

Nexstim

Insider Information: Nexstim Plc launches an unsecured convertible bond offering of up to EUR 750,000

Company Announcement, Helsinki, 25 June 2024 at 9 AM (EEST)

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Nexstim Plc (NXTMH:HEX) ("**Nexstim**" or the "**Company**") announces that its board of directors have resolved to take a loan so that the Company issues special rights entitling to the shares pursuant to Chapter 10 of the Finnish Companies Act to the lenders of the loan so that the lenders shall have the right to subscribe for the Company's shares (the "**Shares**") based on the respective special rights and that the lenders shall have the right to pay the subscription price of the Shares by setting it off against the loan receivable (the "**Convertible Bond**").

The Company shall take the loan referred to in the Convertible Bond terms and conditions and shall issue simultaneously against the loan a maximum amount of 288,669 special rights.

The Convertible Bond is issued in deviation from the shareholders' pre-emptive subscription rights to the parties approved separately by the board of directors.

The minimum amount of subscription of the Convertible Bond shall be EUR 100,000 which can be converted into 35,971 new Shares (or an adjusted number of shares as described in the terms) and pursuant to the terms of this Convertible Bond.

The special rights are issued to secure financing required to strengthen the working capital and the capital structure of the Company cost effectively and to secure the self-financing requirement of the EUR 1.5 million Finnvera Digitalisation and Innovation loan application. Therefore, there is from the Company's point of view a weighty financial reason to issue the special rights.

The subscription period of the Convertible Bond commenced on 24 June 2024 at 9:00 a.m. Finnish time and ended on 24 June 2024 at 7:00 p.m. Finnish time.

The contemplated transaction aims to improve the financing position of the Company and to facilitate the Company's bank financing arrangement, and the proceeds from the Convertible Bond will be used for general corporate purposes.

The loan period shall commence on the payment of the Convertible Bond to the Company and expire on the earlier of

- (i) the date of completion of the financing round of the Company first completed after the date of the terms; and
- (ii) on 24 June 2025

(hereinafter the "**Maturity Date**").

The Convertible Bond shall expire to be repayable in its entirety in accordance with these terms of the loan on the Maturity Date. The Convertible Bond cannot be repaid prior to the Maturity Date without the lender's consent.

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An annual interest of 7% shall be paid to the capital of the Convertible Bond.

The lender is entitled to convert the Promissory Note into the shares of the Company in accordance with the terms described below.

One special right entitles the lender to subscribe for one new share of the Company (or for an adjusted number of shares calculated as described in the terms).

When converting the Convertible Bond into the shares of the Company during the Conversion Period, the subscription price of one (1) share of the Company shall be EUR 2.78 per share. However, if the subscription is made in connection with a financing round of the Company first completed after the date of these terms during the loan period, the subscription price shall be adjusted to be equal to the subscription price offered to the investors subscribing to shares in such financing round.

The subscription price has been set to equal to the 90-day volume weighted average stock trading price of the Company's share between 7 February 2024 and 17 June 2024 added with 5%.

If, as described in the previous paragraph, the subscription price of one (1) share of the Company is more or less than EUR 2.78 per share, the Company will adjust the maximum number of new shares mentioned above so that the entire loan amount can be converted into shares of the Company at the subscription price described in the previous paragraph. Upon using the conversion right, a portion corresponding to the subscription price of a share shall be set off against the unpaid capital of the Convertible Bond.

The subscription price of the shares shall be entered in entirety into the Company's invested non-restricted equity fund.

The promissory notes will be automatically converted into the Shares on the Maturity Date ("**Conversion Period**").

The Shares underlying the special rights connected to the Convertible Bonds represent approximately 4.27% of the total number of the Company's issued and outstanding Shares immediately prior to the offering in maximum, subject to potential adjustments to the conversion price.

The complete terms and conditions are attached to this announcement as Annex 1.

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

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The Company's Certified Advisor is Carnegie Investment Bank AB (publ).

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.

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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 5 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 NBS System 6 which is FDA cleared for marketing and commercial distribution for the treatment of major depressive disorder (MDD) in the United States. In Europe, the NBS 6 system is CE marked for the treatment of major depression and chronic neuropathic pain.

Nexstim shares are listed on Nasdaq First North Growth Market Finland.

For more information, please visit www.nexstim.com

Forward-Looking Statements

This company announcement contains forward-looking statements, including, without limitation, statements regarding Nexstim's strategy, business plans and focus. The words "may", "will", "could", "would", "should", "expect", "plan", "anticipate", "intend", "believe", "estimate", "predict", "project", "potential", "continue", "target" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements in this announcement are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and important factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this announcement, including, without limitation, any related to Nexstim's business, operations, supply chain, strategy, goals and anticipated timelines, competition from other companies, and other risks described in the Report of the Board of Directors and Financial Statements for the year ended on 31 December 2023 as well as our other past disclosures. Nexstim cautions you not to place undue reliance on any forward-looking statements, which speak only as of the date they are made. Nexstim disclaims any obligation to publicly update or revise any such statements to reflect any change in expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. Any forward-looking statements contained in this announcement represent Nexstim's views only as of the date hereof and should not be relied upon as representing its views as of any subsequent date.