



NEXSTIM PLC'S FINANCIAL STATEMENTS RELEASE 2021

Company announcement, Helsinki 28 February 2022 at 9 am (EET)

THE BEST FINANCIAL YEAR IN NEXSTIM'S HISTORY IN TERMS OF NET SALES, OPERATING RESULT, AND RESULT FOR THE PERIOD

The figures in parentheses refer to the previous year's comparative period, unless otherwise stated.

July–December 2021

- The company's net sales increased by 37.6%, to EUR 3.4 million (2.5).
- Net sales growth adjusted for currency exchange rates was 37.7%, which is 0.1 percentage points higher than the reported growth
- System sales were EUR 2.0 million (1.3), with an increase of 64.6%. Recurring revenues were EUR 1.5 million (1.2), with an increase of 12.9%
- The operating result was EUR -0.5 million (-1.5). The operating loss decreased by 63.3%.
- This was the first profit-making review period in the company's history. The result for the review period was EUR 0.1 million (-3.0).
- Nexstim agreed on a strategic investment in the service company of a Californian clinic (PNC Management, LLC), which provides treatment for patients with depression. The value of the investment is around EUR 0.5 million.

January–December 2021

- The company's net sales increased by 55.5%, to EUR 6.4 million (4.1).
- Net sales growth adjusted for currency exchange rates was 56.0%, which is 0.44 percentage points higher than the reported growth
- System sales were EUR 3.7 million (1.7), with an increase of 113.0%. Recurring revenues were EUR 2.7 million (2.4), with an increase of 13.1%
- The operating result was EUR -1.5 million (-3.3). The operating loss decreased by 56.4%.
- The result for the period was EUR -0.8 million (-4.1). The operating loss decreased by 79.8%.
- The net sales of the diagnostics business (NBS) increased by 71.4%, to EUR 3.7 million (2.2).
- The net sales of the therapy business (NBT[®]) increased by 37.9%, to EUR 2.7 million (2.0).
- A successful rights issue was carried out during the spring. The issue was oversubscribed, generating EUR 6.6 million in new equity.

Major events after the 2021 financial year

- On 14 February 2022, the company announced that it had signed an agreement on licensing its proprietary technology to Magnus Medical, Inc., a medical technology company in the United States. The total value of the licence agreement is estimated at around EUR 17 million.

Business Overview

Nexstim is a Finnish medical technology company operating in international markets. Its proprietary navigated Transcranial Magnetic Stimulation (nTMS) technology allows for personalised treatment and diagnostics for patients with challenging brain diseases and disorders. Nexstim provides solutions for non-invasive brain stimulation through diagnostic (NBS system) and therapy (NBT[®] system) applications. '

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Key performance indicators

EUR in thousands	7–12/2021 6 months	7–12/2020 6 months	Change, %	1–12/2021 12 months	1–12/2020 12 months	Change, %
Net sales	3,438.9	2,499.5	37.6%	6,397.5	4,114.0	55.5%
Gross margin	2,870.2	1,866.8	53.8%	5,262.0	3,139.1	67.6%
Gross margin, %	83.5%	74.7%		82.3%	76.3%	
Personnel expenses	-2,319.6	-2,134.2	8.7%	-4,347.8	-3,731.5	16.5%
Other operating expenses	-1,528.3	-1,065.6	43.4%	-3,083.3	-2,429.3	26.9%
Operating result	-549.4	-1,496.2	-63.3%	-1,452.2	-3,332.7	-56.4%
Result for the period	114.2	-2,952.5		-832.1	-4,121.6	-79.8%
Earnings per share*	0.02	-0.67		-0.14	-1.54	-91.1%
Diluted earnings per share (EUR)*	0.02	-0.62		-0.13	-1.42	-91.1%
Cash flow from operating activities	-190.3	-1,164.1	-511.7%	-2,109.0	-2,724.7	-29.2%
Cash in hand and at banks	5,194.7	3,455.8	50.3%	5,194.7	3,455.8	50.3%
Total equity	3,202.7	-1,469.1		3,202.7	-1,469.1	
Equity ratio (%)	34.7%	-28.3%		34.7%	-28.3%	

* The numbers of shares used in the calculation of earnings per share have been adjusted for the share reduction implemented on 17 May 2021, in which the number of shares was divided by 100.

Future outlook

Based on business forecasts, the company expects its revenue to continue to grow during year 2022, and the operating result for the financial year to be positive.

Mikko Karvinen, CEO of Nexstim:

The second half of 2021 was a period of rapid growth for Nexstim, and we achieved historic development in terms of net sales and the operating result. This was the first profit-making review period in the company's history. Our business operations have continued to adapt very well to the changes in the operating environment caused by the COVID-19 pandemic, and our total net sales reached EUR 3.4 million (2.5) during the second half of 2021, with a record growth rate of 37.6%. Our exceptionally rapid growth was partly due to the delivery of two prototype systems, EUR 0.9 million in total, in the second half of 2021. System sales in the review period were EUR 2.0 million (1.3), with an increase of 64.6%.

Our full-year net sales in 2021 reached a new record level, at EUR 6.4 million (4.1), with an increase of 55.5%. Total net sales were mainly driven by exceptionally good system sales, at EUR 3.7 million (1.7), with an increase of 113.0%.

During the second half of 2021, we continued to focus on investments in accelerating our sales growth, as well as on securing the service business of our existing NBS and NBT® customer base and increasing the utilisation rate of our installed base. In February 2022, we announced that we had signed an agreement on licensing technology to Magnus Medical, Inc., a medical technology company in the United States. The technology to be licensed is related to the NBT® system, with certain restrictions, and the related patents, and the use of the licence is restricted to the treatment of

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neuropsychiatric disorders. Nexstim's software applications and the modelling of stimulating electrical fields are excluded from the licence. The total value of the licence agreement is estimated at around EUR 17 million. The financial structure of the licence agreement consists of a signing fee of around EUR 3.5 million and, based on Magnus Medical's projected net sales, technology royalties of around EUR 13 million for the agreed royalty period of up to 5 years, starting from the commercialisation of the technology.

Strong growth in both the diagnostics and therapy business

The diagnostics business (NBS) was a significant source of income for Nexstim during the review period, and its net sales increased by 67.2%, to EUR 2.1 million (1.3). Despite the COVID-19 pandemic, we sold and delivered nine new NBS systems during the review period. We also ensured the continuity of the NBS service business despite the difficult customer environment, and did not lose any service contract customers, as neurosurgery procedures at hospitals continued almost unchanged. During 2021, we continued to invest in the growth of the diagnostics business by recruiting new sales team members to our organisation in the United States, for example. One example of our continued investment in the diagnostics business in the United States was the new NBS5+ system, which we introduced in October 2021. The new NBS System 5 configuration (NBS5+) is now also available in the United States, enabling the use of diagnostic and therapeutic applications in the same system. All the FDA 510(k) indications are now available in the same system in the US market, which is important.

The net sales of the therapy business increased by 7.1% during the second half of 2021, amounting to EUR 1.3 million (1.2). During the review period, we sold three new NBT[®] systems: one to North America and two to Europe for the treatment of severe depression. At the end of the review period, our global installed base in the therapy business was 51 systems: 21 in North America and 30 in Europe and the rest of the world. These are used for the treatment of depression and chronic neuropathic pain and include both NBT and NBS systems.

In addition to the deliveries mentioned above, we had an order backlog of EUR 1.0 million at the end of 2021.

Nexstim's cash and cash equivalents totalled EUR 5.2 million on 31 December 2021. The company's profitability improved significantly during 2021, and our solvency has also improved accordingly. In addition to this favourable development, a signing fee of around EUR 3.5 million from Magnus Medical in February 2022 has further improved the company's solvency and cash adequacy. Through profitable growth, we are seeking to minimise any needs for new equity, and the company is not currently planning new financing rounds.

Growth supported by recurring revenue

We have also seen growth in recurring revenue, driven by high-margin after-sales products consisting of services, support functions, spare parts, and disposables. Recurring revenue represented 42.9% of our total net sales in the second half of the year. Recurring revenue (total net sales in the therapy business, excluding NBT[®] system sales) covered 63.1% of the net sales of the therapy business in the second half of 2021.

Our strategy focuses on growth and profitability

In line with our strategy until 2024, Nexstim continues to enable personalised and effective therapies and diagnostics for challenging brain diseases and disorders. Updated in 2021, our strategy will rely on strong growth in diagnostics and therapy in the coming years. Growth and profitability development in our diagnostics and therapy business play a key role in our efforts to minimise future equity needs on our journey towards profitability. Our selected therapeutic applications (MDD, severe depression, and chronic pain) represent indications where our unique technology is already delivering recognisable clinical outcomes and customer profitability.

Strategy implementation is progressing

In terms of operating activities, 2021 was our first full year of executing our renewed strategy. We continued our targeted investments in sales growth in both the diagnostics and therapy businesses. We also focused strongly on service business development, and on increasing the utilisation rate of our installed base. In the diagnostics business, commercial

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development takes place through our own direct sales (in the United States and Germany), and globally through distribution partnerships.

We are also seeking to further increase the number of systems installed for the treatment of severe depression, in line with our renewed strategy, mainly in co-operation with our valued partner clinics at this point. Our new partnerships focus on strategic investments in service companies, especially in North America, as well as on new partnership opportunities in the EU and Asia. At the end of 2021, we signed an agreement and strategic co-operation and a minority interest in PNC Management Services, LLC. This is our first step on this important strategic development path. Nexstim makes TMS treatment available for patients with severe depression, and our co-operation with clinics enables us to be close to the patients and collect more accurate information at the patient interface. We are excited about our partnership agreement with Dr Kuluva and his Piedmont Neuroscience Center because we believe that our co-operation creates excellent conditions for growth and improved profitability in the future. Through our co-operation with Dr Kuluva, Nexstim's TMS technology can be used to treat a growing number of patients in California.

At the same time, we are continuing to raise awareness of our NBT[®] system in the market. We are aiming to achieve this by increasing the number of patients with severe depression being treated using our NBT[®] system. As the number of patients increases and research data on pilot trials of new accelerated treatment protocols accumulate, we will be able to collect more clinical data to demonstrate the usefulness of our unique system to numerous patients with depression. We use this information to support our marketing efforts, and we believe it will increase the roll-out of new NBT[®] systems. We are also seeking to continue to benefit from our strong network of leading experts, as well as from the treatment data in the patient register. In February 2022, we published clinical results concerning 311 patients who had completed NBT therapy for severe depression (MDD) at clinics in the United States. Around 50% of the patients achieved clinical remission, and 77% achieved clinical response at the end of the treatment. We will continue to collect this invaluable data during 2022.

Creating future growth paths

In 2020, accelerated treatment protocols became the focus of Nexstim's strategic development. We are delighted that we were able to take a significant step in our technological co-operation with Magnus Medical. Our licence agreement offers unique opportunities for the operations of both Nexstim and Magnus Medical. In addition to providing financial benefits, we see that the licence agreement drives significant progress in the extensive use of our technology, and it also creates opportunities for us to target our resources at other areas of business during the royalty period. In accordance with its strategy, Nexstim will continue the commercialisation of its products in the United States, with an emphasis on expanding the network of partner clinics and the diagnostics business. The licence agreement does not affect the company's existing customer relationships, and we are expecting to continue to generate recurring revenue in the therapy business in the United States. Outside the United States, Nexstim will continue to focus on actively growing its therapy business, in addition to the diagnostics business. In the licensing business, the company sees excellent prospects for the commercial use of its proprietary technology and patents.

We are confident we can increase our market share by further emphasising the unique capabilities of the NBT[®] system. This can be accomplished by clearly differentiating our system from the TMS systems currently on the market that do not have navigation capabilities.

During autumn 2020, we launched two clinical pilot studies in Finland to better understand the ability of Nexstim's NBT[®] system to treat patients by using accelerated treatment protocols. In March 2021, we published encouraging preliminary results from a pilot study on the treatment of ten patients with severe depression at Kuopio University Hospital. All the patients completed the study, and no serious adverse effects occurred. The treatment alleviated the symptoms for all ten patients in accordance with the Hamilton Depression Rating Scale (HAMD-17). Their scores had decreased by 37% on average ($p < 0.001$) from the start level. We continued the pilot study on the treatment of severe depression at Kuopio University Hospital during the second half of 2021, in an effort to complete the treatment of a further 20 patients in mid-2022. In December 2021, we received preliminary results from a pilot study on the treatment of therapy-resistant chronic neuropathic pain at Helsinki University Hospital. None of the patients experienced severe adverse effects or clinically significant pain relief. Although more effective pain relief than with conventional rTMS treatment was not detected in this small group of therapy-resistant patients, we are pleased that Helsinki University Hospital has used Nexstim's NBT[®] system for a long time and has achieved clinically significant pain relief in around 50% of patients. We are continuing to

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develop new ways to help this group of patients in the future.

Creating shareholder value

I would like to thank Nexstim's customers, employees, partners, and investors for helping us make 2021 a record-breaking year. Although the COVID-19 pandemic continues, we are feeling confident about 2022. Nexstim is determined to continue its work to enable personalised and effective therapies and diagnostics for challenging brain diseases and disorders. We strongly believe that our work supports the growth of shareholder value over the long term, in the form of stronger competitive advantages, rapid growth, and better financial performance. While being optimistic about the future again, we are continuing to closely monitor the development of the COVID-19 pandemic in our business operations.

Nexstim's business areas

Diagnostics business (NBS)

- 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 tumour 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.
- NBS systems have been sold to around 200 research universities and leading hospitals across the world.

Therapy business (NBT®)

- Nexstim's NBT® platform is based on its unique navigated Transcranial Magnetic Stimulation (nTMS) technology, which allows for personalised, accurate, reproducible, and non-invasive brain stimulation.
- In May 2018, Nexstim launched its Navigated Brain Therapy (NBT®) system in the United States for the treatment of MDD, following FDA clearance in November 2017.
- More than 300 million people worldwide are suffering from severe depression (MDD), with 20–40% of patients not responding to current treatment options. As a result, the treatment of 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.
- We are planning to continue medical pilot studies during 2022 on accelerated treatment protocols related to severe depression.
- We have an active commercial installed base of 51 NBT® systems across three continents.

Financial review 1 July to 31 December 2021 and 1 January to 31 December 2021

Operating results

Net sales

Net sales between 1 July and 31 December 2021 were EUR 3,439.0 thousand (2,499.5), with an increase of 37.6%. Net sales between 1 January and 31 December 2021 were EUR 6,397.5 thousand (4,114.0), with an increase of 55.5%. Total net sales consist of system sales in the diagnostics and therapy businesses and recurring revenue.

Between 1 July and 31 December 2021, system sales represented EUR 1,965.1 thousand (1,193.8) of total net sales, with an increase of 64.6%. Recurring revenues were EUR 1,473.8 thousand (1,305.7), with an increase of 12.9%. Between 1 January and 31 December 2021, system sales represented EUR 3,721.3 thousand (1,747.3) of total net sales, with an increase of 113.0%. Recurring revenues were EUR 2,676.2 thousand (2,366.6), with an increase of 13.1%.

Net sales in the diagnostics business between 1 July and 31 December 2021 were EUR 2,119.1 thousand (1,267.4), with an increase of 67.2%. This included EUR 1,478.3 thousand (913.6) in system sales and EUR 640.8 thousand (353.8) in recurring revenue. Net sales in the diagnostics business between 1 January and 31 December 2021 were EUR 3,705.5

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thousand (2,162.2), with an increase of 71.4%. This included EUR 2,800.5 thousand (1,467.1) in system sales and EUR 905.0 thousand (695.1) in recurring revenue.

Net sales in the therapy business between 1 July and 31 December 2021 were EUR 1,319.8 thousand (1,232.1), with an increase of 7.1%. This included EUR 486.8 thousand (353.8) in system sales and EUR 833.0 thousand (951.9) in recurring revenue. Net sales in the therapy business between 1 January and 31 December 2021 were EUR 2,692.0 thousand (1,951.8), with an increase of 37.9%. This included EUR 920.8 thousand (280.2) in system sales and EUR 1,771.2 thousand (1,671.6) in recurring revenue.

Net sales adjusted for currency exchange rates between 1 July and 31 December 2021 were EUR 3,468.0 thousand. Net sales growth adjusted for currency exchange rates was 37.69%, which is 0.11 percentage points higher than the reported growth. The corresponding net sales between 1 January and 31 December 2021 were EUR 6,470.5 thousand. Net sales growth adjusted for currency exchange rates was 55.95%, which is 0.44 percentage points higher than the reported growth.

Significant items in the operating result

Capitalised fixed assets totalled EUR 513.6 thousand (3.1) between 1 July and 31 December 2021, and EUR 958.5 thousand (38.9) between 1 January and 31 December 2021, consisting of capitalised development costs. The fixed assets capitalised during the review period are mainly related to the further development of the company's commercialised products.

Other operating income totalled EUR 185.5 thousand (11.5) between 1 July and 31 December 2021, and EUR 201.9 thousand (50.5) between 1 January and 31 December, consisting mainly of state subsidies granted to Nexstim Inc. due to the COVID-19 crisis.

Materials and services expenses totalled EUR -568.7 thousand (-632.7) between 1 July and 31 December 2021, and EUR -1,135.5 thousand (-974.9) between 1 January and 31 December 2021.

Personnel expenses totalled EUR -2,319.6 thousand (-1,807.0) between 1 July and 31 December 2021, and EUR -4,347.8 thousand (-3,731.5) between 1 January and 31 December 2021. The increase was mainly due to personnel changes, as well as to non-recurring cost-saving measures implemented in the comparative periods.

Other operating expenses totalled EUR -1,528.3 thousand (-1,065.6) between 1 July and 31 December 2021, and EUR -3,803 thousand (-2,429.3) between 1 January and 31 December 2021. The increase was due to increased sales and marketing activities, project-like external product development work, and non-recurring cost-saving measures implemented in the comparative periods.

Operating result

The operating result was EUR -549.4 thousand (-1,496.2) between 1 July and 31 December 2021. The loss decreased by 63.3%. The operating result was EUR -1,452.2 thousand (-3,332.7) between 1 January and 31 December 2021. The loss decreased by 56.4%.

Financial income and expenses

Net financial income and expenses amounted to EUR 664.7 thousand (-1,452.0) between 1 July and 31 December 2021, and to EUR 718.9 thousand (-259.5) between 1 January and 31 December 2021. Financial expenses consisted mainly of loan interest payments and costs related to the rights issue. Financial income consisted mainly of exchange gains related to loans to subsidiaries. Exchange rate differences arise because the operating currency of Nexstim Inc., a subsidiary of the Group, is the US dollar, and because Nexstim Plc, the parent company, has provided funding to Nexstim Inc. by means of a dollar-denominated loan.

Result for the period

The result for the period was EUR 114.2 thousand (-2,952.5) between 1 July and 31 December 2021, and EUR -832.1 thousand (-4,121.6) between 1 January and 31 December 2021, during which period the loss decreased by 79.8%.

Financial position

Non-current assets

The company's non-current assets were EUR 2,011.9 thousand (846.9). Intangible assets amounted to EUR 1,122.3 thousand, consisting mainly of capitalised development costs and intellectual property rights. Tangible assets amounted to EUR 434.9 thousand and consisted mainly of NBT[®] systems used for business operations. Investments totalled EUR

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454.7 thousand, consisting of a strategic investment in the service company of a Californian partner clinic (PNC Management Services, LLC).

Current assets

The company's current assets amounted to EUR 8,027.8 thousand (5,384.5). The change in current assets was mainly due to an increase in stock, cash assets, and trade receivables.

Total equity

Consolidated shareholders' equity totalled EUR 3,202.7 thousand (-1,469.1). The equity ratio increased significantly, to 34.7% (-28.3), following an increase in equity. The increase in equity was mainly due to the EUR 6.6 million rights issue carried out in spring 2021.

Liabilities

Non-current liabilities

The company's non-current liabilities totalled EUR 3,274.2 thousand (3,891.9). Its non-current liabilities mainly consist of interest-bearing long-term product development loans from Business Finland. During the review period, the company fully repaid its loan from Kreos.

Current liabilities

The company's current liabilities totalled EUR 3,562.7 thousand (3,808.6). Its current liabilities mainly consist of loans from financial institutions, prepayments received, trade payables, and accrued expenses.

Financing and liquidity

Liquid assets, consisting of cash in hand and at bank, totalled EUR 5,194.7 thousand (3,455.8). The company's solvency and cash position improved significantly in 2021, mainly due to the rights issue executed in spring 2021, as well as improved profitability. In addition, a signing fee of around EUR 3.5 million from Magnus Medical in February 2022 has further improved the company's solvency and cash position. The company is not currently planning any new financing rounds.

The company's net cash flow from operating activities during the review period was EUR -2,109.0 thousand (-2,724.7). The cash flow from operating activities was also affected by the fact that, because of the global component shortage, the company increased its stock of products for sale and components tied to production, and made advance payments in the amount of EUR 479.4 thousand to ensure the continuity of production.

Cash flow from investing activities in the review period was EUR -1,608.5 thousand (9.5). The increase mainly consisted of capitalised development costs, EUR 958.5 thousand, and an investment in the service company of a partner clinic in the United States, EUR 454.7 thousand.

Cash flow from financing activities in the review period was EUR 5,456.3 thousand (1,904.9), and mainly consisted of the net income from the share issue in spring 2021, as well as of loan withdrawals and repayments. The repayments of the loan from Kreos totalled EUR 988.9 thousand in the review period, and the loan was fully repaid on 31 December 2021.

Organisation and personnel

Nexstim's strategy is to recruit only employees who the company believes have the core competence and expertise to enable the company to operate efficiently. In compliance with this strategy, Nexstim has outsourced most of its operations such as production.

The Company is organized into five operative functions:

- Clinical;
- Research & Development (R&D);

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- Operations;
- Sales & Marketing, including After-sales and Service; and
- Administration, including Finance, Legal Affairs, Quality and Regulatory Affairs support functions.

At the end of the review period on 31 December 2021, the Nexstim Group had 35 permanent employees. Nexstim Plc (the parent company) had 26 permanent employees on 31 December 2021. Between 1 July and 31 December 2021, the Nexstim Group had an average of 35 permanent employees (2020: 31).

Strategy

Our mission

We enable personalised and effective therapies and diagnostics for challenging brain diseases and disorders.

Our vision

Our innovations create a possibility for a better life. With our technological knowhow, we set a new standard for the treatment of challenging brain diseases and disorders.

Our Values

- Science and clinical evidence
- Financial success
- Passion and commitment
- Ethics and responsibility

Key Strategic Objectives for Year 2022

- Continued profitable net sales growth, leading to our first operating profit-making financial year while also minimising future capital needs
- Expansion of Nexstim's network of exclusive neuroscience center partner clinics, especially in the United States

Major events during the review period

On 20 January 2021, the company announced decisions made by its Shareholders' Nomination Board. Rohan Hoare, who had served as a member of Nexstim's Board of Directors since 2016, and Tomas Holmberg, who had served as a member of Nexstim's Board of Directors since 2017, had announced that they would no longer be available for the 2021–2022 period. At its meeting, the Shareholders' Nomination Board decided to propose to the Annual General Meeting that Timo Hildén and Tero Weckroth be elected as new members of the Board of Directors.

On 8 February 2021, the company invited its shareholders to an Extraordinary General Meeting (EGM) to be held on 1 March 2021 to decide on the Board of Directors' authorisations to issue shares, option rights, and special rights.

After the EGM on 1 March 2021, the company announced the decisions made by the EGM. The EGM authorised the Board of Directors to decide on the company's share issues and the issue of option rights and other special rights entitling their holders to shares. Based on the authorisation, a maximum of 220,000,000 shares can be issued to meet financial needs, develop the capital structure, reduce or minimise debt, and implement possible mergers and acquisitions, as well as for other purposes of the company; and a maximum of 19,500,000 shares can be issued to implement the Board members' share plan and the management's and employees' long-term incentive plans, make arrangements related to the provision of incentives, and pay the Board of Directors' fees. In addition, the authorisation concerned the issue of a maximum of 5,000,000 shares to meet the company's future financing needs (e.g., rewards to be paid in shares in Nexstim for investors who make a significant subscription commitment in connection with a possible share issue), develop the capital structure, reduce or minimise debt, or implement any mergers and acquisitions, as well as for other purposes of the company.

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On 3 March 2021, the company presented an overview of the results of a pilot study carried out at Kuopio University Hospital. The company reported that the five-day treatment period for ten patients suffering from severe depression had been completed using the accelerated iTBS protocol with Nexstim's NBT® system. The treatment had alleviated the symptoms for all ten patients in accordance with the Hamilton Depression Rating Scale (HAMD-17). Their scores had decreased by 37% on average ($p < 0.001$) from the start level. One (10%) of the ten patients reached clinical remission, and three (30%) achieved clinical response, meaning an improvement of more than 50% on the scale. Two (29%) of the seven patients who made their five-week follow-up visit were in clinical remission, and three (43%) had achieved clinical response, compared with their HAMD-17 score at the start level.

On 8 March 2021, the company announced that its Board of Directors had decided to carry out a rights issue of around EUR 6.6 million, based on the authorisation granted by the Extraordinary General Meeting.

On 8 March 2021, the company announced, referring to its company release published earlier on the same day concerning the rights issue, that it had prepared an EU growth prospectus concerning the issue. The Financial Supervisory Authority approved the prospectus on 8 March 2021. The company's Board of Directors decided to publish the EU growth prospectus on 8 March 2021, and the prospectus was notified to Sweden.

On 7 April 2021, the company announced that, according to the final result of the rights issue, which ended on 29 March 2021 in Sweden and on 31 March in Finland, the issue was oversubscribed, and the subscription rate was 178.13% in relation to the shares offered. With the Share Issue, Nexstim raised gross funds of approximately EUR 6.6 million, which, after deduction of the fees and expenses of the Share Issue, amounted to approximately EUR 6.4 million.

On 7 April 2021, the company announced, with regard to the rights issue published on 8 March 2021, that subscription guarantees had been given to the company. Of the company's largest shareholders, Ossi Haapaniemi, Kyösti Kakkonen, Leena Niemistö, and their related-party companies/book-entry accounts, as well as certain members of the company's Board of Directors and Management Team, had made a commitment in connection with the above-mentioned rights issue, on certain conditions, to subscribe for around 47.83% of the shares. In line with the terms of the subscription commitments, the company granted a subscription guarantee reward to the shareholders who had made a commitment. The reward corresponded to a maximum of 4% of the total subscription commitment, meaning 4,205,236 shares in the company without consideration. After the new shares had been entered into the Trade Register, the total number of shares in the company was 663,639,370.

On 7 April 2021, the company announced, with regard to the 2021 rights issue, that its Board of Directors had decided to reduce the subscription prices of the company's current option programmes (2016B-C, 2018A-B, and 2020A-C) so that the relative subscription prices of the option rights held by the holders of these option rights would remain unchanged after the rights issue. With regard to the 2020A-C option programme, the Board of Directors decided to change the number of options under the new option plan established on 10 June 2020 for the employees, management, and other stakeholders of Nexstim Plc and its subsidiaries based on the authorisation granted by the Extraordinary General Meeting on 1 March 2021. The amended option terms and subscription prices are available on the company's website at www.nexstim.com/investors/share-information/.

On 15 April 2021, the company announced that its Annual General Meeting would be held on 11 May 2021. The company's Board of Directors decided on an exceptional general meeting procedure based on the temporary law approved by the Finnish Parliament on 15 September 2020. Shareholders and their proxies were able to participate in the meeting and exercise their rights only by voting in advance and presenting counterproposals and questions in advance in accordance with the invitation and other company guidelines.

The company's Annual General Meeting (AGM) was held on 11 May 2021. After the AGM, the company announced the following decisions made by the AGM:

- The AGM adopted the company's financial statements, including its consolidated financial statements, for 2020, and decided that no dividend be paid, and that the loss for the financial year (1 January to 31 December 2020) be recorded in the loss account. The AGM decided to discharge the members of the Board of Directors and the CEO from liability for the 2020 financial year (1 January to 31 December 2020).
- The following decisions were made concerning the Board of Directors' fees: for the period ending at the close of the

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2022 Annual General Meeting, EUR 36,000 will be paid to the Chair of the Board, and EUR 25,200 to the members of the Board. The members of the Shareholders' Nomination Board will not be compensated for serving as members of the Nomination Board. The restricted share plan introduced in 2016 will be extended by one year for a sixth vesting period (2021–2022) for the members elected to the Board of Directors of Nexstim Plc on conditions that are presented at www.nexstim.com.

- In terms of share rewards, the AGM decided, in accordance with the Nomination Board's proposal, that EUR 24,000 will be paid to the Chair of the Board of Directors and EUR 16,800 to each member of the Board of Directors for the 2021–2022 vesting period. The granted reward will be converted into restricted share units at the beginning of the vesting period in 2021. It is strongly recommended that the participants hold shares paid as reward as long as their mandate as a member of the Board continues.
- The AGM decided that the Board of Directors consists of four members. Martin Forss and Leena Niemistö continued as Board members, and Tero Weckroth and Timo Hildén were elected as new members of the Board. Leena Niemistö was elected as Chair of the Board.
- PricewaterhouseCoopers Oy, Authorised Public Accountants, was re-elected as the auditor, with Enel Sintonen as the principal auditor. A reasonable fee will be paid to the auditor.
- The AGM decided to reduce the number of shares in the company, without reducing the share capital, by issuing new shares and acquiring the company's own shares so that 100 shares corresponded to one share after the share reduction arrangement had been completed. The purpose was to increase the value of an individual share, and thereby create more favourable conditions for trading and improve the reliability of share value formation. The new shares were issued on 14 May 2021, and the annulment of shares and the new total number of shares were entered into the Trade Register by 17 May 2021.

On 14 May 2021, the company announced the total number of shares in the company after the completion of the first phase of the share reduction. To make each shareholder's book-entry account divisible by 100, the company issued 349,350 shares. On 14 May 2021, the company redeemed from all shareholders, without consideration, the number of shares required for the 100:1 redemption ratio in order to execute the share reduction. The company annulled these 657,349,011 shares. In addition, in accordance with a decision made by the AGM, a total of 3,500 new shares were issued to shareholders who owned shares entered into the securities system of Euroclear Sweden either under an asset manager or directly under the shareholder, or nominee-registered shares entered into the book-entry register of Euroclear Finland, and whose number of shares was not divisible by 100. After the annulment of shares and the issue of the above-mentioned 3,500 shares, the total number of shares in the company was 6,643,389.

On 17 May 2021, the company announced the registration of the reduced number of shares. In accordance with the decisions made by the Board of Directors on 14 May 2021 concerning the issue of new shares and the acquisition and annulment of the company's own shares, the new total number of shares in the company (6,643,389) was entered into the Trade Register on Saturday 15 May 2021. Trading in the company's shares under the new total number of shares began on the Nasdaq Helsinki and the Nasdaq Stockholm on 17 May 2021 under a new ISIN code (FI4000506811).

On 19 May 2021, the company announced a share issue/transfer of shares in connection with the reduction of the number of shares in the company. Regarding the issue of 350,000 new shares to the company without consideration, in accordance with the AGM's decision made on 11 May 2021, meaning 3,500 shares after the share reduction, the company had issued, or transferred, a total of 32 treasury shares to receiving shareholders without consideration so that the number of shares held by these shareholders was divisible by 100. This share issue/transfer only concerned all receiving shareholders who owned shares registered directly in the securities system of Euroclear Sweden AB (meaning that the shares are not nominee-registered) to the extent that was required to make the shareholders' holding in the company divisible by 100. The transfer of the shares from the company to the receiving shareholders took place and was entered into book-entry accounts by 24 May 2021.

On 21 May 2021, the company announced a share issue/transfer and the annulment of shares in connection with the reduction of the number of shares in the company. In accordance with a decision made by the AGM, and with how the decision was further specified by the Board of Directors on 21 May 2021, based on the redemption ratio and condition mentioned above, the company had issued, or transferred, a total of 695 treasury shares to receiving shareholders without consideration so that the number of shares owned by the receiving shareholders was divisible by 100. This share issue/transfer only concerned all receiving shareholders who owned nominee-registered shares entered into the book-

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entry register of Euroclear Finland Ltd or the securities system of Euroclear Sweden AB to the extent that was required to make the shareholders' holding in the company divisible by 100. In addition, a total of 2,773 treasury shares were annulled in accordance with the decision made by the Board of Directors on 21 May 2021. The transfer of the shares from the company to the receiving shareholders took place and was entered into book-entry accounts by 24 May 2021. The final number of shares entered into the Trade Register after the annulment of shares mentioned above – that is, the number of shares after the arrangements related to the share reduction – was entered into the Trade Register on 24 May 2021 (estimate). After the annulment of shares, the total number of shares in the company was 6,640,616.

On 24 May 2021, the company announced the registration of the reduced number of shares (final phase). In accordance with the decisions made by the Board of Directors concerning the free share issue/transfer and the annulment of the remaining shares (as described in more detail in the company release issued on that date), the annulment of 2,773 shares and the total number of shares in the company (6,640,616) had by then been entered into the Trade Register after the arrangements related to reducing the number of shares.

On 25 May 2021, the company announced it had extended its contract with the Canadian Health Solutions Group, which is its distributor in Canada. The contract was extended by five years. It continues to focus on the distribution of Nexstim's NBT® systems for the treatment of severe depression. In connection with extending the contract, the distributor ordered three NBT® systems, as well as head trackers.

On 14 June 2021, the Company announced that, based on the authorisations granted by the Company's Annual General Meeting and the restricted share plan approved by the AGM on 26 March 2016, the Company's Board of Directors had decided to issue a total of 46,057 new shares without consideration to the members of the Board of Directors. Leena Niemistö received 12,960 shares, Martin Forss received 8,316 shares, Rohan Hoare received 13,260 shares, and Tomas Holmberg received 11,521 shares based on the gross reward determined by the AGM on 30 April 2020 for the 2020–2021 vesting period. The new shares were listed on 18 June 2021. After the share issue, the total number of registered shares in the company was 6,686,673.

On 14 June 2021, the company announced that its Board of Directors had decided to convert 11,011 2020A options held by the company into 2020B options, and 18,819 2020A options into 2020C options. As a result of this conversion decision:

- A total of 206,011 options are marked with 2020B. Of these options, 179,557 have been allocated to the management and personnel, and 26,454 continue to be held by the company.
- A total of 213,819 options are marked with 2020C. Of these options, 187,365 have been all allocated to the management and personnel, and 26,454 continue to be held by the company.
- In addition, a total of 165,170 options are marked with 2020A, and these have been allocated to the management and personnel.

The amended terms and conditions for stock options under the 2020 programme are available on the Company's website at www.nexstim.com/investors.

On 14 June 2021, the Company announced that its Board of Directors had decided to permanently and irrevocably annul ten 2016B options held by the company, and to terminate the company's 2013A option programme.

On 1 July 2021, the company provided an update concerning a pilot study on the use of the accelerated iTBS protocol for the treatment of therapy-resistant chronic neuropathic pain using Nexstim's NBT® system at Helsinki University Hospital. According to the announcement, the treatment of patients under the study had started as planned, and the treatment of several patients had already been completed. However, the company estimated that the treatment of some patients would continue during the third quarter of 2021. The company is continuously monitoring the development of the pandemic situation. If the situation becomes considerably worse, it may affect the recruitment and treatment of patients. As previously announced, the results will be made available once available.

On 13 August 2021, the company organised a live webinar for the media, investors, and analysts. Mikko Karvinen, CEO, and Joonas Juokslahti, CFO, presented the company's financial and operational results.

On 23 August 2021, the company announced the continuation of a pilot study on the treatment of severe depression at Kuopio University Hospital. The accelerated iTBS protocol would be tested with a further 20 patients. The treatment of

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patients under the extended study was expected to be completed in mid-2022.

On 29 September 2021, the company provided an update concerning a pilot study on the use of the accelerated iTBS protocol for the treatment of chronic neuropathic pain at Helsinki University Hospital. The company announced that, with the exception of one patient, the treatment of the five patients participating in the pilot study had been completed, and that the results would be published as soon as they became available.

On 8 November 2011, the company announced that it would annul a total of 2,169 2020A option rights that it had obtained in connection with the termination of employment relationships. Following the annulment, the company did not hold option rights under this option programme.

On 22 November 2021, the company announced that Nexstim Inc., its subsidiary in the United States, had signed an agreement on strategic co-operation and a minority interest in PNC Management Services, LLC. The value of the investment was estimated at around EUR 0.5 million, and it was financed using cash assets. As part of the arrangement, PNC Management Services, LLC purchased a Nexstim system for the treatment of major depressive disorder at the Piedmont Neuroscience Center. The clinic would co-operate closely with Nexstim and provide the company with anonymised treatment data for the patient register.

On 15 December, the company announced the results of pilot studies on the treatment of chronic pain at Helsinki University Hospital. None of the five patients experienced severe adverse effects or clinically significant pain relief. All the patients had suffered from chronic neuropathic pain for at least two years, and had undergone several treatment attempts.

On 21 December 2021, the company announced it would publish the following financial information in 2022: The 2021 Financial Statements Bulletin and the half-year report for July–December 2021 (H2) on Monday 28 February 2022. Half-Yearly Report January–June 2022 (H1) on 12/08/2022. Nexstim's Annual Report for 2021 will be published on 8 March 2022, when it will also become available on the Company's website. The Annual General Meeting is tentatively scheduled to be held on 31 March 2022 at 10 am.

On 3 January 2022, the company announced that Nexstim Inc., its subsidiary in the United States, had completed the arrangement concerning strategic co-operation and a minority interest in PNC Management Services, LLC on 31 December 2021. The arrangement had been announced on 22 November 2021. The value of the investment was around EUR 0.5 million, and it was financed using cash assets.

Major events after the financial year

On 14 February 2022, the company announced that it had signed an agreement on licensing its proprietary technology to Magnus Medical, Inc., a medical technology company in the United States. The total value of the licence agreement is estimated at around EUR 19 million (around EUR 17 million).

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. Comprehensive information about the company's risks is published in the financial statements and the Board of Directors' report. The half-year reports only present the changes in short-term risks.

The ongoing COVID-19 pandemic continues to pose a significant health and macroeconomic risk, which can affect Group's personnel as well as the Group's operations. The prolonged pandemic has affected the availability and price of some components globally, for example. The company is actively monitoring the pandemic situation and official regulations in its countries of operation. The company is seeking to anticipate the impacts of any new restrictions and to ensure favourable conditions for uninterrupted business operations.

The company repaid its loan from Kreos during 2021, meaning the risk related to repayment has been eliminated. As discussed under "Financing and investments" in this report, the risk related to the adequacy of the company's working capital has been eliminated in that respect.

There have not been any major changes in the company's short-term risks since the release of its 2020 financial statements.

Shares and shareholders

On 31 December 2021, the fully paid-up share capital of Nexstim Plc amounted to EUR 80,000.00, consisting of 6,686,673 shares (2020: 4,396,228). Adjusted for the dilution effect, the total number of shares at the end of the reporting period was 7,271,594 (2020: 4,788,348). The shares have no nominal value. Nexstim has one series of shares (ISIN code: FI4000506811). Nexstim did not hold any treasury shares at the end of the reporting period. Each share entitles its holder to one vote at the General Meetings of Nexstim Plc. The shares are issued under the laws of Finland. The numbers of shares have been adjusted for the share reduction implemented on 17 May 2021, in which the number of shares was divided by 100.

The average number of shares between 1 July and 31 December 2021 was 6,686,673 (2020: 4,396,228). The average number of shares between 1 January and 31 December 2021 was 6,068,462 (2020: 2,676,931). Adjusted for the dilution effect, the average number of shares between 1 July and 31 December 2021 was 7,273,138 (2020: 44,794,821). The average number of shares between 1 January and 31 December 2021 was 6,603,426 (2020: 2,904,203). The numbers of shares have been adjusted for the share reduction implemented on 17 May 2021, in which the number of shares was divided by 100.

Nexstim Plc's shares are listed on the Nasdaq First North Growth Market Finland and Sweden. Share price information from the Nasdaq First North Growth Market Finland (EUR) and the Nasdaq First North Growth Market Sweden (SEK) is presented below. The numbers and prices of shares have been adjusted for the share reduction implemented on 17 May 2021, in which the number of shares was divided by 100.

Between 1 January and 31 December 2021, the highest price of the Company's share was EUR 9.63 (2020: EUR 10.70) and SEK 97.90 (2020: SEK 105.00), the lowest price was EUR 3.41 (2020: EUR 0.50) and SEK 32.80 (2020: SEK 7.30), and the average price was EUR 5.84 (2020: EUR 2.06) and SEK 64.84 (2020: SEK 22.80). The closing price on 31 December 2021 was EUR 4.78 (2020: EUR 9.80) and SEK 48.40 (2020: SEK 98.40).

In public trading between 1 January and 31 December 2021, a total of 8,108,785 shares were traded, which corresponds to 165% of the average number of shares during the period in question.

The market value of the share capital at the closing price on 31 December 2021 (EUR 4.78 and SEK 48.40) was EUR 31,962 thousand (2020: 43,083) and SEK 323,635 (2020: 432,589).

On 31 December 2021, Nexstim Plc had a total of 580 warrants outstanding, with a share-specific subscription price of EUR 32.00. In addition, stock option rights amounted to a total 584,341 shares, with a share-specific subscription price of EUR 1.00 to EUR 23.00. More detailed information about outstanding warrants and option rights is available on company website www.nexstim.com/investors/share-information/.

The following authorisations had been granted to Nexstim Plc's Board of Directors by 31 December 2021.

Total authorisations: 1,318,778 shares (see the excerpts from the decisions made by the 2021 Annual General Meeting below; the numbers and prices of shares have been adjusted for the share reduction implemented on 17 May 2021, in which the number of shares was divided by 100.)

On 1 March 2021, the Extraordinary General Meeting decided to authorise the Board of Directors to decide on the issue of new shares, with or without consideration, as follows:

The authorisation concerns a maximum of 2,200,000 new shares. New shares may be issued to the Company's shareholders proportionate to their current holdings in the Company or by way of derogation from the shareholders' preemptive right, through one or more directed share issues, if the Company has a weighty financial reason for doing so, such as developing its capital structure, reducing or minimising debt, implementing acquisitions, or implementing other arrangements related to the development of the Company's business operations, investment financing, or operations, or if the procedure is carried out as part of the Company's remuneration and compensation system. The Board of Directors will decide on the terms and extent of share issues.

Based on and within the limits of the authorisation, the Board of Directors may also decide on the issue of option rights or other special rights (in one or more instalments), in accordance with chapter 10, section 1 of the Limited Liability Companies Act, parallel to or instead of share issues. The subscription price of new shares can be recorded, in part or in full, in the reserve for invested unrestricted equity or the share capital in a manner determined by the Board of Directors. The Board of Directors has the right to decide on the terms and conditions of share issues, as well as option rights or other special rights entitling their holders to shares. The authorisation in accordance with the proposal will be valid for one year from the date of the Extraordinary General Meeting. The remaining authorisation covers a maximum of 1,887 shares.

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On 1 March 2021, the Extraordinary General Meeting authorised the Board of Directors to decide on share issues and the issue of options rights and other special rights entitling their holders to shares as follows:

The authorisation concerns new shares in the company or treasury shares. Based and within the limits of this authorization, the Board of Directors can also decide on issuance(s) of option rights or other special rights set forth in Chapter 10 the Limited Liability Companies Act complementing or replacing issuance(s) of shares. The authorisation concerns a maximum of 50,000 shares in total. Shares, option rights, and/or other special rights entitling their holders to shares can be issued in one or more instalments.

The Board of Directors was authorised to decide on all the terms and conditions of share issues, as well as the terms and conditions of the issue of option rights and special rights. The Board of Directors is authorised to decide on a directed share issue and issue of the special rights entitling their holders to shares in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for the Company to do so. New shares may also be issued without consideration if the Company has a weighty financial reason to do so, taking account the interests of the Company and all its shareholders.

The authorisation does not replace the registered authorisations previously granted by the Annual General Meeting concerning the issue of shares, option rights, and other special rights entitling their holders to shares. The authorisation is valid for one (1) year from the decision of the Extraordinary General Meeting. The authorisation can be used to meet the Company's future financing needs (e.g. rewards to be paid in shares in the Company for investors who make a significant subscription commitment in connection with a possible share issue), develop the capital structure, reduce or minimise debt, or implement any mergers and acquisitions, as well as other purposes of the company. The remaining authorisation covers a maximum of 7,948 shares.

On 11 May 2021, the Annual General Meeting unanimously decided to approve the following authorisation based on the Board of Directors' proposal:

The Board of Directors was authorised to decide on (i) the issue of new shares, and/or (ii) the transfer of treasury shares, and/or (iii) the issue of special rights under chapter 10, section 1 of the Limited Liability Companies Act on the following conditions:

New shares may be issued and treasury shares may be transferred (i) to the Company's shareholders in proportion to their current shareholding in the Company, or (ii) through a directed share issue, by way of derogation from the shareholders' pre-emptive right, if the Company has a weighty financial reason to do so, such as using shares as consideration in possible acquisitions or other arrangements related to the Company's business operations (including an arrangement to reduce the number of shares), or the financing of investments. New shares can also be issued without consideration to the Company itself. Paid and free share issues: New shares can be issued and treasury shares can be transferred either against consideration (paid share issue) or without consideration (free share issue). A directed share issue can be free only if there is a weighty financial reason for such an issue, taking into account the interests of the Company and all its shareholders.

The authorisation entitles the Board of Directors to decide on the issue of new shares and/or the transfer of treasury shares so that the maximum number of shares to be issued and/or transferred is 1,300,000. The number of shares covered by the authorisation will change in accordance with the approval of proposals for reducing the number of shares. Under chapter 10, section 1 of the Limited Liability Companies Act, the Board of Directors may issue special rights entitling their holders to new shares or treasury shares against consideration. Such a right may also be issued to a creditor of the Company so that the right involves an obligation for the creditor to use the receivable to offset the subscription price (convertible bond).

The total number of new shares subscribed for and treasury shares transferred under the special rights issued by the Company can be no higher than 1,300,000, which is included in the maximum number mentioned above under "Maximum number of shares". The number of shares covered by the authorisation will change in accordance with the approval of proposals for reducing the number of shares. The subscription price of the new shares and the amount to be paid for treasury shares must be recorded in the reserve for invested unrestricted equity. The Board of Directors will decide on all other matters related to authorisations. The authorisations will be valid for eighteen (18) months from the decision of the Annual General Meeting. The authorisations do not invalidate previously granted authorisations to decide on share issues and the issue of special rights entitling their holders. The remaining authorisation covers a maximum of 1,300,000 shares.

On 11 May 2021, the Annual General Meeting unanimously decided to approve the following authorisation based on the Board of Directors' proposal:

The Board of Directors was authorised to decide on (i) the issue of new shares, and/or (ii) the transfer of treasury shares, and/or (iii) the issue of special rights under chapter 10, section 1 of the Limited Liability Companies Act on the following

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conditions:

The authorisation concerns new shares in the company or treasury shares. Based and within the limits of this authorization, the Board of Directors can also decide on issuance(s) of option rights or other special rights set forth in Chapter 10 the Limited Liability Companies Act complementing or replacing issuance(s) of shares.

New shares can also be issued without consideration to the Company itself. Paid and free share issues: New shares can be issued and treasury shares can be transferred either against consideration (paid share issue) or without consideration (free share issue). A directed share issue can be free only if there is a weighty financial reason for such an issue, taking into account the interests of the Company and all its shareholders.

A maximum of 55,000 shares may be issued under the authorisation. Shares, option rights, and/or other special rights entitling their holders to shares can be issued in one or more instalments. The Board of Directors is authorised to decide on all the terms and conditions of share issues, as well as the terms and conditions of the issue of option rights and special rights. The Board of Directors is authorised to decide on a directed share issue and issue of the special rights entitling their holders to shares in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for the Company to do so. The authorisation is valid for five (5) years from the decision of the Annual General Meeting. The authorisation can be used to implement the Board members' restricted share plan and the management's and employees' long-term incentive plans. The authorisation can also be used to make arrangements related to the provision of incentives, and to pay the Board of Directors' fees. The authorisations do not invalidate previously granted authorisations to decide on share issues and the issue of special rights entitling their holders. The remaining authorisation covers a maximum of 8,943 shares.

LARGEST SHAREHOLDERS

According to the register of shareholders maintained by Euroclear Finland Ltd, the holdings of Nexstim Plc's 20 largest shareholders on 31 December 2021 were as follows:

	Shareholder	No. of shares	Holding %
1.	Kaikarhenni Oy	1,022,416	15.29
2.	Euroclear Bank Sa/Nv	942,029	14.09
3.	Haapaniemi Ossi	589,222	8.81
4.	Joensuun Kauppa ja Kone Oy	240,241	3.59
5.	Kalksten Properties Koy	114,124	1.71
6.	Syrjänen Eva Annika Elisabeth	110,940	1.66
7.	Wetrock Capital & Consulting Oy	101,573	1.52
8.	Valjakka Juha Matti	83,810	1.25
9.	Clearstream Banking S.A.	70,581	1.06
10.	Kakkonen Kari Heikki Ilmari	69,649	1.04
11.	Niukkanen Pentti Juhani	65,000	0.97
12.	Salmela Veijo Ensio	45,966	0.69
13.	K22 Finance Oy	43,549	0.65
14.	Jokinen Jukka Erkki	40,000	0.60
15.	Filen Harri Johannes	38,551	0.58
16.	Kaukoranta Eero Onni	34,326	0.51
17.	Kivinen Harri Juhani	30,200	0.45
18.	Pettersson Jan	30,000	0.45
19.	Skandinaviska Enskilda Banken AB	29,775	0.45
20.	Matril Oy	25,884	0.39

*Nominee registered shareholders

Publication of financial information

Half-Yearly Report January-June 2022 (H1) will be published on Friday, August 12, 2022. Nexstim Annual Report 2021 (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 Tuesday, March 8, 2022. The Annual General Meeting is tentatively scheduled to be held on Thursday, March 31, 2022 at 10:00 am-

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Results briefing on 28 February 2022

The company will hold two webinars for the media, analysts, and investors on Monday 28 February 2022. Mikko Karvinen, CEO, and Joonas Juokslahti, CFO, will present the company's financial and operational results, and will answer questions.

The first webinar will be held in Finnish at 11 am (EEST). The second webinar will be held in English at 3 pm (EEST).

Webinar details:

To attend the webinars, please register via the links below. Registered participants will receive more information via email.

Finnish-language webinar on 28 February 2022 at 11 am (EEST) [Sign up here >>>](#)

English-language webinar on 28 February 2022 at 3 pm (EEST) [Sign up here >>>](#)

Accounting principles

Nexstim Plc's financial statements have been prepared in accordance with the Finnish Accounting Standards, and are presented in accordance with the rules of the First North marketplace. The figures presented in the financial statements bulleting are unaudited. The figures presented have been subject to rounding adjustments.

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CONSOLIDATED INCOME STATEMENT

Thousand euro	1 July– 31 December 2021	1 July– 31 December 2020	1 January– 31 December 2021	1 January– 31 December 2020
NET SALES	3,438.9	2,499.5	6,397.5	4,114.0
Capitalised fixed assets	513.6	3.2	958.5	5.6
Other operating income	185.5	11.5	201.9	50.5
Materials and services				
Materials				
Purchases during the review period	-958.2	-487.3	-1,674.0	-936.2
Increase (+) or decrease (-) in inventories	389.5	-145.4	538.5	-38.6
Total	-568.7	-632.8	-1,135.5	-974.9
Personnel expenses				
Wages and salaries	-1,955.0	-1,807.0	-3,662.6	-3,122.0
Social security expenses				
Pension expenses	-232.1	-196.0	-407.9	-302.6
Other social security expenses	-132.5	-131.3	-277.2	-307.0
Total	-2,319.6	-2,134.2	-4,347.8	-3731.5
Depreciation and amortisation				
Depreciation and amortization according to plan	-270.7	-177.7	-443.5	-366.9
Total	-270.7	-319.3	-443.5	-366.9
Other operating expenses	-1,528.3	-1,065.6	-3,083.3	-2,429.3
OPERATING RESULT	-549.4	-1,496.2	-1,452.2	-3,332.7
Financial income and expenses	664.7	-1452.0	718.9	-783.9
RESULT BEFORE TAXES	115.2	-2,948.3	-733.3	-4,116.6
Income taxes	-1.0	-4.2	-98.9	-5.0
RESULT FOR THE PERIOD	114.2	-2,952.5	-832.1	-4,121.6

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CONSOLIDATED BALANCE SHEET

Thousand euro	31/12/2021	31/12/2020
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Development expenditure	845.6	50.1
Intangible rights	276.7	282.0
Total	1,122.3	332.1
Tangible assets		
Machinery and equipment	434.9	514.7
Total	434.9	514.7
Investments		
Interests in associated companies	454.7	0.0
Total	454.7	0.0
NON-CURRENT ASSETS TOTAL	2,011.9	846.9
CURRENT ASSETS		
Inventories		
Raw materials and consumables	985.0	446.4
Total	985.0	446.4
Receivables		
Trade receivables	1,441.9	963.0
Prepayments and accrued income	200.1	250.0
Other receivables	206.2	269.3
Total	1,848.2	1,482.2
Cash in hand and at banks	5,194.7	3,455.8
CURRENT ASSETS TOTAL	8,027.8	5,384.5
ASSETS TOTAL	10,039.7	6,231.3

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EUR thousand	31/12/2021	31/12/2020
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80.0	80.0
Reserve for invested unrestricted equity	54,917.8	48,310.7
Retained earnings	-50,962.9	-45,738.3
Result for the period	-832.1	-4,121.6
TOTAL EQUITY	3,202.7	-1,469.1
LIABILITIES		
NON-CURRENT LIABILITIES		
Other interest-bearing loans	3,274.2	3,891.9
Total	3,274.2	3,891.9
CURRENT LIABILITIES		
Loans from financial institutions	619.4	1,152.5
Trade payables	255.0	198.1
Other liabilities	1,870.8	1,592.4
Accrued expenses	817.5	865.7
Total	3,562.7	3,808.6
TOTAL LIABILITIES	6,837.0	7,700.5
EQUITY AND LIABILITIES TOTAL	10,039.7	6,231.3

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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, 2020	80.0	0.0	0.0	48,310.7	-49,859.9	-1,469.1
Issue of shares				6,607.0		6,607.0
Result for the period					-832.1	-832.1
Translation difference					-1,103.1	-1,103.1
Equity on 31 December 2021	80.0	0.0	0.0	54,917.8	-51,795.0	3,202.7

	Share capital	Share issue	Share premium account	Reserve for invested unrestricted equity	Retained earnings	Equity total
Equity on 31 December, 2019	80.0	0.0	0.0	46,086.6	-46,906.7	-740.1
Issue of shares				2,224.1		2,224.1
Result for the period					-4,121.6	-4,121.6
Translation difference					1,168.5	1,168.5
Equity on 31 December, 2020	80.0	0.0	0.0	48,310.7	-49,859.9	-1,469.1

Nexstim

CONSOLIDATED CASH FLOW STATEMENT

EUR in thousands	1 July– 31 December 2021	1 July– 31 December 2020	1 January– 31 December 2021	1 January– 31 December 2020
Cash flow from operating activities				
Result for the period	114.2	-2,952.5	-832.1	-4,121.6
Adjustments:				
Depreciation and amortisation according to plan	270.7	177.8	443.5	366.9
Other adjustments (income -/ expense +)	-997.9	1,195.1	-1,106.4	255.0
Financial income and expenses	-558.8	1,452.1	-902.8	783.9
Cash flow before change in working capital	-1,171.7	-127.5	-2,397.8	-2,715.7
Change in working capital:				
Increase (-) or decrease (+) in current receivables	1,138.1	-800.4	817.9	-300.9
Increase (-) or decrease (+) in inventories	-389.5	145.4	-538.5	38.7
Increase (-) or decrease (+) in long-term receivables	10.7	-147.2	22.5	-147.2
Increase (+) or decrease (-) in current interest-free payables	435.0	710.5	287.2	538.4
Cash flows from operations before financial items and taxes	22.6	-219.2	-1,808.7	-2,586.8
Interest and other financial expenses paid	-212.9	-944.9	-300.3	-137.9
Cash flow from operating activities (A)	-190.3	-1,164.1	-2,109.0	-2,724.7
Cash flow from investing activities				
Investments in intangible and tangible assets	-1,082.0	31.0	-1,608.5	9.5
Cash flow from investing activities (B)	-1,082.0	31.0	-1,608.5	9.5
Cash flow from financing activities				
Share issue	289.7	0	6,607.0	2,224.1
Drawing (+) or repayment of short-term loans (-)	111.7	646.3	-533.1	163.9
Drawing (+) or repayment of long-term loans (-)	-625.3	-	-	-
		811.6	617.6	483.1
Cash flow from financing activities (C)	-223.9	1,904.9	5,456.3	1,904.9
Change in cash in hand and at banks	-1,496.2	-1,298.3	1,738.8	-810.3
Cash in hand and at bank at the beginning of the period	6,690.8	4,754.2	3,455.8	4,266.2
Cash in hand and at bank at the end of the period	5,194.7	3,455.8	5,194.7	3,455.8



MATERIAL TRANSACTIONS WITH RELATED PARTIES

Nexstim's related parties include its subsidiaries, the members of its Board of Directors, the CEO, and the members of its Management Team, as well as shareholders who exercise considerable influence in the company. The company's related parties also include close family members of such persons, as well as entities in which such persons have a controlling interest.

On 7 April 2021, the company announced, with regard to the rights issue published on 8 March 2021, that subscription guarantees had been given to the company. Of the company's largest shareholders, Ossi Haapaniemi, Kyösti Kakkonen, Leena Niemistö, and their related-party companies/book-entry accounts, as well as certain members of the company's Board of Directors and Management Team, had made a commitment in connection with the above-mentioned rights issue, on certain conditions, to subscribe for around 47.83% of the shares. In line with the terms of the subscription commitments, the company granted a subscription guarantee reward to the shareholders who had made a commitment. The reward corresponded to a maximum of 4% of the total subscription commitment.

CONTINGENT LIABILITIES

EUR in thousands	31/12/2021	31/12/2020
Guarantees	41.8	41.6
Leasing liabilities	66.2	63.7

The following assets will be 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; the 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. During the review period the company repaid its loan to Kreos in full as planned, but the securities release process was still pending in December 2021.

Helsinki 28 February 2022

Nexstim Plc
Board of Directors

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

Mikko Karvinen, CEO
+358 50 326 4101
mikko.karvinen@nexstim.com

Erik Penser Bank AB (certified adviser)
+46 8 463 83 00
certifiedadviser@penser.se

Distribution:
Nasdaq Helsinki
Key media outlets

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About Nexstim Plc

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

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

Nexstim's Diagnostics Business focuses on commercialization of the Navigated Brain Stimulation (NBS) system. 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's Therapy Business markets and sells the 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.

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