



## NEXSTIM PLC HALF-YEARLY REPORT 1 JANUARY – 30 JUNE 2015 (UNAUDITED)

*Helsinki, 20 August 2015 at 8:00 am*

### **Company Highlights, January – June 2015**

- Phase III multi-centre trial in the US for stroke therapy is progressing according to plans; successfully enrolling patients on time with first milestone interim analysis expected in Q3 2015
- January – June 2015 revenue growth of 55.4 percent compared to first half of 2014
- Appointment of Olli Riikkala as Chairman of the Board of Directors, and Juliet Thompson as a new independent non-executive director

### **Status of clinical development**

Nexstim's Navigated Brain Therapy (NBT<sup>®</sup>) System is currently in the development phase. The Company is currently building clinical evidence by conducting a clinical Phase III multi-centre clinical trial to demonstrate the effectiveness of the use of Nexstim's NBT<sup>®</sup> System in post-acute stroke therapy. The clinical trial is progressing according to plans and the first interim analysis milestone is estimated to be reached in Q3 2015 with a second interim analysis in Q1 2016. The final analysis is expected to be ready by the end of 2016.

### **CEO Janne Huhtala's review**

The first half of 2015 contained several successes, including the positive progress made in the Phase III clinical trial using our NBT<sup>®</sup> System and traction of Navigated Brain Stimulation (NBS). We are also pleased with the momentum of continued interest from academics and clinicians in Nexstim's technology and software.

Nexstim continued to progress its ongoing Phase III, two year, multi-centre clinical trial for the use of Nexstim's NBT<sup>®</sup> System in post-acute stroke therapy in 12 different rehabilitation centres in the US. The trial is on track for completion by end 2016 and we estimate that we will announce the interim analysis in Q3 2015. The company has ongoing dialogue with FDA regarding the 510(k) De Novo submission.

Nexstim has been targeting NBS system sales to strategic customers such as teaching hospitals and universities with a strong KOL presence and supported by capital equipment investment sales models. Medical research from these important centres continues to be published internationally by Nexstim affiliates, extolling the benefits of NBS mapping in neurosurgery and neurosurgical planning, and demonstrating the value of NBS to neurosurgery outcomes and workflows, supporting the wider adoption of this technology and software.

Nexstim revenues EUR 643.2 thousand have increased by 55.4 percent compared to the equivalent period in 2014 (EUR 413.9 thousand) due to an increase in NBS system sales revenue in Europe and the Middle-East. Sales of NBS systems in US markets was disappointing, mainly due to customers postponing capital investment decisions, causing a consequential lumpiness in revenue expectations. We estimate that the sales pipeline for H2 2015 will continue to be strong, however, due to potential delays in the US market, the overall full year 2015 NBS sales growth rate may be affected.

Nexstim ended the first half of 2015 with a cash position of EUR 6.1 million. Due to the possible lower level of NBS sales in US and slightly higher than earlier estimated Phase III trial costs, the current cash and cash generated from sales is estimated to be sufficient to finance the company's existing clinical development trials for the first two milestones (Q3 2015 and Q1 2016) and pre-commercialisation activities.

With the potential for successful Phase III trial milestones, Nexstim is preparing for the possibility of advancing the NBT<sup>®</sup> system commercialisation and, during 2015, Nexstim has actively engaged with the investment community and has received a lot of positive interest.

Nexstim also was very pleased to announce the appointment of Olli Riikkala as Chairman of the Board of Directors, and Juliet Thompson as a new Board member, at the Annual General Meeting, adding strength to the Board and aligning it to Nexstim's international growth strategy.

## Key performance indicators

EUR in thousands	1-6/2015 6 months	1-6/2014 6 months	1-12/2014 12 months
Net sales	643.2	413.9	2,210.4
Personnel expenses	-1,906.1	-1,641.9	-3,660.2
Depreciation and amortisation	-168.7	-125.3	-377.4
Other operating expenses	-3,422.9	-1,672.3	-5,498.5
Profit/ -Loss for the period	-4,555.0	-5,127.3	-10,445.4
Earnings per share (EUR)*	-0.64	-1.44	-2.37
Diluted earnings per share (EUR)*	-0.58	-1.34	-2.16
Cash flows from operating activities	-5,275.3	-2,508.1	-7,785.2
Cash in hand and at banks	6,071.1	1,522.1	11,483.7
Total equity	3,712.0	-4,077.3	8,589.9
Equity ratio (%)	50.44	-87.19	65.29
Number of shares in the end of the period (pcs)*	7,130,758	3,685,290	7,130,758
Average number of shares during the period (pcs)*	7,130,758	3,561,908	4,406,572
Diluted number of shares in the end of the period (pcs)*	7,917,698	4,016,936	7,917,698
Diluted average number of shares during the period (pcs)*	7,917,698	3,836,910	4,826,140

*\*The number of Shares and subscription price have been adjusted to take account the effect of the merging of the share classes and share split on 29 September 2014, where the number of Shares was increased 14-fold*

## Future Outlook

Based on its business forecast and sensitivity analysis the company expects its net sales from the sale of NBS Systems (Pre-Surgical Mapping, PSM) to grow during financial year 2015 and operating profit to be positive during second half of the financial year 2017 at the earliest.

## Financial review

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

### Operating results

#### Net sales

Net sales on January 1 – June 30, 2015 were EUR 643.2 thousand (413.9), which shows an increase of 55.4 percent. Increase in Net sales was mainly due to growth in sales of NBS Systems.

#### Work performed for own purpose and capitalised

Work performed for own purpose and capitalised on January 1 – June 30, 2015 was EUR 21.5 thousand (17.5) which consists of capitalised development costs.

#### Other operating income

Other operating income on January 1 – June 30, 2015 was EUR 51.6 thousand (28.7). Other operating income consists mainly of grants by Tekes.

#### Materials and services

Materials and services expenses on January 1 – June 30, 2015 totalled EUR -145.3 thousand (-125.0).

# Nexstim

## *Personnel expenses*

Personnel expenses on January 1 – June 30, 2015 totalled EUR -1,906.1 thousand (-1,641.9). The increase was mainly due to increase in number of personnel and adjustments in individual salary levels.

## *Depreciation and amortisation*

Depreciation and amortisation on January 1 – June 30, 2015 amounted to EUR -168.7 thousand (-125.3). The increase was mainly due to depreciation of Phase III multi-centre stroke trial equipment costs that were capitalised during the first half of the year 2014.

## *Other operating expenses*

Other operating expenses on January 1 – June 30, 2015 totalled EUR -3,422.9 thousand (-1,672.3). Amount of EUR 1,745.4 thousand in expenses was due to direct expenses related to Phase III multi-centre trial.

## *Operating profit (loss)*

Operating loss on January 1 – June 30, 2015 was EUR -4,926.6 thousand (-3,104.3).

## *Financial income and expenses*

Net financial income and expenses on January 1 – June 30, 2015 amounted to an income of EUR 374.0 thousand (-2,023.0). The net financial income was mainly due to positive exchange rate gains. The net expense in first half of 2014 primarily related to recognised financial expenses on the capital loan from the shareholders.

## *Profit/loss for the financial period*

The loss for the period January 1 – June 30, 2015 was EUR -4,555.0 thousand (-5,127.3).

## ***Financial position***

### *Non-current assets*

The Company's non-current assets were EUR 948.0 thousand (1,035.0). Intangible assets amounting to EUR 551.0 thousand on 30 June 2015 consist mainly of intangible assets related to capitalised development expenses and intellectual property rights. The tangible assets amounting to EUR 387.0 thousand on 30 June 2015 consist mainly of Phase III trial equipment.

### *Current assets*

The Company's current assets amounted to EUR 7,462.2 thousand (2,014.8). The increase of current assets was due to payments received from shares issued in initial public offering in November 2014.

### *Equity*

Consolidated shareholders' equity totalled EUR 3,712.0 thousand (-4,077.3). The increase was driven by share issues completed during year 2014.

### *Liabilities*

#### *Non-Current Liabilities*

The Company's non-current liabilities totalled EUR 3,463.6 thousand (4,415.9). The non-current liabilities of the Company consist of capital loans, other interest-bearing loans and deferred income.

## *Current Liabilities*

The Company's current liabilities totalled EUR 1,234.6 thousand (2,711.3). The current liabilities mainly consist of trade payables, other current liabilities and accrued expenses.

## *Financing and liquidity*

Liquid assets, consisting of cash in hand and at banks, totalled EUR 6,071.1 thousand (1,522.1).

The Company's net cash outflow from operating activities during the reporting period was EUR -5,275.3 thousand (-2,508.1).

Net cash flow from investments was EUR -137.3 thousand during the reporting period (-663.3). The change compared to the corresponding period in the previous year was mainly due to investment in Phase III trial equipment during first half of 2014.

Net cash flow from financing activities was EUR 0.0 thousand during the reporting period (3,683.5).

## **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, including after sales, service and Quality and Regulatory Affairs;
- Sales & Marketing;
- Administration, including Finance and Legal Affairs support functions.

At the end of the reporting period June 30, 2015 Nexstim group employed 34 full-time employees (FTEs). Nexstim Plc employed 24 FTEs at the same point of time. During January 1 – June 30, 2015 Nexstim group employed on average 33 FTEs (2014: 33 FTEs).

## **Strategy**

The Company's strategy is to validate the navigated transcranial magnetic stimulation (nTMS) technology's therapeutic utility in post-acute stroke. The Company intends to demonstrate this by proving the clinical efficacy of its navigated technology platform in targeted non-invasive neuromodulation for motor rehab.

The Company's strategy is also to validate the commercial potential with the clinical utility of the same technology in pre-surgical mapping (PSM). In the future, the Company intends to investigate the applicability of its technology platform also in other indications within stroke and, for example, in pain and tinnitus.

### *Proving clinical efficacy of the NBT® System*

Nexstim's NBT® System used for stroke therapy is currently in the development and pre-commercialisation phase. The Company is currently conducting a Phase III multi-centre trial in order to prove the efficacy of the NBT System treatment in the rehabilitation of post-acute stroke related upper limb motor disability. Additionally, the pivotal Phase III trial is being conducted in order to obtain key opinion leader support and outcome data to build a health economics model prior to seeking reimbursement coverage and commercialisation of the device. Nexstim plans initially to target the US stroke therapy market as the US represents the largest single market facilitating reimbursement coverage for a large patient base. The Company is also conducting its pivotal Phase III trials in the US, in order to seek local KOL support. In order to access the US market the Company contemplates to apply for the FDA's De Novo 510(k) clearance for the use the NBT® System in the US. With these actions the Company aims to create a competitive advantage to potential competitors and facilitate full commercialisation in the next phase of the Company's strategy.

For the later commercialisation stage Nexstim intends to utilise a consumable sales model for the stroke therapy market, whereby revenues are generated mainly through the sale of consumable kits sold per procedure with a high margin. The



sales model has been chosen due to the high population of stroke survivors with motor related disabilities and high levels of stroke incidences every year requiring approximately 20 consumables per treatment period per patient. The device has an annual maximum capacity of approximately 2,000 sessions. The sales model allows for a low initial investment in the NBT<sup>®</sup> System for the customer which the Company believes will promote the future sales of the NBT<sup>®</sup> System.

#### *Pre-commercialisation of the NBS System*

The Company initially launched the NBS System in the diagnostics market for use in pre-surgical mapping (PSM) as a proving ground for its navigation technology due to the high requirements placed on accuracy and reliability in PSM. The Company has obtained an FDA clearance and CE marking for the NBS System for both motor and speech mapping.

The Company launched its next generation NBS 5 System in September 2014 and it is currently being sold in the US and Europe. Sales focus is currently on universities and teaching hospitals to obtain further KOL support. The Company is currently in the process of building its health economics model by utilising recently released outcome data from investigator initiated trials which data showed significant benefits of the use of the NBS System in clinical treatment. The building of the health economics model facilitates the larger scale sales effort initiated following the recent launch of its NBS 5 System (see "Description of business – Pre-surgical mapping - NBS System – Health economics model"). The Nexstim's next generation NBS 5 System is an updated version which does not require separate FDA clearance or CE marking as it does not have a significant technological difference to the previously cleared version NBS 4.

In the pre-surgical market Nexstim has adopted a sales model whereby revenues are primarily generated by the sale of the NBS System. The NBS System has a higher relative pricing compared to the NBT<sup>®</sup> System. The typical clinical operating life of a NBS System is seven years. The sales model has been chosen due to the relatively low annual level of incidences where pre-surgical mapping could be clinically beneficial.

#### **Major Events in the Reporting Period**

Nexstim Oy annual general meeting was held in Helsinki 31 March 2015.

The annual general meeting of shareholders of Nexstim Plc adopted the Company's financial statements, including the consolidated financial statements for the year 2014, and discharged the members of the Board of Directors and the Chief Executive Officer from liability. The general meeting decided that no dividend would be paid for the financial year 1 January 2014 - 31 December 2014 and that the loss of the financial year be added to the loss account.

The general meeting resolved the number of the members of the Board of Directors at seven. Olli Riikkala, Ken Charhut, Ekaterina Smirnyagina, Juha Vapaavuori, Rene Kuijten, Juliet Thompson and Johan Christenson were elected to the Board; Olli Riikkala was elected as the chair and Johan Christenson as the deputy chair.

The new Board member, Juliet Thompson, has spent approximately 20 years working as an investment banker and strategic advisor to healthcare companies in Europe. She has built a strong track record of advising companies on corporate strategy, equity and debt fundraisings and international M&A. She is a Chartered Accountant ACA; Chartered Institute for Securities and Investment (ASCI); Bsc Economics (Bristol University). Her experience includes roles at Oriel Securities, Nomura Code Securities, WestLB Panmure, ICI PLC, Deloitte and Touche and HM Treasury.

The remuneration of the members of the Board of Directors was resolved as follows: €45,000 for the chair of the board, €36,000 for the members of the board domiciled in the USA, €18,000 for the members domiciled in Finland, and €27,000 for the members domiciled in Europe, outside Finland. The general meeting recommended that the members of the board invest half of the above-mentioned remuneration in the Company's shares.

Further, the general meeting resolved that the members of the board committees domiciled in Finland be paid as follows for each committee meeting at which they are present: €1,000 for the chair of the committee and €500 for the other members of the committee. The members of the board committees domiciled in the USA will be paid as follows for each committee meeting at which they are present: €2,000 for the chair of the committee and €1,000 for the other members of the committee. The members of the board committees domiciled in Europe but outside Finland, will be paid as follows for each committee meeting at which they are present: €1,500 for the chair of the committee and €750 for the other members of the committee.

It was decided that reasonable travel expenses of the ordinary members of the board be compensated against receipts.

PricewaterhouseCoopers Oy, an auditing firm approved by the Finnish Chambers of Commerce, was re-elected as the auditor with Martin Grandell acting as the auditor-in-charge. The auditor will be paid a reasonable fee in accordance with an invoice approved by the Company.

The full decisions and the minutes of the general meeting have been published on Nexstim's website.

## Major Events after the Reporting Period

On August 11, 2015 Nexstim announced that the United States Patent and Trademark Office ("USPTO") granted a key patent covering its method and system for displaying the electric field generated on the brain by transcranial magnetic stimulation (TMS).

## Major Risks and Uncertainties

Nexstim's operations, finances and shares involve risks that may be significant for the company and its share value. These risks are assessed by the board of directors twice a year as part of the strategy and business planning process. The risks are published fully in the financial statement and in the annual report of the board of directors. The half-yearly reports only present the changes in short-term risks.

Risks relating to the Company and its business operations have been updated since 2014 financial statement as follows:

- The Company operates in global markets and is subject to changes in geopolitical and local political atmosphere.

A weakening of the global economic environment or an increase in geopolitical tensions could result in deterioration of the market environment and the situation in the global new system and service markets. Nexstim management and personnel operate in a global environment and is subject to risks related to changes in local political atmosphere and common travel related risks in developing countries.

Risks relating to the shares have been updated since 2014 financial statement as follows:

- Possible negative rumours could have a negative effect on the market price of the shares.

Nexstim does not comment on market rumours, the price of its shares, actions of competitors or customers, analyst estimates, or confidential or unfinished business transactions unless Nexstim considers it necessary. If in Nexstim's opinion it is likely that confidential information has been leaked to public, and the leak originates from Nexstim, Nexstim will issue a related company release.

## Share and Shareowners

As at June 30, 2015, the fully paid-up share capital of Nexstim Plc amounts to EUR 80,000.00, consisting of 7,130,758 Shares. The Shares have no nominal value. Nexstim has one class of shares, which have an ISIN code of FI4000102678. As at the end of the reporting 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 have been listed since November 14, 2014 in Helsinki Stock Exchange, First North Finland and at the Stockholm Stock Exchange, First North Sweden. Below presented share price information from First North Finland is in euro (EUR) and share price information from First North Sweden is in Swedish krona (SEK).

On January 1–June 30, 2015, the highest price of the company share was EUR 6.25 (SEK 59.25), the lowest price was EUR 4.76 (SEK 43.00), and the average price was EUR 5.46 (SEK 50.52). The closing price on June 30, 2015, was EUR 5.90 (SEK 53.00).

In public trading on January 1–June 30, 2015, a total of 261,257 shares were traded, which corresponds to 3.7 percent of the average number of shares on the said period. On January 1–June 30, 2015, there were 7,130,758 shares on the average.

The market value of the share capital at the closing price of EUR 5.90 (SEK 53.00), on June 30, 2015, was EUR 42,071 thousand (SEK 377,930 thousand).

The March 31, 2015 general meeting decided that the Board of Directors be authorised to decide on the repurchase of the Company's own shares as follows: The amount of own shares to be repurchased will not exceed 1,069,613 shares, which corresponds to approximately 15 per cent of all of the shares in the Company. For the sake of clarity, it was noted, however, that the Company together with its subsidiaries cannot simultaneously possess more than 10 per cent of its registered amount of shares. The authorisation is effective for 18 months from the resolution of the general meeting.

The March 31, 2015 general meeting also authorised the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 of the Finnish Companies Act as follows: Shares potentially issued by virtue of the special rights entitling to shares are new shares or shares held by the Company. The maximum amount of shares potentially issued by virtue of the special rights entitling to shares is 1,069,613 shares, which corresponds to approximately 15 per cent of all of the shares in the Company. Shares or special rights entitling to shares can be issued in one or more parts. The authorisation is valid for three (3) years from the resolution of the general meeting.



According to the share register maintained by Euroclear Finland Oy, the persons belonging to the public insider register on June 30, 2015, held company shares as follows:

Board of Directors:

Olli Riikkala, 21 760 shares, 0.31%  
Kenneth Charhut, 0 shares, 0.00%  
Johan Christenson, 0 shares, 0.00%  
René Kuijten, 0 shares, 0.00%  
Ekaterina Smirnyagina, 0 shares, 0.00%  
Juliet Thompson, 0 shares, 0.00%  
Juha Vapaavuori, 0 shares, 0.00%

CEO:

Janne Huhtala, 5 000 shares, 0.07%

Management team:

Henri Hannula, 4 444 shares, 0.06%  
John Hardin, 0 shares, 0.00%  
Rainer Harjunpää, 490 shares, 0.01%  
Gustaf Järnefelt, 1 563 shares, 0.02%, including holdings of interest parties 782 shares, 0.01%  
Mikko Karvinen, 7 532 shares, 0.11%, including holdings of interest parties 2 532 shares, 0.04%  
Jarmo Laine, 4 100 shares, 0.06%  
Petriina Puolakka, 7 139 shares, 0.10%, including holdings of interest parties 2 000 shares, 0.03%

Auditors:

Martin Grandell, 0 shares, 0.00%

Helsinki 20 August 2015

Nexstim Plc  
Board of Directors

**For further information please visit [www.nexstim.com](http://www.nexstim.com) or contact:**

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**Publication of financial information**



A conference call for media, investors and analysts will take place at 3.00 pm Finnish time on Thursday 20 August 2015. Janne Huhtala, Chief Executive Officer, and Mikko Karvinen, Chief Financial Officer, will present the financial and operational results followed by a Q&A session. The presentation material will be available on the Nexstim website shortly before the conference call begins.

The dial-in numbers for the conference call are:

Finland: +358 (0)9 231 95386  
Sweden: +46 (0)8 566 19407  
UK: +44 (0)1452 557 851  
US: +1 86 66 65 40 42

The call ID number is: 89136232

Financial statements release for the year ending 31 December, 2015 will be published on or about 29 February 2016.

### **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.



# Nexstim

## CONSOLIDATED INCOME STATEMENT

Thousand euro	1 January- 30 June 2015	1 January- 30 June 2014	1 January-31 December 2014
<b>NET SALES</b>	643.2	413.9	2,210.4
Work performed for own purpose and capitalised	21.5	17.5	30.4
Other operating income	51.6	28.7	134.1
Materials and services			
Materials			
Purchases during the financial year	-267.3	34.0	-474.4
Variation in inventories additions(+) /disposal (-)	122.0	-158.9	-89.8
Services	0.0	0.0	-74.3
Total	-145.3	-125.0	-638.5
Personnel expenses			
Wages and salaries	-1,561.4	-1,307.7	-2,965.2
Social security expenses			
Pension expenses	-190.7	-157.4	-380.8
Other social security expenses	-154.0	-176.8	-314.1
Total	-1,906.1	-1,641.9	-3,660.2
Depreciation and amortisation			
Depreciation and amortisation according to plan	-168.7	-125.3	-377.4
Total	-168.7	-125.3	-377.4
Other operating expenses	-3,422.9	-1,672.3	-5,498.5
<b>OPERATING PROFIT / -LOSS</b>	<b>-4,926.6</b>	<b>-3,104.3</b>	<b>-7,799.6</b>
Financial income and expenses			
Other interest income and other financial income	25.1	0.0	327.9
Interest and other financial expenses	348.9	-2,023.0	-2,973.7
Total	374.0	-2,023.0	-2,645.8
Income taxes	-2.3	0.0	0.0
<b>PROFIT / -LOSS FOR THE FINANCIAL YEAR</b>	<b>-4,555.0</b>	<b>-5,127.3</b>	<b>-10,445.4</b>



## CONSOLIDATED BALANCE SHEET

Thousand euro	30 June 2015	30 June 2014	31 December 2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Development expenditure	81.5	98.9	83.0
Intangible rights	469.5	366.1	444.0
Total	551.0	465.0	527.0
<b>Tangible assets</b>			
Machinery and equipment	387.0	560.1	442.5
Total	387.0	560.1	442.5
<b>Investments</b>			
Other shares and similar rights of ownership	10.0	10.0	10.0
Total	10.0	10.0	10.0
<b>NON-CURRENT ASSETS TOTAL</b>	<b>948.0</b>	<b>1,035.0</b>	<b>979.4</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Raw materials and consumables	557.1	177.6	246.7
Total	557.1	177.6	246.7
<b>Receivables</b>			
Trade receivables	564.3	197.9	929.9
Prepayments and accrued income	156.3	39.5	40.9
Other receivables	113.3	77.7	313.0
Total	834.0	315.1	1,283.9
Cash in hand and at banks	6,071.1	1,522.1	11,483.7
<b>CURRENT ASSETS TOTAL</b>	<b>7,462.2</b>	<b>2,014.8</b>	<b>13,014.2</b>
<b>ASSETS TOTAL</b>	<b>8,410.2</b>	<b>3,049.9</b>	<b>13,993.7</b>

# Nexstim

Thousand euro

	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>31 December 2014</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	80.0	31,991.5	80.0
Share issue	0.0	1,812.2	0.0
Share premium account	0.0	63.2	0.0
Reserve for invested unrestricted equity	18,302.3	0.1	18,302.3
Retained earnings / -loss	-10,115.4	-32,817.1	653.0
Profit / -loss for the financial year	-4,555.0	-5,127.3	-10,445.4
<b>TOTAL EQUITY</b>	<b>3,712.0</b>	<b>-4,077.3</b>	<b>8,589.9</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT</b>			
Capital loans	500.0	1,503.1	500.0
Other interest-bearing loans	2,904.6	2,830.2	2,904.6
Deferred income	59.0	82.6	70.8
Total	3,463.6	4,415.9	3,475.4
<b>CURRENT</b>			
Deferred income	0.0	15.0	0.0
Trade payables	876.8	402.9	1,382.1
Other liabilities	100.3	2,093.9	134.3
Accrued expenses	257.5	199.5	411.9
Total	1,234.6	2,711.3	1,928.3
<b>TOTAL LIABILITIES</b>	<b>4,139.3</b>	<b>7,127.3</b>	<b>5,403.7</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>8,410.2</b>	<b>3,049.9</b>	<b>13,993.7</b>

# Nexstim

## 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, 2013	28,570.7	1,775.3	63.2	0.1	-32,791.4	-2,382.1
Issue of shares	3,420.9	36.9				
Profit / -loss for the period					-5,127.3	
Translation difference					-25.7	
Equity on 30 June, 2014	31,991.5	1,812.2	63.2	0.1	-37,944.0	-4,077.0
	Share capital	Share issue	Share premium account	Reserve for invested unrestricted equity	Retained earnings	Equity total
Equity on 31 December, 2013	28,570.7	1,775.3	63.2	0.1	-32,791.4	-2,382.1
Issue of shares		3,525.4				
Share issue registered to share capital	5,300.7	-5,300.7				
Reduction of share capital*	-33,791.4				33,791.4	
Reduction of share premium account*			-63.2		63.2	
Initial public offering				18,302.2		
Profit / -loss for the period					-10,445.4	
Translation difference					-410.4	
Equity on 31 December, 2014	80.0	0.0	0.0	18,302.3	-9,792.4	8,589.9
	Share capital	Share issue	Share premium account	Reserve for invested unrestricted equity	Retained earnings	Equity total
Equity on 31 December, 2014	80.0	0.0	0.0	18,302.3	-9,792.4	8,589.9
Issue of shares						
Profit / -loss for the period					-4,555.0	
Translation difference					-323.0	
Equity on 30 June, 2015	80.0	0.0	0.0	18,302.3	-14,670.4	3,712.0

\*The unanimous resolution made by the shareholders of the Company 29 September 2014 resolved to reduce the share capital and the share premium account of the Company. The reduction of share capital amounted to EUR 33,791.5 thousand and the reduction of share premium account amounted to EUR 63.2 thousand.

## CONSOLIDATED CASH FLOW STATEMENT

EUR in thousands	1 January - 30 June 2015	1 January – 30 June 2014	1 January - 31 December 2014
<b>Cash flows from operating activities</b>			
<b>Profit / -Loss before extraordinary items</b>	-4,552.7	-5,127.3	-10,445.4
Adjustments:			
Depreciation and amortisation according to plan	168.7	125.3	377.4
Other adjustments (income -/ expense +)	-323.0	0.0	-410.3
Financial income and expenses	374.0	2,023.0	2,645.8
<b>Cash flows before change in working capital</b>	-4,333.0	-2,979.0	-7,832.5
<b>Change in working capital:</b>			
Increase (-) or decrease (+) in current receivables	449.9	890.1	-80.0
Increase (-) or decrease (+) in inventories	-310.4	158.9	89.8
Increase (+) or decrease (-) in current interest-free payables	-705.5	-561.3	677.1
<b>Cash flows from operations before financial items and taxes</b>	-4,899.0	-2,491.3	-7,145.5
Interest and other financial expenses paid	-374.0	-16.8	-639.6
Direct taxes	-2.3	0.0	0.0
<b>Cash flows from operating activities (A)</b>	<b>-5,275.3</b>	<b>-2,508.1</b>	<b>-7,785.2</b>
<b>Cash flows from investing activities</b>			
Investments in intangible and tangible assets	-137.3	-663.3	-859.7
<b>Cash flows from investments (B)</b>	<b>-137.3</b>	<b>-663.3</b>	<b>-859.7</b>
<b>Cash flows from financing activities</b>			
Share issue	0.0	3,457.8	18,818.4
Drawing of short-term loans (+)	0.0	0.0	0.0
Drawing of long-term loans (+)	0.0	225.7	300.2
<b>Cash flows from financing activities (C)</b>	<b>0.0</b>	<b>3,683.5</b>	<b>19,118.6</b>
<b>Change in cash in hand and at banks</b>	<b>-5,412.6</b>	<b>512.2</b>	<b>10,473.7</b>
<b>Cash in hand and at banks in the beginning of the period</b>	<b>11,483.7</b>	<b>1010.0</b>	<b>1,010.0</b>
<b>Cash in hand and at banks at end of the period</b>	<b>6,071.1</b>	<b>1,522.2</b>	<b>11,483.7</b>

## MATERIAL TRANSACTIONS WITH RELATED PARTIES

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

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

## CONTINGENT LIABILITIES

EUR in thousands	30 June 2015	30 June 2014	31 December 2014
Guarantees	49,4	31,0	31,0
Leasing liabilities	75,8	55,3	52,6

The company has on June 2, 2015 agreed on a new payment plan with Valtiokonttori related to February 8, 2001 signed capital loan agreement of EUR 500.0 thousand. The company paid on June 1, 2015 loan interests total of EUR 198.3 thousand to Valtiokonttori. According to the new payment plan the capital will be repaid in full during the years 2016-2020 in fixed amortization schedule. The accumulated accrued unpaid interest on the capital loans of the company amounted to EUR 3.1 thousand at 30 June 2015 and it has not been recognised as an expense in income statement or as a liability on the balance sheet.

## LARGEST SHAREHOLDERS

According to the share register maintained by Euroclear Finland Oy, the share ownership of the 20 largest Nexstim Plc shareowners at June 30, 2015 was as follows.

	Shareholder	No. of shares	Holding %
1.	Svenska Handelsbanken AB (publ), Branch Operation in Finland*	2,111,174	29.61
2.	The Finnish National Fund for Research and Development Sitra	1,501,557	21.06
3.	Nordea Pankki Suomi Oyj*	1,126,683	15.80
4.	Clearstream Banking S.A.*	626,582	8.79
5.	Lundbeckfond Invest A/S	334,478	4.69
6.	Ilmarinen Mutual Pension Insurance Company	319,643	4.48
7.	Suomen Teollisuussijoitus Oy	188,722	2.65
8.	OP-Delta Fund	157,480	2.21
9.	Danske Bank Plc	120,010	1.68
10.	Ilmoniemi Risto Juhani	107,529	1.51
11.	OP-Finland Small Firms Fund	78,740	1.10
12.	OP-Europe Equity Fund	78,740	1.10
13.	Interdomer Oy	50,937	0.71
14.	Skandinaviska Enskilda Banken AB	44,510	0.62
15.	Ålands Ömsesidiga Försäkringsbolag	30,000	0.42
16.	Riikkala Olli	21,760	0.31
17.	Hiekkanen Kalevi Antero	18,000	0.25
18.	Karhu Jari Jukka Tapio	17,500	0.25
19.	Haapaniemi O.Law Oy	15,750	0.22
20.	UB Securities Oy	9,397	0.13

\*Nominee registered shareholders