 2018, where the number of shares was decreased 30-fold.

Future Outlook

Based on its business forecast, the Company expects NBT business revenue to grow during year 2020 and a loss for the period is expected for the financial year 2020.

Financial review

The figures in parenthesis (EUR thousand) represent the amount in the previous year's comparative period, unless otherwise stated.

Operating results

Net sales

Net sales between July 1 – December 31, 2019 were EUR 2,130.7 thousand (1,592.8) an increase of 33.8 percent to the comparative period in 2018. Net sales between January 1 – December 31, 2019 were EUR 3 348.1 thousand (2,672.1), an increase of 25.3 percent year-on-year. The total net sales consists of NBT and NBS net sales.

NBT net sales between July 1 – December 31, 2019 were EUR 912.3 thousand (433.6) an increase of 110.4 percent to the comparative period in 2018. NBT net sales between January 1 – December 31, 2019 were EUR 1,522.9 thousand

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(659.9), an increase of 130.8 percent year-on-year.

NBS net sales between July 1 – December 31, 2019 were EUR 1,218.4 thousand (932.9) an increase of 30.6 percent to the comparative period in 2018. NBS net sales between January 1 – December 31, 2019 were EUR 1,825.2 thousand (2,012.2), a decrease of 9.3 percent year-on-year.

Work performed for own purpose and capitalised

Work performed for Nexstim's own purposes and capitalised between July 1 – December 31, 2019 was EUR 20.2 thousand (17.1) and between January 1 – December 31, 2019 was EUR 38.9 thousand (36.3). These amounts mainly consist of capitalised development costs.

Other operating income

Other operating income from July 1 – December 31, 2019 was EUR 17.5 thousand (23.5) and from January 1 – December 31, 2019 was EUR 24.1 thousand (33.7).

Materials and services

Materials and services expenses between July 1 – December 31, 2019 totalled EUR -691.4 thousand (-346.2) and between January 1 – December 31, 2019 totalled EUR -1 043.4 thousand (-710.3).

Personnel expenses

Personnel expenses between July 1 – December 31, 2019 totalled EUR -2,634.0 thousand (-2,413.7) and from January 1 – December 31, 2019 totalled EUR -4,713.0 thousand (-3,937.5). The increase in expenses was mainly due to the growth in number of personnel.

Depreciation and amortisation

Depreciation and amortisation between July 1 – December 31, 2019 amounted to EUR -319.3 thousand (-269.6). and between January 1 – December 31, 2019 amounted to EUR -524.6 thousand (-424.0).

Other operating expenses

Other operating expenses from July 1 – December 31, 2019 totalled EUR -1,679.3 thousand (-2,184.7) and from January 1 – December 31, 2019 totalled EUR -3,647.5 thousand (-3,985.9).

Operating profit (loss)

The operating loss between July 1 – December 31, 2019 was EUR -3,155.5 thousand (-3,580.7) and from January 1 – December 31, 2019 the operating loss was EUR -6,517.5 thousand (-6,315.6).

Financial income and expenses

Net financial income and expenses during July 1 – December 31, 2019 amounted to an income of EUR 38.0 thousand (-132.7) and between January 1 – December 31, 2019 there was an expense of EUR -259.5 thousand (163.0). This was mainly due to exchange rate gains from intercompany loans.

Profit (loss) before taxes

Loss before taxes between July 1 – December 31, 2019 was EUR -3,117.5 thousand (-3,713.4) and between January 1 – December 31, 2019 was EUR -6,776.9 thousand (-6,152.6).

Income taxes

Income taxes from July 1 – December 31, 2019 amounted to EUR -0.2 thousand (-0.4) and from January 1 – December 31, 2019 they were EUR -5.5 thousand (-1.7).

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Profit/loss for the financial period

The loss for the period July 1 – December 31, 2019 was EUR -3,117.8 thousand (-3,713.8) and for January 1 – December 31, 2019 it was EUR -6,782.6 thousand (-6,154.3).

Financial Position

Non-current assets

The Company's non-current assets were EUR 1,223.3 thousand (904.6) as of 31 December 2019. Intangible assets amounted to EUR 363.9 thousand (429.9) at 31 December 2019 and consisted mainly of intangible assets related to capitalised development expenses and intellectual property rights. Tangible assets amounted to EUR 859.4 thousand (464.7) on 31 December 2019 and consisted mainly of capitalized NBT[®] systems at customer sites.

Current assets

The Company's current assets amounted to EUR 6,431.4 thousand (8,757.4) as at 31 December 2019.

Equity

Consolidated shareholders' equity totalled EUR -740.1 thousand (-294.3) as at 31 December 2019.

Liabilities

Non-Current Liabilities

The Company's non-current liabilities totalled EUR 5,288.4 thousand (7,063.4) as at 31 December 2019. The non-current liabilities of the Company consist of capital loans, other interest-bearing loans and deferred income. The decrease was mainly due to repayments of the Kreos Capital loan.

Current Liabilities

The Company's current liabilities totalled EUR 3,106.4 thousand (2,792.9) as at 31 December 2019. The current liabilities mainly consist of bank loans, trade payables and accrued expenses.

Financing and liquidity

Liquid assets, consisting of cash in hand and at banks, totalled EUR 4,266.2 thousand (7,175.2) at 31 December 2019.

The Company's net cash outflow from operating activities during 2018 was EUR -6,681.5 thousand (-6,192.5).

Net cash flow from investments was EUR -843.3 thousand during the reporting period (-610.8).

Net cash flow from financing activities was EUR 4,615.8 thousand during 2018 (5,504.8). Financing through share issues amounted to EUR 6,606.0 thousand (961.5) in the twelve-month period ended 31 December 2019.

The Parent Company has outstanding long-term and short-term intercompany receivables from its subsidiaries of EUR 13.5 million. Considering the risk factors described in the sections "Going Concern" and "Major Risks and Uncertainties" related to the Company's ability to continue as going concern there is a significant uncertainty relating to the collectability and thus the valuation of the long-term and short-term intercompany receivables. If such receivables are not collected in full there is significant risk that the Parent Company's share capital would be lost.

Going Concern

The financial statements for the 2019 have been prepared on the going concern basis, which assumes that Nexstim will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. The

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Company estimates that it does not have enough working capital to meet its current needs i.e. for a period of at least 12 months as of the date of these financial statements. Based on a conservative revenue forecast and expense estimate, and taking into account the cash at bank of the Company as at 31 December 2019 (EUR 4 million) the Company believes that an aggregate amount of EUR 2 million is sufficient to cover its working capital deficiency for at least the aforementioned 12 month period, assuming that the Company will be able to comply with the agreed terms of its loan agreement entered into with Kreos Capital V (UK) Limited (“Kreos”) and no event of default or material adverse change does not occur which would entitle Kreos to prematurely call back its loan. Based on such preconditions, the Company estimates that the current working capital suffices then until end of Q2 2020.

In the event the preconditions regarding Kreos are not fulfilled, and Kreos calls back its loan, with outstanding interests and fees, an aggregate amount of EUR 4 million would then be estimated to be needed to cover the Company’s working capital deficiency for at least the mentioned 12-month period, and the Company estimates that the current working capital suffices then until the end of May 2020.

The Company continues to carry out evaluation of different funding options and strategic alternatives for its businesses. These strategic alternatives may include divestment of its diagnostic business or even public-to-private transaction concerning the entire Company, for the purposes of ensuring the Company’s ability to continue as going concern. If different funding options or strategic partnerships are not completed at all or completed only partially or if actual revenues are less than forecasted, the Company aims to seek additional debt or equity financing or adjust its cost structure, primarily by decreasing its fixed expenses, such as personnel expenses, and, if necessary, costs planned to build and improve of its own sales and marketing organization. As stated above the Company's liquidity and its effect on the Company’s financial performance as well as the success of any financing options are affected by factors with significant uncertainty, which the management has taken into account when assessing the Company’s ability to continue as a going concern. If additional financing is not obtained, the Company may meet serious financial difficulties.

Organisation and Personnel

Nexstim's strategy is to recruit only employees that the Company believes have core competence and know how in order to support the Company operating efficiently. In compliance with this strategy, Nexstim has outsourced most of its operations such as the production.

The Company is organised in five operative functions:

- Clinical;
- Research & Development (R&D);
- Operations;
- Sales & Marketing including After Sales and Service;
- Administration, including Finance, Legal Affairs, Quality and Regulatory Affairs support functions.

At the end of the financial period 2019 Nexstim group employed 37 full-time employees (FTEs) (2018: 34). Nexstim Plc employed 23 FTEs at the end of year 2019 (2018: 23). During the financial year 2019 Nexstim group employed on average 36 FTEs (2018: 29 FTEs).

Strategy

Our mission

By making the transcranial magnetic stimulation (TMS) electric field visible and reproducible, we enable personalized and effective therapies and diagnostics for challenging brain diseases and disorders.

Our vision

To be the new standard of care for treating a host of currently intractable brain diseases and disorders. Personalised TMS is giving back patients – and their families – the life they feared they had lost.

Our strategy

Nexstim is focused on validating and commercialising its personalised SmartFocus™ TMS brain stimulation technology in large therapeutic indications with sub-optimal treatment options, namely depression and chronic pain.

We are investing in commercial sales, marketing and clinical resources and continue to raise funding accordingly. Our aim is to build sales in the US and large EU markets in currently approved indications, as well as to generate clinical

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patient registry data to further support our commercial efforts. We also recognise that there is a significant untapped market opportunity in Asia and continue to evaluate opportunities in this area on an ongoing basis.

Nexstim also aims to fulfil the commercial potential of the SmartFocus™ TMS technology in pre-surgical mapping through the Navigated Brain Stimulation (NBS) system. Pre-surgical mapping will be supported and developed through partnerships.

We remain predominantly focused on the potential of our differentiated technology in therapy (NBT®), as this represents a larger market opportunity, with a better model for sales growth in terms of consumables.

Major Events in the Financial Period

On 14 January 2019 the Company announced that had shifted its resources and focus during year 2018 to generating Navigated Brain Therapy (NBT®) system sales for the treatment of MDD and that this strategy had delivered good results in the US, Europe and rest of the world. In order to fund the further commercialisation of Nexstim's therapy business the Company informed that it is evaluating a potential funding round.

On 25 January 2019, Nexstim Plc announced that pursuant to the reduction of the quantity of shares in the Company and due to an error in the calculation of the shares held by nominee shareholders by a certain custodial nominee account holder and respective correction of such error, in total 5 treasury shares remained in the possession of the Company of the total amount of 9,000 treasury shares which were issued to the Company without consideration on 21 November 2018 of which amount in total 7,724 treasury shares were already annulled by a resolution of the Board of Directors on 30 November 2018. It was hereby resolved to also annul such 5 treasury shares.

Furthermore, the Board of Directors resolved on annulment of in total 33,300 option rights 2016B and 16,700 option rights 2016C which are in the possession of the Company (employments terminated, and the option rights returned to the Company prior to arrangements regarding the reduction of the quantity of shares). Pursuant to the annulment, no option rights 2016B or 2016C remain in the possession of the Company.

Pursuant to the reduction of the quantity of shares, the Board of Directors resolved on 23 November 2018 to amend the terms of the outstanding option rights under options schemes 2013A, 2016A-C, 2017 and 2018A-B in such way that the number of option rights received by each holder of option rights is divided by 30, and simultaneously the subscription price for one share against an option right is multiplied by 30, and that the possible rounding up in the number of option rights is be made downwards. Regarding the above-mentioned, the amended terms of the above-mentioned option rights have now been accepted.

On 12 March 2019 the Company announced that its Board of Directors was planning for an issue of new ordinary shares in which the current shareholders of the company would have the right to subscribe for new shares in proportion to their existing shareholdings in the Company.

On 25 March 2019 Nexstim announced that its NBT® system had received FDA clearance for a new much shorter treatment protocol, Theta Burst Stimulation (TBS), for the treatment of MDD.

The following resolutions were adopted at its annual general meeting (AGM) of shareholders held on 25 March 2019 (summary):

- The AGM of shareholders of Nexstim Plc adopted the Company's financial statements, including the consolidated financial statements for the year 2018, and discharged the members of the board of directors and the chief executive officer from liability. The AGM resolved that no dividend would be paid for the financial year 1 January - 31 December 2018 and that the loss of the financial year be added to the loss account.
- The AGM resolved on the number of the members of the board of directors at five. Martin Jamieson, Ken Charhut, Rohan J. Hoare, Juliet Thompson and Tomas Holmberg were elected to the board. Martin Jamieson was elected as the chairman and Juliet Thompson as the deputy chairman.
- The remuneration of the members of the board of directors was resolved as follows: €36,000 for the members of the board domiciled in the USA, and €27,000 for the members domiciled in Europe. The AGM recommended that the members of the board invest half of the above-mentioned remuneration in the Company's shares.
- Further, the AGM resolved that the members of the board committees shall be paid as follows; €10,000 for the chairman of a committee per year and €5,000 for the members of the committee. It was decided that reasonable travel expenses be compensated to the board members.
- The AGM resolved that the target group of the restricted share unit (RSU) plan will be those members of the board of director's who are independent of the Company. The reward allocations in 2018 will be determined in cash. The AGM decided that for each board member who is independent from the Company the grant gross

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value of the reward for the vesting period 2019-2020 will be EUR 12,500. The granted reward will be converted into restricted share units at the beginning of the vesting period, in 2019. The conversion of the granted reward into restricted share units will be based on the trade volume weighted average quotation of the Company's share on Nasdaq Helsinki Ltd during 20 trading days following the release date of the Company's Financial Statements from 2018. In the plan, one restricted share unit corresponds to one Company share.

- PricewaterhouseCoopers Oy, an authorized Public Accountants was re-elected as the auditor with Martin Grandell acting as the auditor-in-charge. The auditor will be paid a reasonable fee.

On 25 March 2019, the Company announced the following decisions made by its Board of Directors. The Board of Directors resolved to elect the following persons to the Company's Board Committees: The chairman of the Audit Committee shall be Juliet Thompson and its members shall be Rohan Hoare and Tomas Holmberg; The chairman of the Remuneration Committee shall be Ken Charhut and its members shall be Rohan Hoare and Tomas Holmberg; and The chairman of the Nomination Committee shall be Sami Tuhkanen and its members shall be Juliet Thompson, Martin Jamieson and Risto Ilmoniemi.

On 26 March 2019, Nexstim announced that in accordance with the authorisation granted by the annual general meeting of the Company on 25 March 2019, the Board of Directors of Nexstim Oyj had decided to arrange a rights issue of approximately EUR 5.2 million with additional warrants enabling the Company to raise up to a maximum of approximately EUR 2.6 million. The Offering is expected to support the growth and operational strategy of the Company. Nexstim expects to use the net proceeds from the Offering and Offer Warrants mainly to fund the marketing and similar commercialization efforts for increasing the sales of the Company's NBT[®] System in the depression treatment, and with current cash in bank and at hand to finance repayment of its existing loans.

On 29 March 2019, the Company announced that its NBS system and NexSpeech[®] had received a medical device license from Health Canada. The medical device license allows Nexstim to start marketing and selling the NBS system and NexSpeech[®] in Canada.

On 2 May 2019, Nexstim announced completion of the rights issue which ended on 24 April 2019 in Sweden and on 26 April 2019 in Finland. A total of 31,202,364 shares were subscribed to, corresponding to 68.5 per cent of the total amount of the shares offered for subscription in the Offering. Subscriptions made in the Offering represent approximately 100.3 per cent of the Company's market capital on 25 March 2019, the last trading day before announcement of the terms of the Offering.

On 2 May 2019, the Board of Directors of the Company approved the subscriptions made in the Offering and allocation of the Offer Warrants. The resolution of allocation was made in accordance with the principles set forth in the prospectus prepared for the Offering. The proceeds of the Offering amount to approximately EUR 3.6 million, excluding fees and expenses of the Offering. After deduction of such fees and expenses, excluding the subscription underwriting fees payable in shares, the net proceeds amount to EUR 3.1 million.

On 6 May 2019, Nexstim announced of the subscription underwriting commitments provided for the Company in connection with such subscription rights issue. Underwriting commitments were given in a way that the amount of the underwriting commitments corresponded to approximately 20.6 percent of the shares offered in the subscription rights issue, which means that the underwriting commitments amounted to about EUR 1.1 million. It had been agreed with the underwriters that the underwriting fee payable to them may be paid against shares of the Company instead of cash payment at the discretion of the Company. In accordance with the terms of such underwriting commitments and the Company's prospectus, the Board of Directors of Nexstim resolved to pay the underwriting fees by issuing in total 939,004 shares to the respective investors with terms that the subscription price of such shares - EUR 0.115 per share and in aggregate EUR 107,985.46 - is paid by setting off the subscribers' underwriting fee receivables against the Company. The new shares were issued based on an authorization received at the Company's Annual General Meeting on 21 November 2018. The subscription price was recorded in its entirety into invested unrestricted equity fund.

On 20 May 2019, the Company announced that the Offer Warrants were delivered to the subscribers and the trading of such Offer Warrants began on First North Finland and First North Sweden. The Offer Warrants entitle to subscribe to a maximum of 15,601,167 shares of the Company. Offer Warrant may be used for subscription of one (1) share of the Company in accordance with the applicable terms of the Offer Warrants. The share subscription price is determined by the volume weighted average price of the Company's share on First North Finland between 7 October 2019 and 18 October 2019, with an applied discount of 25 per cent, the subscription price being, however, at least EUR 0.115 per share. The subscription period for shares subscribed against the Offer Warrants is 22 October - 4 November 2019.

On 23 May 2019, Nexstim announced that pursuant to subscription the 2019 rights issue and terms of the existing warrant agreements of the Company, the Board of Directors resolved to amend the terms of such outstanding warrants (i.e. special rights to shares) in such way that the subscription price for one share (the exercise price) has been lowered in accordance with information available on the Company's website www.nexstim.com/investors/share-information. The amendment does not concern the Offer Warrants which were issued as part of the subscription rights issue.

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On 10 June 2019, Nexstim announced that pursuant to the 2019 subscription rights issue the Board of Directors resolved to amend the share subscription prices of the Company's stock option programs 2016B-C and 2017 according to clause II.6 of the terms, so that the share subscription price of such stock option programs is comparable to the price prior the subscription rights issue. With respect to the stock option program 2018, the subscription right cut-off date of rights issue in question took place during the pricing period of option rights 2018A and the pricing of option rights 2018A has been calculated based on the Nasdaq Helsinki post-rights-issue adjusted historical share prices of Nexstim Plc (NXTMH). Therefore, the share subscription price for option rights 2018A is EUR 0.26. The amended terms of the option rights are available on the company's website www.nexstim.com/investors/share-information. For the sake of clarity, the share unit price 2019 for Company's RSU program shall be calculated using the Nasdaq Helsinki post-rights-issue adjusted historical NXTMH share prices. Therefore, the share unit price for RSU 2019 share shall be EUR 0.26.

On 25 July 2019, Nexstim announced that the Board of Directors had decided that the chairman of the Nomination Committee shall be Leena Niemistö and the members shall be Ossi Haapaniemi, Katya Smirnyagina and Risto Ilmoniemi.

On 13 September 2019, the Company announced that Nexstim Plc agreed on a new loan repayment schedule with Kreos. According to the agreement, Nexstim paid Kreos two additional voluntary capital repayments of EUR 600 thousand, the first repayment in September 2019 and the second in November 2019.

On 2 October 2019, Nexstim announced that it is in discussions with a leading California based academic institution regarding the licensing of their technology to treat patients with severe depression, who are hospitalised and may have suicidal ideation.

On 15 October 2019, the Company announced that following the meeting of the Nomination Committee, Ken Charhut and Juliet Thompson, members of the Board of Directors since 2013 and 2015 respectively, had resigned their positions.

On 21 October 2019, Nexstim announced that it had 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 of Shareholders (EGM).

On 6 November 2019, the Company announced that approximately 67.4 per cent of Nexstim Plc's offer warrants under Warrant Plan 2019 used for subscription of shares. Based on the Offer Warrants, 10,511,689 new shares were subscribed for and the Company will receive approximately EUR 1.2 million in proceeds before transaction fees and expenses.

On 11 November 2019, Nexstim announced that the EGM had made the following decisions (summary):

- The Company has had two Committees of the Board of Directors: Audit Committee and the Compensation Committee. The Board of Directors has resolved to terminate, effective as from November 11th, the Audit Committee and the Compensation Committee. These functions will be provided by the Board.
- In accordance with the proposal of the Nomination Committee, the Extraordinary General Meeting of Shareholders resolved to establish a Nomination Board of the shareholders to replace the Nomination Committee and approved the Charter of the Nomination Board of the Shareholders in the form appearing at the Company's website <https://nexstim.com/investors/shareholder-meetings>.
- In accordance with the proposal of the Nomination Committee, the Extraordinary General Meeting of Shareholders made the following decisions:
 - The EGM confirmed that the number of members in the Board of Directors is to be five (5);
 - Martin Forss and Leena Niemistö were, in accordance with their consent, elected as new member of the Board of Directors for a period until the end of next the Annual General Meeting of Shareholders and;
 - Leena Niemistö was, in accordance with her consent, elected as the Chairman of the Board of Directors for the above-mentioned period and Rohan Hoare as the Deputy Chairman.
 - Martin Jamieson is continuing as an ordinary member of the Board of Directors. Tomas Holmberg and Rohan Hoare shall continue as members of the Board of Directors
- Pursuant to the decisions of the AGM on 25 March 2019 and in accordance with the proposal of the Nomination Committee, the Extraordinary General Meeting of Shareholders resolved that the members of the Board of Directors are remunerated for the term ending in the Annual General Meeting in 2020 as follows:
 - EUR 36,000 (i.e. no amendment to the amount approved by the Annual General Meeting of Shareholders) for a member who is based in the United States. The Board member whose position begins on the date of the Extraordinary General Meeting of Shareholders (or has ended prior to this) will receive 50% of such fee;
 - EUR 27,000 (i.e. no amendment to the amount approved by the Annual General Meeting of Shareholders) for a member who is based in Europe. The Board member whose position begins on the date of the Extraordinary General Meeting of Shareholders (or has ended prior to this) will receive 50% of such fee;

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- EUR 45,000 for the Chairman of the Board of Directors. As the new Chairman will begin in the position on the date of the Extraordinary General Meeting of Shareholders, she will receive 50% of such fee;
 - Effective as at the date of the Extraordinary General Meeting of Shareholders, no member or chairman of the Committees of the Board of Directors or the Nomination Board of the Shareholders, shall receive any fees based on membership of such Committees or Nomination Board of the Shareholders;
 - Effective as at the date of the Extraordinary General Meeting of Shareholders, reasonable travel expenses are reimbursed against receipts to the members of the Board, following the principles of the Company's Travel Policy. This applies both to members of the Board of Directors and, to the extent applicable, Board members acting as members of the Nomination Board of the Shareholders.
- In accordance with the proposal of the Board of Directors, the Extraordinary General Meeting of Shareholders resolved to authorize the Board of Directors to decide on issuance of new shares in connection and for the purposes of the Underwriting Issue and Directed Issue as follows:
 - The number of new shares to be issued based on the authorization may in total amount to a maximum of 22,202,190 shares, which (if completed to the fullest amount) for the existing shareholders could result in a dilution of up to approximately 39 percent, considering all registered shares of the Company on the date of the Board of Directors proposal but excluding any exercise of the Offer Warrants.
 - The authorization will be used to execute the contemplated Underwriting Issue and the Directed Issue i.e. the new shares will be issued to the Underwriters deviating from the shareholders' pre-emptive right through one or more directed share issue. 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 final allocation of the new shares to the Underwriters shall be resolved by the Board of Directors of the Company.
 - The share subscription price EUR 0.115 or SEK 1.24 per share is applicable in both the Underwriting Issue and the Directed Issue.
 - The Board of Directors shall decide on all other terms and conditions of issuance of the new shares applicable in both the Underwriting Issue and the Directed Issue. The authorization is valid until 31 December 2019.

On 15 November 2019, Nexstim announced that based on a resolution of the Board of Directors of Nexstim Plc announced on 11 November 2019, 15,687,350 new shares were subscribed for. Upon approval of such subscriptions, the Company will receive approximately EUR 1.8 million in proceeds for such directed issue excluding underwriting fees as well as other fees and expenses. As announced on 21 October 2019, 6 November 2019 and 11 November 2019 by the Company, Offer Warrants issued in spring 2019 have been exercised for share subscriptions and the Company has arranged a directed share issue. The combined gross proceeds of the exercise of the Offer Warrants and the directed share issue amounted to approximately EUR 2.9 million and net proceeds to approximately EUR 2.7 million after deducting fees and expenses.

On 18 December 2019, the Company announced that The Board of Directors of Nexstim Plc had resolved on a directed share issue in which in total 1,186,718 new shares of the Company are issued to Kreos Capital V (UK) Limited ("Kreos") against a subscription price of EUR 0.119 per share on terms that the aggregate subscription price of such new shares EUR 141,219.44 shall be paid by setting-off the loan receivable of Kreos against the Company.

Major Events after the Financial Period

On 16 January 2020, Nexstim announced that technology licencing discussions ended with a leading California based academic institution. The institution, at this time, had decided not to pursue licencing negotiations with third parties, as they have received full NIH (National Institutes for Health) funding for their clinical and software development programme. Nexstim and the institution are now actively considering other forms of possible collaboration.

On 11 February 2020, the Company announced that Martin Jamieson had decided to leave his positions as the CEO of the Company and as a member of the Board of Directors of Nexstim, effective immediately. Nexstim's Board of Directors appointed Mikko Karvinen as interim CEO and Joonas Juokslahti as interim CFO with immediate effect.

Nexstim has no other major events to report after the financial period.

Major Risks and Uncertainties

Nexstim's operations, finances and shares involve risks that may be significant for the company and its share value. These risks are assessed by the board of directors twice a year as part of the strategy and business planning process. The risks

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are published fully in the financial statement and in the annual report of the board of directors. The half-yearly reports only present the changes in short-term risks.

The Company has updated its estimates on working capital and going concern. More information about the updated estimate is available in this report under section “Financing and Liquidity”.

Risks relating to the Company and its business operations:

- The Company has a history of operating losses and the operations may never become profitable
- Funding received from Kreos or Business Finland may become repayable prematurely and additional funding may not be available
- The Company's working capital is not sufficient to meet the Company's requirements for the coming 12-month period from the date of the report
- Not all of the Company's products have an established market position
- The Company's products will require certain authorisations before commercialisation, such as FDA clearance for the NBT[®] System in connection with use in chronic neuropathic pain before commercialisation, and currently not all required approvals or permits have been granted and there can be no assurance that such approvals and permits will be granted or successfully maintained
- The Company may not be able to get the reimbursement codes and reimbursement coverage for new indications
- Healthcare providers and hospitals may not adopt the Company's technology and treatment modality in the estimated manner or extent
- The Company may divest a part of its business operations (including intellectual property rights and/or R&D personnel) or may be delisted in connection with a transaction but yet there is no certainty that such divestment or other transaction would be completed successfully or completed at all
- The Company's operations may be interrupted due to problems associated with its suppliers
- The Company may not be able to maintain the required certifications or approvals
- The Company may not be able to sufficiently protect or enforce its intellectual property rights
- The Company may infringe third party intellectual property rights or claims may be made against the Company on such infringements
- Markets do not necessarily develop to the desired direction or extent; the technology and products of the Company may not remain competitive
- The expected income from capitalised development costs and intangible rights may prove to be weaker than expected
- Writedown of group internal receivables or subsidiary shares may weaken the parent company equity or result as parent company equity to become negative
- The Company may not be able to utilise all tax losses incurred
- There may be changes in reported profitability or financial position due to changes in accounting regulation or possible future decision to start to apply international Financial Reporting Standards
- The Company may become subject to product liability claims and other claims
- The Company may in the future be involved in litigation and arbitration proceedings
- The Company may be adversely affected by financial difficulties or bankruptcy of one or more of its customers, partners, suppliers or other counterparties
- The Company is reliant on its information systems
- The Company is reliant on its ability to recruit and retain relevant key personnel
- The Company is reliant on its ability to find and retain research and co-operation partners
- The Company has limited experience in sales, marketing and distribution
- The Company must comply with complex legislation and regulations applicable to its business, and any breach of such legislation or regulations may have onerous consequences
- The insurance coverage of the Company may not be comprehensive and the Company may not be fully insured against all risks
- The Company may be adversely affected by increasing costs in the health technology industry and cost efficiencies in healthcare

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- The Company could encounter difficulties in refinancing its debt
- The Company will need a substantial amount of additional financing in the future in order to continue to commercialise its NBT[®] System

Risks relating to the shares:

- The company's majority shareholders can influence the governance of the company, and the interests of the company's majority shareholders may differ from the interests of the company's minority shareholders
- The market price is subject to price volatility, possible the lack of liquidity and fluctuations in the exchange rates
- Holders of Shares in the company registered in custodial nominee accounts may not be able to exercise their voting rights
- The amount of possible future dividends to be distributed to shareholders is uncertain
- Future issues or sales of a substantial number of shares or rights entitling to shares could have a negative effect on the market price of the shares and cause dilution
- Possible negative rumours could have a negative effect on the market price of the shares

Risks relating to general economic conditions:

- The Company may be adversely affected by changes in the financial markets and economic conditions generally
- The Company may be adversely affected by fluctuations in exchange rates
- The Company may be adversely affected by fluctuations in interest rates

Share and Shareowners

As at December 31, 2019, the fully paid-up share capital of Nexstim Plc amounts to EUR 80,000.00, consisting of 62,786,630 shares. The Shares have no nominal value. Nexstim has one series of shares, which have an ISIN code of FI4000354162. As at the end of financial period 2019, Nexstim had no treasury shares. Each Share entitles its holder to one vote at the general meetings of shareholders of Nexstim Plc. The Shares are issued under Finnish law.

Nexstim Plc shares are listed in Helsinki Stock Exchange, Nasdaq First North Growth Market Finland and at the Stockholm Stock Exchange, Nasdaq First North Growth Market Sweden. Below presented share price information from Nasdaq First North Growth Market Finland is in euro (EUR) and share price information from Nasdaq First North Growth Market Sweden is in Swedish krona (SEK). The number of shares and share prices have been adjusted in the below presented year 2018 comparison figures marked with a * to account the effect of the reverse share split on 26 November 2018, where the number of shares was decreased 30-fold.

On January 1–December 31, 2019, the highest price of the company share was EUR 0.90 (2018: EUR 1.40) and SEK 8.60 (2018: SEK 15.89), the lowest price was EUR 0.07 (2018: EUR 0.05) and SEK 0.81 (2018: SEK 0.47), and the average price was EUR 0.15 (2018: EUR 3.08*) and SEK 1.71 (2018: SEK 32.77*). The closing price for 2019 on December 30, 2019, was EUR 0.12 (2018: EUR 0.60) and SEK 1.22 (2018: SEK 5.80).

In public trading on January 1–December 31, 2019, a total of 72,341,435 shares were traded, which corresponds to 262.0 percent of the average number of shares on the said period. On January 1–December 31, 2019, there were 27,611,274 shares on the average.

The market value of the share capital at the closing price of 2019, EUR 0.12 and SEK 1.22, on December 30, 2019, was EUR 7,220 thousand (2018: EUR 1,956) and SEK 76,286 thousand (2018: 18,875).

On December 31, 2019, the company had 6,044 (2017: 5,984) shareowners including the nominee registers (6 registers). The share of nominee registered ownership was 42.9 percent (2018: 52.4) of the total number of shares.

Nexstim Plc Board of Directors had on December 31, 2019 the following authorizations granted.

In accordance with the proposal of the Board of Directors, the 11 November 2019 Extraordinary General Meeting of Shareholders resolved to authorize the Board of Directors to decide on issuances of new shares either against payment or without consideration as follows:

The authorization would be given to a maximum quantity of 10,000,000 new shares.

The new shares may be issued to the Company's shareholders in proportion to their current shareholdings in the Company or deviating from the shareholders' pre-emptive right through one or more directed share issue, if the Company has a weighty financial reason to do so, such as developing the Company's equity structure, minimize or reduce debts,

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implementing mergers and acquisitions or other restructuring measures aimed at developing the Company's business, financing of investments and operations or using the shares as a part of the Company's remuneration and compensation system. The Board of Directors shall decide upon terms and scope related to share issues.

At the end of the reporting period the authorisation left is for a maximum of 8,813,282 shares and the authorization is valid for one year from the Extraordinary General Meeting.

According to the share register maintained by Euroclear Finland Oy, the share ownership of the 20 largest Nexstim Plc shareowners at the end of year 2019 was as follows.

	Shareholder	No. of shares	Holding %
1.	Nordea Bank ABP*	24,199,301	38.54
2.	Kaikarhenni Oy	8,685,626	13.83
3.	Haapaniemi Ossi	5,124,744	8.16
4.	Danske Bank AS Helsinki Branch*	1,361,930	2.17
5.	Kalksten Properties Koy	1,242,915	1.98
6.	Clearstream Banking S.A.*	1,030,567	1.64
7.	Syrjänen Eva Annika Elisabeth	980,341	1.56
8.	Pyykönen Riku Tapani	720,000	1.15
9.	Kivi Esko	605,270	0.96
10.	Jokinen Jukka Erkki	500,000	0.80
11.	Antero Järvi	350,000	0.56
12.	Partanen Juha Veikko	331,582	0.53
13.	Niukkanen Pentti Juhani	330,015	0.53
14.	Filen Harri Johannes	310,186	0.49
15.	Himanka Reijo Juhani	275,011	0.44
16.	Nurkkala Aaro Pellervo	260,000	0.41
17.	Toivanen Capital Oy	243,160	0.39
18.	Ruponen Esa Juhani	202,020	0.32
19.	Laukka Sami Jukka Matias	200,000	0.32
20.	Salmela Veijo Ensio	160,468	0.26

*Nominee registered shareholders

Board of Directors and the Company's Management

Board of Directors

The following were members of the Nexstim Plc's board of directors during 2019: Leena Niemistö (Chairman since 11 November 2019), Martin Jamieson (Chairman until 11 November 2019 and ordinary member since), Rohan Hoare (Deputy Chairman since 11 November 2019), Juliet Thompson (Deputy Chairman until 14 October 2019), Kenneth Charhut (until 14 October 2019), Martin Forss (since 11 November 2019), Tomas Holmberg. The Board of Directors convened 21 times during 2019.

CEO

Martin Jamieson acted as CEO of Nexstim Plc and group during 2019.

Management team

The following members were part of Nexstim group management team during 2019: Martin Jamieson (CEO), Steve Beller (Vice President and General Manager, North America), Henri Hannula (Vice President, International Sales and Marketing), Gustaf Järnefelt (Vice President, R&D), Mikko Karvinen (CFO), Hanna Kotola (Vice President, Legal, Quality & Regulatory Affairs), Jarmo Laine (Vice President, Medical Affairs).

Board of Directors' Proposal on the Dividend

Since it was founded, the Company's operations have been unprofitable, and no dividend has been distributed. In the

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forthcoming years, the Company will focus on financing the growth and the development of its business and the Company will adhere to a very stringent dividend policy, tied to the Company's results and financial standing. The Company does not expect to be able to distribute dividends in the near future. In the event dividends are distributed, all Shares will be entitled to equal dividends.

At the end of the financial period of 2019, the distributable assets of the group's parent company were EUR 12,268,771.99. The Board of Directors proposes that Nexstim Plc should not pay any dividend for the financial period of 2019.

Helsinki 28 February 2020

Nexstim Plc
Board of Directors

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

Publication of financial information during year 2020

A conference call for analysts, investors and media will take place at 15:00 Finnish time (EET) on Friday 28 February 2020. The call will be hosted by Mikko Karvinen, CEO and Joonas Juokslahti, CFO, who will present the financial and operational results followed by a Q&A session.

The dial-in numbers for the conference call are:

Finland: +358 (0) 9 2319 5437
Sweden: +46 (0) 8 50520 424
UK: +44 (0) 20 3003 2666

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USA: +1 212 999 6659
Standard International: +44 (0) 20 3003 2666

The call password is Nexstim

Half-Yearly Report January-June 2020 (H1) will be published on Friday, August 14, 2020 Nexstim Annual Report 2019 (Report of the Board of Directors, the Financial Statements and Consolidated Financial Statements and the Auditor's Report) will be published on company web pages on Friday, March 6, 2020. The Annual General Meeting is tentatively scheduled to be held on Tuesday, March 31, 2020 at 10:00 am

Basis of preparation of the financial statement release

Nexstim Plc's financial statements have been prepared in accordance with the Finnish Accounting Regulation and presented in accordance with the rules First North marketplace. The financial statement information presented in the financial statement release is audited. The figures presented have been subject to rounding adjustments.

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CONSOLIDATED INCOME STATEMENT

Thousand euro	1 July- 31 December 2019	1 July- 31 December 2018	1 January-31 December 2019	1 January-31 December 2018
NET SALES	2,130.7	1,592.8	3,348.1	2,672.2
Work performed for own purpose and capitalised	20.2	17.1	38.9	36.3
Other operating income	17.5	23.5	24.1	33.7
Materials and services				
Materials				
Purchases during the financial year	-949.3	-298.5	-1,269.7	-628.5
Variation in inventories additions (+)/disposal (-)	257.9	-47.6	226.3	-82.1
Total	-691.4	-346.2	-1,043.4	-710.3
Personnel expenses				
Wages and salaries	-2,264.2	-2,062.9	-3,997.7	-3,353.0
Social security expenses				
Pension expenses	-188.6	-197.3	-330.1	-336.5
Other social security expenses	-181.2	-153.5	-385.2	-248.0
Total	-2,634.0	-2,413.7	-4,713.0	-3,937.5
Depreciation and amortisation				
Depreciation and amortisation according to plan	-319.3	-269.6	-524.6	-424.0
Total	-319.3	-269.6	-524.6	-424.0
Other operating expenses	-1,679.3	-2,184.7	-3,985.9	-3,985.9
OPERATING PROFIT / -LOSS	-3,155.5	-3,580.7	-6,517.4	-6,315.6
Financial income and expenses				
Other interest income and other financial income	890.6	-2.2	1,286.1	858.1
Interest and other financial expenses	-852.6	-130.5	-1,545.5	-695.1
Total	38.0	-132.7	-259.5	163.4
PROFIT / -LOSS BEFORE TAXES	-3,117.5	-3,713.4	-6,776.9	-6,152.6
Income taxes	-0.2	-0.4	-5.7	-1.7
PROFIT / -LOSS FOR THE FINANCIAL YEAR	-3,117.8	-3,713.8	-6,782.6	-6,154.3

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CONSOLIDATED BALANCE SHEET

Thousand euro

	31 December 2019	31 December 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenditure	73.7	71.6
Intangible rights	290.3	358.2
Total	363.9	429.9
Tangible assets		
Machinery and equipment	859.4	464.7
Total	859.4	464.7
Investments		
Other shares and similar rights of ownership	0.0	10.0
Total	0.0	10.0
NON-CURRENT ASSETS TOTAL	1,223.3	904.6
CURRENT ASSETS		
Inventories		
Raw materials and consumables	485.1	258.8
Total	485.1	258.8
Receivables		
Trade receivables	1,179.6	888.9
Prepayments and accrued income	257.5	307.7
Other receivables	243.0	126.9
Total	1,680.1	1,323.5
Cash in hand and at banks	4,266.2	7,175.2
CURRENT ASSETS TOTAL	6,431.4	8,757.4
ASSETS TOTAL	7,654.7	9,662.1

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Thousand euro

	31 December 2019	31 December 2018
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80.0	80.0
Reserve for invested unrestricted equity	46,086.6	39,480.6
Retained earnings / -loss	-40,124.1	-33,700.5
Profit / -loss for the financial year	-6,782.6	-6,154.3
TOTAL EQUITY	-740.1	-294.3
LIABILITIES		
NON-CURRENT LIABILITIES		
Capital loans	0.0	100.0
Other interest-bearing loans	5,288.4	7,063.4
Deferred income	0.0	0.0
Total	5,288.4	7,163.4
CURRENT LIABILITIES		
Bank loans	988.6	1,103.8
Trade payables	739.7	597.1
Other liabilities	517.4	290.6
Accrued expenses	860.7	801.4
Total	3,106.4	2,792.9
TOTAL LIABILITIES	8,394.8	9,956.3
EQUITY AND LIABILITIES TOTAL	7,654.7	9,662.1

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CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Share capital	Share issue	Share premium account	Reserve for invested unrestricted equity	Retained earnings	Equity total
Equity on 31 December, 2018	80.0	0.0	0.0	39,480.6	-39,854.9	-294.3
Issue of shares				6,606.0		6,606.0
Profit / -loss for the period					-6,782.6	-6,782.6
Translation difference					-269.2	-269.2
Equity on 31 December, 2019	80.0	0.0	0.0	46,086.6	-46,906.7	-740.1

	Share capital	Share issue	Share premium account	Reserve for invested unrestricted equity	Retained earnings	Equity total
Equity on 31 December, 2016	80.0	0.0	0.0	38,519.1	-33,078.3	5,520.8
Issue of shares				961.5		961.5
Profit / -loss for the period					-6,154.3	-6,154.3
Translation difference					-622.2	-622.2
Equity on 31 December, 2017	80.0			39,480.6	-39,854.9	-294.3

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CONSOLIDATED CASH FLOW STATEMENT

EUR in thousands	1 January – 31 December 2019	1 January – 31 December 2018
Cash flows from operating activities		
Profit / -Loss for the financial period	-6,782.6	-6,154.3
Adjustments:		
Depreciation and amortisation according to plan	524.6	424.1
Other adjustments (income -/ expense +)	-269.2	-622.2
Financial income and expenses	259.5	-163.0
Cash flows before change in working capital	-6,267.7	-6,515.5
Change in working capital:		
Increase (-) or decrease (+) in current receivables	65.5	703.0
Increase (-) or decrease (+) in inventories	-226.3	128.3
Increase (+) or decrease (-) in current interest-free payables	428.7	-109.9
Cash flows from operations before financial items and taxes	-5,999.9	-5,794.2
Interest and other financial expenses paid	-681.6	-398.3
Cash flows from operating activities (A)	-6,681.5	-6,192.5
Cash flows from investing activities		
Investments in intangible and tangible assets	-843.3	-610.8
Cash flows from investments (B)	-843.3	-610.8
Cash flows from financing activities		
Share issue	6,606.0	961.5
Drawing (+) or repayment of long-term loans (-)	-1,990.2	4,543.4
Cash flows from financing activities (C)	4,615.8	5,504.8
Change in cash in hand and at banks	-2,909.0	-1,298.4
Cash in hand and at banks in the beginning of the period	7,175.2	8,473.6
Cash in hand and at banks at end of the period	4,266.2	7,175.2

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MATERIAL TRANSACTIONS WITH RELATED PARTIES

Nexstim's related parties include Nexstim's subsidiaries, the members of Nexstim's board of directors, the managing director, the members of Nexstim's management team and shareholders having significant influence over the Company. The Company's related parties further include close family members of such persons and entities in which such persons have a controlling interest.

The Company didn't have material transactions with related parties during the reporting period.

CONTINGENT LIABILITIES

EUR in thousands	31 December 2019	31 December 2018
Guarantees	41.2	55.0
Leasing liabilities	52.3	51.8

The following assets are pledged, by Nexstim and its respective subsidiaries, pursuant to security agreements as security for the amounts payable under the EUR 4 million Kreos loan agreement: Nexstim's bank accounts, promissory notes establishing a business mortgage over Nexstim's assets, intra-group loan receivables, the Nex 10 and Nex 15 patent families and trademarks as specified in the relevant agreement and the shares in Nexstim's UK subsidiary Nexstim Ltd and shares in Nexstim's German subsidiary Nexstim Germany GmbH; the shares in Nexstim's US subsidiary Nexstim, Inc. as well as its assets capable of being pledged; and the bank accounts and receivables of Nexstim's German subsidiary Nexstim Germany GmbH. The Security Agreements also include Nexstim's US subsidiary Nexstim, Inc.'s guaranty agreement.

The company has on June 2, 2015 agreed on a new payment plan with Valtiokonttori related to February 8, 2001 signed capital loan agreement of EUR 500.0 thousand. According to the new payment plan the capital will be repaid in full during the years 2016-2020 in fixed amortization schedule. The accumulated accrued unpaid interest on the capital loans of the company amounted to EUR 117.4 thousand at 31 December 2019 and it has been recognised as an expense in income statement and as a liability on the balance sheet.