

# Nexstim

## NEXSTIM PLC HALF-YEARLY REPORT 1 JANUARY – 30 JUNE 2021 (UNAUDITED)

*Company announcement, Inside Information, Helsinki, 13 August 2021 at 09:00 am (EEST)*

### NEXSTIM'S HISTORICALLY BEST FIRST HALF MEASURED BY NET SALES, OPERATING RESULT AND RESULT FOR THE PERIOD

Figures in parentheses refer to the corresponding period of the previous year unless otherwise stated.

#### Summary of January – June 2021

- The company's net sales increased by 83.3% to EUR 3.0 million (1.6)
- Exchange rate-adjusted growth in net sales was 89.5% and 6.2 percentage points stronger than the reported net sales growth
- System sales were EUR 1.6 million (0.6), an increase of 186.6%. Recurring revenue accounted for EUR 1.4 million (1.1), an increase of 29.3%.
- Operating result was EUR -0.9 million (-1.8) with a loss decrease of 50.8%
- The result for the review period was EUR -0.9 million (-1.2)
- Net sales of the Diagnostics business (NBS) increased by 96.1% in the first half of the year to EUR 1.8 million (0.9)
- Net sales of the Therapy Business (NBT®) increased by 67.3% to EUR 1.2 million (0.7) in the first half of the year
- During the spring, a successful rights issue was arranged, which was oversubscribed and a total of EUR 6.6 million in new capital was raised. Funds raised from the rights issue significantly increased the company's equity ratio to 38.9% (4.7%)
- The strategy updated by Nexstim during the review period for 2021-2024 focuses on profitable growth in the Diagnostics and Therapy business

#### Business Overview

Nexstim is a Finnish medical technology company operating in the international market, whose neuronavigation TMS technology platform (transcranial magnetic stimulation, TMS) enables individual treatment and diagnosis of patients with severe brain diseases and disorders. Nexstim offers solutions for noninvasive brain stimulation in diagnostic (NBS system) and therapy applications (NBT® system).

#### Key performance indicators

EUR in thousands	1-6/2021 6 months	1-6/2020 6 months	Change %	1-12/2020 12 months
Net sales	2,958.6	1,614.5	83.3	4,114.0
Personnel expenses	-2,028.2	-1,597.3	27.0	-3,731.5
Other operating expenses	-1,555.0	-1,363.7	14.0	-2,429.3
Depreciation and amortization	-172.7	-189.2	-8.7	-366.9
Operating result	-902.8	-1,836.5	-50.8	-3,332.7
Result for the review period	-946.3	-1,169.1	-19.1	-4,121.6
Earnings per share (EUR)	-0.17	-1.25		-1.54
Cash flows from operating activities	-1,918.7	-1,560.6	22.9	-2,724.7
Cash in hand and at banks	6,690.8	4,754.2	40.7	3,455.8
Total equity	3,796.7	288.2	1,217.4	-1,469.1
Equity ratio (%)	38.94	4.65	34.3	-28.25
Number of shares in the end of the period (pcs)	6,686,673	4,396,228		4,396,228
Average number of shares during the period (pcs)	5,440,004	938,740		2,676,931
Diluted number of shares in the end of	7,273,773	4,796,368		4,788,348

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the period (pcs)

Diluted average number of shares

during the period (pcs)

5,922,617

992,810

2,904,203

\* The number of shares in the table has been adjusted by the reduction of shares on May 17, 2021, where the number of shares was divided by 100.

## Future Outlook

Based on its business forecast, the Company expects its revenue to continue to grow during year 2021 and a loss for the period is expected for the financial year.

### CEO Mikko Karvinen comments on developments during the review period:

The first half of 2021 was a time of record growth for Nexstim. Our business has adapted very well to the changes in the operating environment caused by the COVID-19 pandemic, and during H1 2021 we achieved a total turnover of EUR 3.0 (1.6) million and a record growth rate of 83.3%. The growth rate was particularly fast, partly due to system deliveries made during the review period of orders received during 2020. System sales accounted for EUR 1.6 (0.6) million of total net sales, an increase of 186.6%. A warm thank you to Nexstim's customers, personnel, partners and investors for enabling this record-breaking strong development.

The year 2021 began with investments focused on accelerating sales growth, while continuing to focus on securing the service business for our existing NBS and NBT<sup>®</sup> system customer base and increasing the utilization rate of installed systems. I am extremely pleased that the growth rate has been made possible by strong new system sales in the Diagnostics business (NBS) in pre-surgical brain mapping and well-developed recurring revenue growth in the Therapy business (NBT<sup>®</sup>). Alongside all growth efforts, we will continue to actively monitor the COVID-19 pandemic environment and its potential impact on our business during the remainder of the year.

#### *Strong growth in both Diagnostics and Therapy businesses*

The Diagnostics business (NBS) was a significant source of revenue for Nexstim during the review period, and its net sales increased by 96% to EUR 1.8 (0.9) million. Despite the COVID-19 pandemic, we sold and delivered 7 new NBS systems during the review period. We also ensured the continuity of the NBS service business despite the difficult customer environment, and we did not lose service contract customers as hospital neurosurgery procedures remained almost unchanged. We continued to invest in the growth of the Diagnostics business by, among other things, recruiting new sales team members to our U.S. organization during early 2021.

During the first half of 2021, the Therapy business (NBT<sup>®</sup>) suffered slightly more from the effects of the COVID-19 pandemic, mainly as local mobility restrictions reduced patients' willingness and access to treatment. Despite these negative effects, the Therapy business's net sales increased by 67% during the first half of 2021 and amounted to EUR 1.2 (0.7) million. We sold a total of 5 new NBT<sup>®</sup> systems during the review period; 4 to North America and 1 to Europe for use in the treatment of major depressive disorder (MDD). At the end of the review period, our global installed base had a total of 33 NBT<sup>®</sup> systems (18 in North America and 15 in Europe and the rest of the world) for use in the treatment of depression and chronic neuropathic pain.

On 30 June 2021, Nexstim's cash in hands and at banks totalled EUR 6.7 million. During the first half of 2021, cash flows from operating activities was EUR -1.9 million, compared to EUR -1.6 million in the corresponding period of the previous year. The change was mainly due to large one-off austerity measures related to the COVID-19 pandemic in the first half of 2020. To finance the progress of our business and growth strategy, we raised a total of EUR 6.6 million in new capital in the spring 2021 rights issue. This oversubscribed issue reflects the confidence and strong commitment of our investors to the future of Nexstim.

#### *Recurring revenue supports growth*

We recognized positive development in sales, driven by high-margin aftersales products, including services, support

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functions, spare parts, and disposable trackers. Recurring revenue accounted for 46% of total net sales during the review period. As the Therapy business (NBT<sup>®</sup>) grows, the share of recurring revenue in total net sales is likely to increase. Recurring revenue (total sales of the Therapy business excluding NBT<sup>®</sup> system sales) during H1 2021 covered 78 percent of the Therapy business revenue. During the rolling 12 months, Nexstim achieved an average of EUR 77 thousand in Therapy revenue per NBT<sup>®</sup> system.

## *Focus of the strategy is on growth and profitability*

During the spring and summer, we continued to update our strategy for 2021-2024. Nexstim continues to enable personalized and effective therapies and diagnostics for challenging brain diseases and disorders. Our updated strategy will rely on strong growth in both diagnostics and therapy in the coming years. The growth and profitability of both our Diagnostics and Therapy businesses play a key role in our efforts to minimize our future capital needs on our journey to profitability. New accelerated treatment protocols remain at the core of the long-term development path of our business. We see that this is possibly a game changer in the field of TMS treatments as we will seek for validation of higher efficacy rates and to show the benefits of a faster treatment process through our pilot studies. The selected therapeutic applications (MDD, severe depression and chronic pain) represent indications where our unique technology already demonstrates recognisable clinical outcome and customer profitability.

## *Execution of the strategy is progressing*

In terms of operational business, 2021 will be our first full year of executing our renewed strategy. We will continue with focused investment into sales growth in both the Diagnostics and Therapy businesses. We also focus strongly on developing the service business and increasing the utilization rate of the installed base. In the Diagnostics business, commercial development takes place both through our own direct sales (USA and Germany) and globally through distributor partnerships. We also continue our work to increase the number of NBT<sup>®</sup> systems installed for use in the treatment of MDD, and we are doing this in line with our renewed strategy, primarily together with valued partners. The focus is particularly on the large U.S. market, but also in a targeted manner in the EU and in Asia markets.

At the same time, our goal is to continue to raise awareness of our NBT<sup>®</sup> system in the market. We aim to do this by increasing the number of patients with MDD treated with NBT<sup>®</sup> systems. As the number of patients increases and research data on pilot trials of new accelerated treatment protocols accumulate, we will be able to gather more clinical data to demonstrate the usefulness of our unique systems to numerous depressed patients. This information is used to support our marketing and we believe it will increase the rollout of NBT<sup>®</sup> systems. We also aim to continue to leverage our strong network of leading KOL's and patient registry treatment data. In June 2021 we reported the clinical outcomes of the first 187 patients who had completed NBT therapy for treatment of MDD at clinical sites in the U.S. About 50% of the patients completing the treatment achieved clinical remission and 77% obtained a clinical response at the end of treatment. We will continue to collect this valuable patient registry data aiming to collect a patient data registry of over 200 completed treatment sessions of depression patients during year 2021.

## *Building the growth paths of the future*

We are confident that by further emphasising the unique capabilities of the NBT<sup>®</sup> system, we can increase our market share. This is accomplished by clearly differentiating our system from the TMS systems currently on the market that do not have navigation capabilities. In the future, the need for a navigation function is likely to be further emphasised in technology that could treat patients in hospital for severe, treatment-resistant depression (TRD) and possible suicidal ideation. This could potentially open a new TMS treatment market for Nexstim that is separate from the current treatment of patients with MDD.

To better understand the ability of Nexstim's NBT<sup>®</sup> system to treat patients with accelerated treatment protocols, we launched two new pilot trials in Finland during autumn 2020. In March 2021, we published encouraging initial results from a pilot study of 10 patients with severe depression at Kuopio University Hospital. No study discontinuations or serious adverse events issues had occurred. All ten patients showed improvement of symptoms on the clinician administered Hamilton Depression Rating Scale (HAM-D-17) outcome measure at the end of treatment (mean decrease in score from baseline 37%,  $p < 0.001$ ). We plan to continue the pilot study of the treatment of severe depression at Kuopio University Hospital during the second half of 2021. In addition, we await initial results from a pilot study at Helsinki

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University Hospital on the treatment of therapy resistant chronic neuropathic pain. We estimate that the treatment of patients will continue during Q3 2021, and the results will be made public once available. As a company, Nexstim wants to be a pioneer in researching and commercialising this new treatment method that could potentially shake the whole TMS industry.

## *Building shareholder value*

Unfortunately, we are still living in the prolonged COVID-19 pandemic, but we still feel positive about the whole of 2021, the first full year of implementing our new strategy. At Nexstim, we purposefully continue our work to enable personalized and effective therapies and diagnostics for challenging brain diseases and disorders. We strongly believe that our work will support long-term growth in shareholder value in the form of stronger competitive advantages, rapid growth, and better financial results. While again being optimistic about the future, we will closely continue to monitor the development of the COVID-19 pandemic as we operate our business.

## **Nexstim Business Areas**

### **Diagnostics Business (NBS)**

- Nexstim's Navigated Brain Stimulation (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 as a result of pre-surgical mapping. The non-invasive device has demonstrated a 46% increase in progression free survival in patients with low grade gliomas versus only using the current gold standard
- The NBS system has been sold to approximately 190 research universities and leading hospitals across the world

### **Therapy Business (NBT®)**

- Nexstim's Navigated Brain Therapy (NBT®) system 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 NBT® (Navigated Brain Therapy) 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 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.
- The Company has planned to start new pilot clinical trial during the second half of 2021 in the area of accelerated treatment protocols in both severe depression and chronic neuropathic pain
- Active installment base of 33 NBT® systems spanning three continents.

## Financial review 1.1.-30.6.2021

### *Operating results*

#### *Net sales*

Nexstim Group net sales were EUR 2,958.6 thousand (1,614.5), an increase of 83.3 percent year-on-year. The total net sales consist of system sales and recurring revenue from both the diagnostics and therapy businesses.

System sales accounted for EUR 1,586.5 thousand (553.5) of total net sales, an increase of 186.6%. Recurring revenue accounted for EUR 1,372.2 thousand (1,060.9), an increase of 29.3%.

Diagnostics business net sales were EUR 1,754.8 thousand (894.8), an increase of 96.1 percent. System sales accounted for EUR 1,322.2 thousand (553.5) and recurring revenue for EUR 434.0 thousand (341.3).

Therapy business net sales were EUR 1,203.8 thousand (719.7), an increase of 67.3 percent. System sales accounted for EUR 264.2 thousand (0.0) and recurring revenue for EUR 938.2 thousand (719.7).

Exchange rate adjusted net sales were EUR 3,058.6 thousand. Adjusted for exchange rates, net sales growth was 89.5%, or 6.2 percentage points stronger than the reported net sales growth.

#### *Work performed for own purpose and capitalised*

Work performed for own purpose and capitalised was EUR 444.9 thousand (2.4) and consisted of capitalised development costs.

#### *Other operating income*

Other operating income was EUR 16.4 thousand (39.0).

#### *Materials and services*

Materials and services expenses totalled EUR -566.8 thousand (-342.1).

#### *Personnel expenses*

Personnel expenses totalled EUR -2,082.2 thousand (-1,597.3). The increase in expenses was mainly due to the large non-recurring layoffs in the parent company in the spring of 2020.

#### *Depreciation and amortisation*

Depreciation and amortisation amounted to EUR -172.7 thousand (-189.2).

#### *Other operating expenses*

Other operating expenses totalled EUR -1,555.0 thousand (-1,363.7). The increase in expenses was mainly due to large non-recurring austerity measures implemented in spring 2020.

#### *Operating result*

The operating result was EUR -902.8 thousand (-1,836.5), a 50.8 percent decrease in loss.

#### *Financial income and expenses*

Net financial income and expenses amounted to an income of EUR 54.3 thousand (668.1). The financial expenses consisted mainly of loan interests and rights issue expenses. The income consisted mainly of subsidiary loan related

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exchange rate profits.

## *Result before taxes*

Result before taxes was EUR -848.5 thousand (-1,168), a 27.4 percent decrease in loss.

## *Income taxes*

Income taxes were EUR -97,8 thousand (-0.8).

## *Result for review period*

The result for review period was EUR -946.3 thousand (-1,169.1), a 19.1 percent decrease in loss.

## ***Financial position***

### *Non-current assets*

The Company's non-current assets were EUR 1,200.7 thousand (1,055.7). Intangible assets amounting to EUR 738.9 thousand consist mainly of intangible assets related to capitalised development expenses and intellectual property rights. The tangible assets amounting to EUR 461.7 thousand consist mainly of capitalized NBT® systems used for business operations.

### *Current assets*

The Company's current assets amounted to EUR 9,511.6 thousand (6,387.8). The change in current assets was mainly due to the change in cash in hand and at banks.

### *Equity*

Consolidated shareholders' equity totalled EUR 3,796.7 thousand (-288.2). The equity ratio increased significantly to 38.9% as a result of the increase in equity (4.7%).

### *Liabilities*

#### *Non-Current Liabilities*

The Company's non-current liabilities totalled EUR 3,899.5 thousand (4,703.5). The non-current liabilities of the Company consists of interest-bearing loans.

#### *Current Liabilities*

The Company's current liabilities totalled EUR 3,016.0 thousand (2,451.8). The current liabilities mainly consist of bank loans, advances received, trade payables and accrued expenses.

## ***Financing and liquidity***

Liquid assets, consisting of cash in hand and at banks, totalled EUR 6,690.8 thousand (4,754.2). The Company estimates that the Company's working capital will be sufficient at least until the end of 2022. This estimate is based on a conservative revenue forecast and cost estimate and considering the company's cash and cash equivalents on June 30, 2021.

The Company's cash flow from operating activities was EUR -1,918.7 thousand (-1,560.6).

Cash flow from investments was EUR -526.5 thousand during the review period (-21.5). The increase consisted mainly of capitalization of development expenses.

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Cash flow from financing activities was EUR 5,680.1 thousand during the review period (2,070.2), which consisted mainly of the proceeds from the spring 2021 rights issue and drawdown and repayment of loans.

## 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 review period on June 30, 2021, the Nexstim group employed 34 full-time employees (FTEs). Nexstim Plc (parent company) employed 25 FTEs at the same point of time. During January 1 – June 30, 2021, Nexstim group employed on average 34 FTEs (2020: 34 FTEs).

## Strategy

### *Key Strategic Objectives for Year 2021*

- Focus on achieving profitable revenue growth and strict management of operating expenses
- Report first results from the two new pilot studies in treating severe depression and/or chronic pain patients with accelerated therapy treatment protocols and seek to move towards further trials with increased numbers of patients
- Develop and execute a deeper profitable partnership business model in the key therapy markets together with valued partners
- Patient data registry of over 200 completed treatment sessions of depression patients

More information about the company's strategy is available on our website: <https://nexstim.com/about-nexstim/strategy/>

## Major Events in the Review Period

On 20 January 2021, the Company informed on the decisions of the Nomination Board of Shareholders. Rohan Hoare and Tomas Holmberg, Board Members of Nexstim Plc from 2016 and 2017 onwards, announced that they would no longer be available to the company's Board of Directors for the period 2021-2022. The Nomination Board of the company's shareholders proposed Timo Hildén and Tero Weckroth as new Board Members, to be elected by the Annual General Meeting of Shareholders.

On 8 February 2021, the Company invited its Shareholders to an Extraordinary Annual General Meeting on 1 March 2021, to decide on the authorizations to be granted to the Board of Directors regarding share issues, issuances of option rights and special rights to shares.

On 1 March 2021, Nexstim Plc announced the following decisions of the Extraordinary General Meeting: The Extraordinary General Meeting authorized the Board of Directors to decide on the Company's share issues, as well as issues of option rights and other special rights entitling to shares. Under the authorization, a maximum of two hundred twenty million (220,000,000) shares may be issued to be used for the future financing needs of the Company, developing the equity structure, minimize or reduce debts and possible mergers and acquisitions and other corporate purposes, a maximum of nineteen million five hundred thousand (19,500,000) shares to be used to the implementation of the RSU plan for the members of the Board of Director's and for the long-term incentive plans for the management and the personnel of the Company or for incentive arrangements and payment of the Board fees. Additionally, the Board was authorized to issue a maximum of five million (5,000,000) shares to be used in connection with future financing needs of the Company (e.g., for a payment of fee payable in Nexstim shares for an investor providing a significant subscription

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commitment in connection with a possible share issue), developing the equity structure, minimize or reduce debts and possible mergers and acquisitions and other corporate purposes.

On 3 March 2021, the Nexstim Plc presented an overview of the results of the pilot study in severe depression at Kuopio University Hospital. The company announced that all 10 patients treated with the Nexstim NBT® system and its iTBS protocol had completed their 5-day treatment and showed improvement of symptoms on the clinician administered Hamilton Depression Rating Scale (HAMD-17) outcome measure at the end of the treatment (mean decrease in score from baseline 37%,  $p < 0.001$ ). 1 of 10 patients (10%) reached a clinical remission, and 3 of 10 patients (30%) a clinical response defined as  $>50\%$  improvement on the measure. Of the 7 patients that underwent five-week follow-up visits, 2 (29%) achieved clinical remission and 3 (43%) achieved a clinical response on the base of the mean HAMD-17 score.

On 8 March 2021, the Company announced that the Company's Board of Directors decided to arrange a rights issue of approximately 6.6 million euros based on the authorization given by the Extraordinary General Meeting on March 1, 2021.

On 8 March 2021, Nexstim Plc announced with reference to the company announcement on the rights issue published earlier the same day, that Nexstim had prepared an EU growth prospectus related to the rights issue, approved by the Financial Supervisory Authority on March 8, 2021. The Board of Directors decided to publish the EU growth prospectus on 8 March 2021 and was thereby notified to Sweden.

On 7 April 2021, the Company announced, that according to the results of rights issue of Nexstim Plc that ended on 29 March 2021 in Sweden and on 31 March 2021 in Finland, the Share Issue was oversubscribed, and the number of share subscriptions corresponded to 178,13% of the offered shares. Nexstim raised approximately 6.6 million euros in gross funds through the Share Issue, which, after deduction of the fees and expenses of the Share Issue, amounted to approximately 6.4 million euros.

On 7 April 2021, the Company announced with reference to the subscription rights issue announced on 8 March 2021 that the Company had been provided with subscription underwriting commitments. The Company's major shareholders, Ossi Haapaniemi, Kyösti Kakkonen and Leena Niemistö, jointly with related-party companies / book entry accounts controlled by each, as well as the certain members of the company's Board of Directors and management team, committed on certain terms and conditions, to subscribing for in aggregate approximately 47.83% of the offer shares in the Share Issue. In accordance with the terms of the subscription underwriting commitments, the Company gave those parties who provided subscription underwriting commitments an underwriting commitment fee corresponding to 4% of the aggregate amount of the subscription underwriting commitments by issuing up to 4,205,236 new shares of the Company to those parties without consideration. After the New Shares have been registered with the Finnish Trade Register, the total number of registered shares in the Company will be 663,639,370.

On 7 April 2021, Nexstim Plc announced that the Board of Directors had resolved to reduce the Company's current subscription prices for the 2016B-C, 2018A-B and 2020A-C stock option programs. The share subscription prices were to be amended so that the share subscription price of such stock option programs or warrants is comparable to the price prior to the aforementioned rights issues. Regarding option programs 2020A-C the Board of Directors further decided to amend the amounts of options in the option program resolved on June 10, 2020, aimed at the personnel, management and other interest groups of Nexstim Plc and its subsidiaries, by virtue of an authorization granted by Extraordinary General Meeting of Shareholders of the Company on 1 March 2021. The amended terms of the option rights and warrants are available on the Company's website [www.nexstim.com/investors/share-information/](http://www.nexstim.com/investors/share-information/).

On 15 April 2021, the Company announced that the Annual General Meeting of Nexstim Plc would be held on 11 May 2021. The Board of Directors of the Company decided on an exceptional general meeting procedure pursuant to the provisional act approved by the parliament on 15 September 2020. Shareholders and their representatives were allowed to attend the meeting and exercise their rights only by voting in advance and by submitting counterproposals and questions in advance in accordance with this invitation and other instructions of the company.

On 11 May 2021, the Annual General Meeting of the Company was held, after which the following resolutions were announced:

- The Annual General Meeting of Shareholders adopted the Company's financial statements, including the consolidated financial statements for the year 2020 and resolved that no dividend is paid for the financial year 1



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January – 31 December 2020 and that the loss of the financial year is recorded to the retained losses account. The AGM discharged the members of the Board of Directors and the Managing Director from liability for the financial year 1 January – 31 December 2020.

- The Annual General Meeting resolved that the members of the Board of Directors shall be paid as follows for the term ending at the end of the Annual General Meeting in 2022: for the Chairman of the Board of Directors EUR 36,000, for a Member of the Board of Directors EUR 25,200; no Board member acting in the Nomination Board of the Shareholders shall receive any fees based on such membership. the restricted share unit plan implemented first in 2016 shall be continued for one year for the sixth vesting period (2021- 2022) in respect of the elected members of the Board of Directors of Nexstim Plc on the terms and conditions of which can be found from [www.nexstim.com](http://www.nexstim.com).
- In accordance with the proposal of the Nomination Board, the Annual General Meeting decided that for a Board member, the gross value of the reward for the vesting period 2021—2022 will be for Chairman of the Board of Directors 24,000 € and for a Member of the Board of Directors 16,800 €. The granted reward was 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 Annual General Meeting decided the number of members of the Board of Directors to be four. Martin Forss and Leena Niemistö continued as members of the Board of Directors in accordance with their consents; Tero Weckroth and Timo Hildén were elected as new members of the Board of Directors. Leena Niemistö was, in accordance with her consent, elected as the Chairman of the Board of Directors.
- PricewaterhouseCoopers Oy, Authorized Public Accountants, which has appointed APA Enel Sintonen as responsible auditor, was appointed as the auditor to serve for a term ending at the end of the next Annual General Meeting of Shareholders. The auditor shall be paid reasonable remuneration.
- The Annual General Meeting decided to reduce the amount of shares in the Company without reducing share capital by issuance of new shares and redemption of the Company's own shares in such a way that each current 100 shares of the Company were to correspond to one share of the Company after the arrangements related to the reduction of the quantity of Company's shares are completed. The purpose of the reduction of the quantity of Company's shares is to increase the value of a single share and thus to improve the trade conditions of the shares and the reliability of the price formation of the shares. The new shares were issued on May 14, 2021, and the annulment and new quantity of shares was registered in the trade register by May 17, 2021.

On 14 May 2021, the Company announced the quantity of shares after completion of the first phase in reducing the quantity of shares, saying that 349,530 shares were issued in order to make the number of Company's shares owned by shareholders in the shareholders' register of Nexstim held by Euroclear Finland Ltd divisible by the number 100. The Company has on May 14, 2021 in connection with the share issue referred to above, redeemed from all shareholders without consideration such number of Company's shares which is required by the redemption ratio of 100/1 to execute the reduction of the number of shares in the Company i.e., altogether 657,349,011 shares of the Company. Pursuant to the decision of the Annual General Meeting of Shareholders on May 11 2021, 3,500 new shares (quantity after the reduction) issued to the Company itself were to be re-issued i.e. transferred from the Company without consideration to such shareholders that had shares registered in Euroclear Sweden AB's Securities System whether registered in the name of or a nominee or directly in the name of the Shareholder or in Finland, nominee registered shares registered in Euroclear Finland Ltd.'s book entry system, the amount of which is not divisible by 100. After aforementioned annulment and the issue of 3,500 new shares, total number of the shares in the Company is 6,643,389.

On 17 May 2021, the Company announced the registration of the reduced quantity of shares in the Company (the first phase). Pursuant to the resolution of the Board of Directors of the Company on 14 May 2021 regarding issue of new shares, redemption of own shares and annulment of own shares, the new total number of the Company's shares 6,643,389 had been registered within the Trade Register on Saturday 15 May 2021. Trading with the reduced number of the Company's shares had begun on Nasdaq Helsinki and Nasdaq Stockholm on 17 May 2021 with new ISIN code FI4000506811.

On 19 May 2021, the Company announced the share issue / transfer in connection with reduction of the quantity of shares in the Company. As a part of the arrangements, the Annual General Meeting resolved on 11 May 2021 that the Company shall issue 350,000 shares to the Company itself without payment, meaning a corresponding amount of shares being 3,500 after the reduction, the Company had based on the above-mentioned redemption ratio and requirement, issued i.e. transferred in total 32 treasury shares to the Receiving Shareholders without consideration so that the number of shares

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held by such Receiving Shareholders is divisible with 100. This share issue / transfer concerned only all such Receiving Shareholders in group a) above holding directly owned shares registered in Euroclear Sweden AB's Securities System, and the amount of shares which were required by their shareholding in the Company being divisible by the number 100. The transfers of shares from the Company to such Receiving Shareholders took place and were recorded in book-entry accounts no later than on 24 May 2021.

On 21 May 2021, the Company announced the share issue / transfer and annulment of shares in connection with reduction of the quantity of shares in the Company. Pursuant to the resolution of the Annual General Meeting, as further elaborated by the Board of Directors on 21 May 2021, the Company has based on the above-mentioned redemption ratio and requirement, issued i.e., transferred in total 695 treasury shares to the Receiving Shareholders without consideration so that the number of shares held by such Receiving Shareholders was divisible with 100. This share issue / transfer concerned all Receiving Shareholders in groups a) and b) above holding nominee registered shares recorded in Euroclear Finland Ltd.'s Book entry System or Euroclear Sweden AB's Securities System, and the amount of shares which are required by their shareholding in the Company being divisible by the number 100. Total number of shares in the Company is 6,640,616 after the annulment.

On 24 May 2021, the Company announced that it had registered the reduced quantity of shares (the last phase). Pursuant to the resolution of the Board of Directors of the Company on 21 May 2021 regarding issue / transfer of shares of the Company without consideration, and the annulment of the remaining treasury shares (as set forth in the Company announcement dated 21 May 2021), the annulment of 2,773 shares of the Company and the final number of shares 6,640,616 after all arrangements connected to the reduction of the quantity of shares had now been registered within the Trade Register.

On 25 May 2021, the Company announced that it had extended its agreement with Canadian Health Solutions group, the Company's distributor in Canada, for an additional five years. The agreement continues to focus on the distribution of Nexstim's NBT® systems for the treatment of Major Depressive Disorder. In conjunction with this extension, the distributor ordered three NBT® systems and corresponding head trackers.

On 14 June 2021, the Company announced that pursuant to the authorisation received from the Company's Annual General Meeting on May 11, 2021, and the restricted share unit reward plan approved by the Annual General Meeting on 26 March 2016, the Board of Directors of the Company resolved on issuing altogether 46,057 new shares without payment to 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 amount of the gross reward for the vesting period 2020-2021 determined by the Annual General Meeting on 30 April 2020. After the issuance, the total number of shares in the Company was 6,686,673.

On 14 June 2021, the Company announced the decision of the Board of Directors to convert 11,011 stock options 2020A currently held by the company into stock options 2020B, and 18,819 stock options 2020A currently held by the company into stock options 2020C. As consequence of the change:

- In aggregate 206,011 are marked with 2020B, of which 179,557 have been allocated to the management and personnel and 26,454 remain in the possession of the company.
- In aggregate 213,819 are marked with 2020C, of which 187,365 have been allocated to the management and personnel and 26,454 remain in the possession of the company.
- In addition, 165,170 option rights are marked with symbol 2020A and those option rights are all allocated to management and personnel.

The Board also decided to cancel definitely and irrevocably 10 stock options 2016B held by the Company, and to terminate the option plan 2013A of the Company in its entirety. The amended terms of the stock options 2020 are available on the company's website [www.nexstim.com/investors](http://www.nexstim.com/investors).

## **Major Events after the Review Period**

On 1 July 2021, the Company provided an update on the pilot study on the use of accelerated iTBS protocol in treatment of chronic neuropathic pain with Nexstim NBT® System at Helsinki University Hospital. The Company announced that

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treatment of study patients has started as planned and several patients have completed the treatment. However, the Company then estimated that the treatment of patients will continue during Q3 2021. The Company continuously assesses the development of the pandemic, and if the situation would get noticeably worse, that might have an impact on patient recruitments and treatments. As previously announced, the results will be made available once available.

## Major Risks and Uncertainties

Nexstim's operations, finances and shares involve risks that may be material to the value of the company and its shares. Nexstim Plc's Board of Directors assesses risks twice a year as part of the strategy and business planning process. The risks are published in full in the financial statements bulletin and in the Board of Directors' report. The half-yearly reports only show changes in short-term risks.

The ongoing COVID-19 pandemic continues to be a significant health and macroeconomic risk to the wellbeing of personnel and business of Nexstim Group companies. For example, the continuing COVID-19 pandemic has affected the availability and price of some components worldwide. The company actively monitors the development of the pandemic situation and official regulation in its operating countries. The company strives to anticipate the effects of possible new restrictive measures and to ensure the conditions for the uninterrupted continuation of business operations.

No other significant changes have been observed in the company's short-term risks since the publication of the 2020 financial statements.

## Share and Shareholders

As of June 30, 2021, the fully paid-up share capital of Nexstim Plc amounted to EUR 80,000.00, consisting of 6,686,673 shares. The shares have no nominal value. Nexstim has one class of shares, which have an ISIN code of FI4000506811. As at the end of the review period, Nexstim did not hold any 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 on the Helsinki Stock Exchange, First North GM Finland and on the Stockholm Stock Exchange, First North GM Sweden. Share price information from First North GM Finland in euro (EUR) and share price information from First North GM Sweden in Swedish krona (SEK) are presented below. The number of shares and prices have been adjusted in the information presented below by the reduction of shares on May 17, 2021, where the number of shares was divided by 100.

Between January 1–June 30, 2021, the highest price of the Company's shares was EUR 9.63 (2020: EUR 5.60) and SEK 97.90 (2020: SEK 58.20), the lowest price was EUR 4.16 (2020: EUR 0.50) and SEK 41.80 (2020: SEK 7.30), the average price was EUR 6.64 (2020: EUR 2.06) and SEK 68.57 (2020: SEK 22.80). The closing price on 30.6.2021 was EUR 4.16 (2020: EUR 1.90) and SEK 41.80 (2020: SEK 19.40).

During public trading between January 1–June 30, 2021, a total of 4,970,495 shares were traded, which corresponds to 91.4 percent of the average number of shares during the said period. During January 1–June 30, 2021, there were on average 5,440,004 shares.

The market value of the share capital at the closing price of EUR 4.16 and SEK 41.80 on June 30, 2021, was EUR 27,817 thousand (2020: 8,353) and SEK 279,503 thousand (2020: 85,287).

On June 30, 2021, the total number of outstanding warrants was 580 with an exercise price of EUR 32.00 per share. In addition, stock option rights amounted to a total of 586,510 shares with exercise price per share ranging between EUR 1.00 and EUR 23.00. More detailed information of outstanding warrants and stock option plans are available at company website [www.nexstim.com/investors/share-information/](http://www.nexstim.com/investors/share-information/)

Nexstim Plc Board of Directors had the following authorisations granted on June 30, 2021.

Board of Directors authorizations outstanding total: 1,364,835 shares (see below extracts from the EGM 2021 & AGM 2021 decisions; The number of shares and prices have been adjusted in the information presented below by the reduction of shares on May 17, 2021, where the number of shares was divided by 100.)

The 1 March 2021 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:

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The authorisation would be given to a maximum quantity of 2,200,000 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, 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.

Based and within the limits of this authorisation, 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. 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 authorisation is to be valid for one year from the Extraordinary General Meeting. Remaining amount of the authorised amount: 1,887 shares.

The 1 March 2021 extraordinary general meeting of shareholders authorized the board of directors to decide on share issues as well as issues of option rights and other special rights entitling to shares as follows:

The shares issued under the authorization are new or those in the Company's possession. 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. Under the authorization, a maximum of fifty thousand (50,000) shares may be issued, which corresponds to approximately 1.12 percent of all the shares in the Company after the share issue, provided that new shares are issued, considering all registered shares of the Company. The shares, option rights and/or other special rights entitling to shares can be issued in one or more tranches.

The Board of Directors is authorized to resolve on all terms for the share issues and the terms for the granting of the option rights and other special rights entitling to shares. The Board of Directors is authorized to resolve on a directed share issue and issue of the special rights entitling to shares in deviation from the shareholders' pre-emptive right, provided that there is a weighty financial reason for the Company to do so. Such new shares may also be issued without payment, provided that there as a particularly weighty financial reason for the Company and considering the interests of its all shareholders to do so.

The authorization does not invalidate prior resolved and registered authorizations made at the General Meeting of Shareholders regarding share issue, issuing of option rights and other special rights entitling to shares. The authorization is valid for one (1) year from the decision of the Annual General Meeting of Shareholders. The authorization may be used in connection with future financing needs of the Company (e.g., for a payment of fee payable in Nexstim shares for an investor providing a significant subscription commitment in connection with a possible share issue), developing the equity structure, minimize or reduce debts and possible mergers and acquisitions and other corporate purposes. Remaining amount of the authorised amount: 7,948 shares.

The 11 May 2021 annual general meeting of shareholders unanimously authorized the board of directors to decide on share issues as well as issues of option rights and other special rights entitling to shares as follows:

The Board of Directors was authorized to decide on (i) the issuance of new shares and/or (ii) the transfer of the Company's own shares and/or (iii) the issuance of special rights referred to in Chapter 10, Section 1 of the Companies Act with the following terms:

New shares may be issued and the Company's own shares transferred (i) to the Company's shareholders in proportion to their current shareholdings in the Company; or (ii) 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 the use of shares as consideration for possible acquisitions or other arrangements related to the company's business (including the arrangement regarding the reducing of the quantity of the Company's shares), financing of investments. The new shares can also be issued to the Company itself free of charge. New shares may be issued and treasury shares held by the Company may be transferred either against payment (Share issue against payment) or free of charge (Share issue without payment). A directed share issue can only be without payment if there is a particularly weighty financial reason for it from the Company's point of view and considering the interests of all its shareholders.

Pursuant to the authorization, the Board of Directors is entitled to decide on the issuance of new shares and/or the transfer of the Company's own shares so that the total number of issued and/or transferred shares does not exceed 1,300,000. The Board of Directors may issue special rights referred to in Chapter 10, Section 1 of the Companies Act, which entitle the

# Nexstim

holder to receive new shares or the Company's own shares in against payment. The right may also be granted to the Company's creditor in such a way that the right is subject to the condition that the creditor's claim be used to set off the share subscription price (convertible bond).

The number of new shares to be subscribed to under the special rights granted by the Company and the number of treasury shares to be transferred held by the Company may not exceed a total of 1,300,000, which is included in the maximum number mentioned in the "Maximum number of shares" -section above. As the proposals regarding reverse split are approved the authorization shall be adjusted correspondingly. The subscription price of the new shares and the amount to be paid for the Company's own shares must be entered in the invested unrestricted equity fund. The Board of Directors decides on all other matters related to the authorizations. The authorizations are valid for eighteen (18) months from the decision of the Annual General Meeting. The authorization does not invalidate prior resolved and registered authorizations made by the General Meeting of Shareholders regarding share issue, issuing of option rights and other special rights entitling to shares. Remaining amount of the authorised amount: 1,300,000 shares.

The 11 May 2021 Annual General Meeting unanimously decided to approve the following authorization in accordance with the proposal of the Board of Directors:

The shares issued under the authorization are new or those in the Company's possession. Based on 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 Companies Act complementing or replacing issuance(s) of shares.

The new shares can also be issued to the Company itself free of charge. Share issue against payment and without payment: new shares may be issued, and treasury shares held by the Company may be transferred either against payment (Share issue against payment) or free of charge (Share issue without payment). A directed share issue can only be without payment if there is a particularly weighty financial reason for it from the Company's point of view and considering the interests of all its shareholders.

Under the authorization, a maximum of 55,000 shares may be issued, which corresponds to approximately 0,82% percent of all the shares in the Company after the share issue, provided that new shares are issued, considering all registered shares of the Company. The shares, option rights and/or other special rights entitling to shares can be issued in one or more tranches. The Board of Directors is authorized to resolve on all terms for the share issues and the terms for the granting of the option rights and other special rights entitling to shares. The Board of Directors is authorized to resolve on a directed share issue and issue of the special rights entitling to shares in deviation from the shareholders' preemptive right, provided that there is a weighty financial reason for the Company to do so. The authorization is valid for five (5) years from the decision of the Annual General Meeting of Shareholders. The authorization may be used for the implementation of the RSU plan for the members of the Board of Director's and for the long-term incentive plans for the management and the personnel of the Company. The authorization can also be used for incentive arrangements and payment of the Board fees. Remaining amount of the authorised amount: 55,000 shares.

## LARGEST SHAREHOLDERS

According to the share register maintained by Euroclear Finland Oy, the share ownership of the 20 largest Nexstim Plc shareowners on June 30, 2021 was as follows.

	<b>Shareholder</b>	<b>No. of shares</b>	<b>Holding %</b>
1.	Nordea Bank ABP*	1,089,200	16.29
2.	Kaikarhenni Oy	1,022,416	15.29
3.	Haapaniemi Ossi	589,222	8.81
4.	Joensuun Kauppa Ja Kone Oy	230,241	3.44
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.	Niukkanen Pentti Juhani	75,000	1.12
9.	Clearstream Banking S.A.*	69,298	1.04
10.	Kakkonen Kari Heikki Ilmari	55,096	0.82
11.	K22 Finance Oy	43,549	0.65
12.	Jokinen Jukka Erkki	41,261	0.62
13.	Filen Harri Johannes	38,551	0.58

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14.	Salmela Veijo Ensio	35,393	0.53
15.	Kaukoranta Eero Onni	31,233	0.47
16.	Pettersson Jan Åke	30,000	0.45
17.	Niinista Timo Juhani	24,948	0.37
18.	Kivinen Harri Juhani	24,346	0.36
19.	Kivi Esko	22,658	0.34
20.	Leskinen Timo Mika Juhani	20,622	0.31

\*Nominee registered shareholders

## Financial information

The financial statements bulletin for the financial year ending 31 December 2021 will be published on or about 28 February 2021.

## Results announcement on 13 August 2021

The company will hold two webinars for investors, analysts and the media on Friday, August 13, 2021. CEO Mikko Karvinen and CFO Joonas Juokslahti will present the financial and operational results, after which participants can ask questions.

The first webinar is in Finnish at 11:00 AM (EEST). The second webinar will be held in English at 03:00 PM (EEST).

## Instructions for participating in the webinar:

Please register for the webinar via the link below. Additional information will be sent to those who have registered by e-mail.

Live webinar in Finnish on August 13, 2021 at 11:00 AM (EEST): [Register here >>>](#)

Live webinar in English on August 13, 2021 at 03:00 PM (EEST): [Register here >>>](#)

## Basis of preparation of the half-yearly report

Nexstim Plc's half-yearly report has been prepared in accordance with the Finnish Accounting Regulation and presented in accordance with the rules First North marketplace. The financial information presented in the half-yearly report is unaudited. The figures presented have been subject to rounding adjustments.

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## CONSOLIDATED INCOME STATEMENT

Thousand euro	1 January- 30 June 2021	1 January- 30 June 2020	1 January-31 December 2020
<b>NET SALES</b>	2,958.6	1,614.5	4,114.0
Work performed for own purpose and capitalised	444.9	2.4	5.6
Other operating income	16.4	39.0	50.5
Materials and services			
Materials			
Purchases during the review period	-715.8	-448.9	-936.2
Variation in inventories additions (+) /disposal (-)	149.0	106.8	-38,7
Total	-566.8	-342.1	-974.9
Personnel expenses			
Wages and salaries	-1,707.6	-1,315.0	-3,122.0
Social security expenses			
Pension expenses	-175.8	-106.6	-302.6
Other social security expenses	-144.8	-175.7	-307.0
Total	-2,028.2	-1,597.3	-3,731.5
Depreciation and amortisation			
Depreciation and amortisation according to plan	-172.7	-189.2	-367.0
Total	-172.7	-189.2	-367.0
Other operating expenses	-1,555.0	-1,363.7	-2,429,3
<b>OPERATING RESULT</b>	<b>-902.8</b>	<b>-1,836.5</b>	<b>-3,332.7</b>
Financial income and expenses	54.3	668.1	-783.9
<b>RESULT BEFORE TAXES</b>	<b>-848.5</b>	<b>-1,168.3</b>	<b>-4,116.6</b>
Income taxes	-97.8	-0.8	-5.0
<b>RESULT FOR THE REVIEW PERIOD</b>	<b>-946.3</b>	<b>-1,169.1</b>	<b>-4,121.6</b>

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## CONSOLIDATED BALANCE SHEET

Thousand euro	30 June 2021	30 June 2020	31 December 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Development expenditure	450.8	61.8	50.1
Intangible rights	288.2	302.3	282.0
Total	<b>738.9</b>	<b>364.1</b>	<b>332.1</b>
<b>Tangible assets</b>			
Machinery and equipment	461.7	691.5	514.7
Total	<b>461.7</b>	<b>691.5</b>	<b>514.7</b>
<b>NON-CURRENT ASSETS TOTAL</b>	<b>1,200.7</b>	<b>1,055.7</b>	<b>846.9</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Raw materials and consumables	595.4	591.9	446.4
Total	<b>595.4</b>	<b>591.9</b>	<b>446.4</b>
<b>Receivables</b>			
Trade receivables	1,673.5	685.9	963.0
Prepayments and accrued income	389.6	135.0	250.0
Other receivables	162.2	220.8	269.3
Total	<b>2,225.3</b>	<b>1,041.7</b>	<b>1,482.2</b>
Cash in hand and at banks	6,690.8	4,754.2	3,455.8
<b>CURRENT ASSETS TOTAL</b>	<b>9,511.6</b>	<b>6,387.8</b>	<b>5,384.5</b>
<b>ASSETS TOTAL</b>	<b>10,712.2</b>	<b>7,443.5</b>	<b>6,231.3</b>



# Nexstim

Thousand euro

	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>31 December 2020</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	80.0	80.0	80.0
Reserve for invested unrestricted equity	54,917.8	48,310.7	48,310.7
Retained earnings	-50,254.7	-46,933.4	-45,738.3
Result for the review period	-946.3	-1,169.1	-4,121.6
<b>TOTAL EQUITY</b>	<b>3,796.7</b>	<b>288.2</b>	<b>-1,469.1</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT</b>			
Other interest-bearing loans	3,899.5	4,703.5	3,891.9
Total	<b>3,899.5</b>	<b>4,703.5</b>	<b>3,891.9</b>
<b>CURRENT</b>			
Bank loans	507.7	506.2	1,152.5
Trade payables	213.3	639.3	198.1
Other liabilities	1,860.3	909.3	1,592.4
Accrued expenses	434.8	397.1	865.7
Total	<b>3,016.0</b>	<b>2,451.8</b>	<b>3,808.6</b>
<b>TOTAL LIABILITIES</b>	<b>6,915.5</b>	<b>7,155.3</b>	<b>7,700.5</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>10,712.2</b>	<b>7,443.5</b>	<b>6,231.3</b>

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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, 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 review period					-1,169.1	-1,169.1
Translation difference					-26.7	-26.7
Equity on 30 June, 2020	80.0	0.0	0.0	48,310.7	-48,102.5	288.2

	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 financial 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

	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 review period					-946.3	-946.3
Translation difference					-394.9	-394.9
Equity on 30 June, 2021	80.0	6,607.0	0.0	48,310.7	-51,201.1	3,796.7

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## CONSOLIDATED CASH FLOW STATEMENT

EUR in thousands	1 January - 30 June 2021	1 January - 30 June 2020	1 January - 31 December 2020
<b>Cash flows from operating activities</b>			
<b>Result before extraordinary items</b>	-946.3	-1,169.1	-4,121.6
Adjustments:			
Depreciation and amortisation according to plan	172.7	189.2	366.9
Other adjustments (income -/ expense +)	-108.5	-940.1	255.0
Financial income and expenses	-344.0	-668.1	783.9
<b>Cash flows before change in working capital</b>	<b>-1,226.0</b>	<b>-2,588.2</b>	<b>-2,715.7</b>
<b>Change in working capital:</b>			
Increase (-) or decrease (+) in current receivables	-320.2	442.8	-300.9
Increase (-) or decrease (+) in inventories	-149.0	-106.8	38.7
Increase (-) or decrease (+) in long-term receivables	11.8	0.00	-147.2
Increase (+) or decrease (-) in current interest-free payables	-147.8	-172.2	538.4
<b>Cash flows from operations before financial items and taxes</b>	<b>-1,831.3</b>	<b>-2,367.7</b>	<b>-2,586.8</b>
Interest and other financial expenses paid	87.4	807.0	-137.9
<b>Cash flows from operating activities (A)</b>	<b>-1,918.7</b>	<b>-1,560.6</b>	<b>-2,724.7</b>
<b>Cash flows from investing activities</b>			
Investments in intangible and tangible assets	-526.5	-21.5	9.5
<b>Cash flows from investments (B)</b>	<b>-526.5</b>	<b>-21.5</b>	<b>9.5</b>
<b>Cash flows from financing activities</b>			
Share issue	6,317.3	2,224.1	2,224.1
Drawing (+) or repayment of short-term loans (-)	-644.8	0.0	163.9
Drawing (+) or repayment (-) of long-term loans	7.6	-153.9	-483.1
<b>Cash flows from financing activities (C)</b>	<b>5,680.2</b>	<b>2,070.2</b>	<b>1,904.9</b>
<b>Change in cash in hand and at banks</b>	<b>3,235.0</b>	<b>488.0</b>	<b>-810.3</b>
<b>Cash in hand and at banks in the beginning of the review period</b>	<b>3,455.8</b>	<b>4,266.2</b>	<b>4,266.2</b>
<b>Cash in hand and at banks at end of the review period</b>	<b>6,690.8</b>	<b>4,754.2</b>	<b>3,455.8</b>

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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.

On 7 April 2021, the Company announced with reference to the subscription rights issue announced on 8 March 2021 that the Company had been provided with subscription underwriting commitments. The Company's major shareholders, Ossi Haapaniemi, Kyösti Kakkonen and Leena Niemistö, jointly with related-party companies / book entry accounts controlled by each, as well as the certain members of the company's Board of Directors and management team, committed on certain terms and conditions, to subscribing for in aggregate approximately 47.83% of the offer shares in the Share Issue. In accordance with the terms of the subscription underwriting commitments, the Company gave those parties who provided subscription underwriting commitments an underwriting commitment fee corresponding to 4% of the aggregate amount of the subscription underwriting commitments.

## CONTINGENT LIABILITIES

EUR in thousands	30 June 2021	30 June 2020	31 December 2020
Guarantees	41.7	41.2	41.6
Leasing liabilities	64.2	52.3	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 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.

Helsinki 13 August 2021

Nexstim Plc

Board of Directors

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# Nexstim

## 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](http://www.nexstim.com).