

Nexstim Plc: Amendments to the Notice of the Extraordinary General Meeting of Shareholders

Company announcement, Inside information, Helsinki 21 October 2019 at 9.20 AM (EEST)

Nexstim Plc (NXTMH:HEX, NXTMS:STO) ("Nexstim" or "Company") – the company developing and marketing a unique brain stimulation technology for personalized treatment of major depressive disorder (MDD), announces that the following new proposals of Nexstim's Board of Directors have been added to the agenda of the Extraordinary General Meeting of Shareholders convening on 11 November 2019 as new items 9 and 10.

9 AUTHORIZATIONS FOR DIRECTED SHARE ISSUE SECURING OFFER WARRANTS AND DIRECTED ISSUE TO THE UNDERWRITERS

Based on subscription commitments and underwriting commitments from a limited number of existing shareholders of the Company and external investors (the "Underwriters"), the Board of Directors has decided to secure 100 per cent of offer warrants i.e. special rights to shares which were allocated in connection with the rights issue which ended on 24 April 2019 in Sweden and on 26 April 2019 in Finland (the "Offer Warrants") as set forth in the company announcement published by the Company earlier today (21 October 2019).

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

In accordance with the underwriting commitments for the Underwriting Issue, the Underwriters are entitled, subject to the EGM Approval, to an underwriting fee equal to 6 per cent of the aggregate underwriting commitment if payable in cash by the Company or 8 per cent of the underwriting commitment if payable in shares of the Company. Each Underwriter would be entitled to choose between cash or share payment. The maximum amount of the underwriting fee would be EUR 79,421 if payable only in cash and EUR 105,892 if payable only in shares of Nexstim (i.e. 920,820 shares applying the subscription price of EUR 0.115).

Pursuant to the above-mentioned, the Board of Directors proposes that it is authorized 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 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 may and would 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 based on the Offer Warrant which was announced earlier today, 21 October 2019, i.e. EUR 0.115 or SEK 1.24 per share is applicable in both the Underwriting Issue and the Directed Issue.

The Board of Directors decides 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.

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AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS THE ISSUANCE OF OPTION RIGHTS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES

The Board of Directors proposes that the Extraordinary General Meeting will authorize the Board of Directors to decide to issue new shares either against payment or without consideration. The authorization would be given to a maximum quantity of 10,000,000 new shares with the present number of the Company's registered shares being 35,400,873 which (if completed to the fullest amount) would result in a dilution of approximately 22 percent considering all registered shares of the Company (but excluding any exercise of the Offer Warrants and the directed share issues set forth above in section 9).

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, 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 would decide upon terms and scope related to share issues.

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 Section 1 of the Limited Liability Companies Act complementing or replacing issuance(s) of shares.

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The subscription price of the new shares can be recorded partly or fully to the invested unrestricted equity reserve or to share capital according to the decision of the Board of Directors.

The Board of Directors is entitled to decide on conditions regarding the issuance of shares as well as the issuance of option rights or other special rights entitling to shares.

The proposed authorization would be valid for one year from the Extraordinary General Meeting.

The proposals of the Board of Directors are available on the company's website www.nexstim.com/investors/shareholdermeetings/.

The Notice to the Extraordinary General Meeting, as amended hereby, is available on the company's website www.nexstim.com/investors/shareholdermeetings/.

Helsinki, 21 October 2019

NEXSTIM PLC

The Board of Directors

NEXSTIM PLC

Martin Jamieson, CEO

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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

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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