



**Nexstim Plc  
("Nexstim")**

**Nexstim Plc: Invitation to the Extraordinary General Meeting of Shareholders and cancellation of the invitation published on 25 January 2017**

***Helsinki, 30 January 2017 at 9:00 am***

Nexstim Plc (NXTMH:HEX, NXTMS:STO), a medical technology company with a pioneering navigated non-invasive brain stimulation system.

***Account of events and cancellation of the invitation to the Extraordinary General Meeting of Shareholders published on 25 January 2017***

After the publication of the invitation to the Extraordinary General Meeting of Shareholders published on 25 January 2017 at 9:00 am, it has come to the attention of the Board of Directors of Nexstim that the Board of Directors has in error exceeded the authorisations regarding share issuances and issuances of special rights to shares granted by the Extraordinary General Meeting of Shareholders of Nexstim held on 18 August 2016.

The Transaction entered into with Bracknor and Sitra has created extensive obligations for Nexstim to issue shares and special rights entitling to shares under the Transaction. In order to fulfil these obligations, the Extraordinary General Meeting of Shareholders held on 18 August 2016 resolved to authorise the Board of Directors to resolve by one or several resolutions on:

- (i) issues of shares to Nexstim itself without payment (up to 15,000,000 shares);
- (ii) issues of shares (up to 15,000,000 shares); and
- (iii) issues of special rights entitling to shares referred to in Chapter 10 of the Finnish Companies Act (up to 18,000,000 shares).

In addition to the above, the Annual General Meeting of Shareholders held on 31 March 2016 had authorised the Board of Directors to resolve on issuances of shares and special rights entitling to shares in the maximum amount of 1,201,613 shares. Immediately prior to the Extraordinary General Meeting of Shareholders held on 18 August 2016, a total number of 299,743 shares remained of this authorisation.

After the resolutions of the Extraordinary General Meeting of Shareholders held on 18 August 2016, the Board has in error exceeded its authorisations by issuing altogether 48,901,870 shares to Bracknor and Sitra instead of the authorised maximum number of 33,299,743. Of this authorised maximum number, 15,000,000 have been authorised as directed shares issues, 18,000,000 as special rights entitling to shares and 299,743 as directed share issues or special rights entitling to shares. Thus, a total of 15,602,127 shares have been issued without proper authorisation.

Furthermore and in relation to the above, also the authorised number of special rights entitling to shares has been exceeded. The Board has in error issued to Bracknor and Sitra without proper

authorisation special rights entitling to a total number of 31,167,761 shares in Nexstim. These special rights entitling to shares, however, have not yet been converted into shares.

In the light of the new information described above, the Board of Directors of Nexstim hereby cancels the invitation to the Extraordinary General Meeting of Shareholders published on 25 January 2017 and publishes a new invitation to the Extraordinary General Meeting of Shareholders to be held on 20 February 2017.

To remedy the said exceedings of authorisations, the Board of Directors makes the proposals set out in items 6.4 and 6.5 below to the Extraordinary General Meeting of Shareholders. The proposed remedies, if approved by the Extraordinary General Meeting of Shareholders, would not change the maximum fully diluted number of shares and votes of 117,855,291 or the amount of funding received by Nexstim under the Transaction so far.

### ***Invitation to the Extraordinary General Meeting of Shareholders to be held on 20 February 2017***

Shareholders of Nexstim Plc are invited to attend the Extraordinary General Meeting of Nexstim on 20 February 2017, commencing at 10.00 (EET) at the auditorium of Hotel Haven, at the address of Unioninkatu 17 Helsinki, Finland. The reception of persons who have registered for the meeting will commence at 9.30.

### ***A. Matters on the agenda of the Extraordinary General Meeting of Shareholders***

At the Extraordinary General Meeting of Shareholders, the following matters will be considered:

- 1 OPENING OF THE MEETING
- 2 CALLING THE MEETING TO ORDER
- 3 ELECTION OF PERSONS TO SCRUTINIZE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES
- 4 RECORDING THE LEGALITY OF THE MEETING
- 5 RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES
- 6 RESOLUTIONS RELATING TO THE TRANSACTION (AS DEFINED BELOW)

#### ***6.1 Background of the Transaction***

Nexstim announced on 21 July 2016 its plans to strengthen its working and growth capital through a directed share issue of EUR 500,000, a convertible bond facility (the "CBF") of EUR 5 million, stand-by equity facilities of EUR 5 million (the "Bracknor SEDA") and 1.5 million (the "Sitra SEDA") and special rights entitling to shares (the "Warrants") to Bracknor Investment ("Bracknor") and to Nexstim's then current shareholder, the Finnish Innovation Fund Sitra ("Sitra", together with Bracknor the "Investors") (the "Transaction").

# Nexstim

In order to fulfil Nexstim's obligations under the Transaction, the Extraordinary General Meeting of Shareholders held on 18 August 2016 resolved to authorise the Board of Directors to resolve by one or several resolutions on:

- (i) issues of shares to Nexstim itself without payment (up to 15,000,000 shares);
- (ii) issues of shares (up to 15,000,000 shares); and
- (iii) issues of special rights entitling to shares referred to in Chapter 10 of the Finnish Companies Act (up to 18,000,000 shares).

## 6.2 *Share issues, conversions and Warrant issues to date under the Transaction*

To date, Nexstim has received the following funding and issued or converted the following numbers of shares or Warrants under the Transaction:

- Fee for the Transaction, EUR 410,000, was paid by transferring a total of 643,987 treasury shares to Bracknor and Sitra.
- A directed share issue of 719,007 new shares in Nexstim to Sitra for a subscription price of EUR 500,000.
- EUR 5 million from Bracknor under the CBF. The total principal amount of the CBF has been converted to 32,839,821 shares in Nexstim.
- EUR 2,833,940.65 under the Bracknor SEDA, towards which Nexstim has issued 12,365,714 shares in Nexstim to Bracknor.
- EUR 499,999.98 under the Sitra SEDA, towards which Nexstim has issued 2,333,341 shares in Nexstim to Sitra.

- Under the directed share issue to Sitra, the Bracknor SEDA, Sitra SEDA and CBF 31,167,761 Warrants:
  - Under the CBF 25,771,439 Warrants to Bracknor. The Warrants have a per share subscription price ranging from EUR 0.1411 to EUR 0.8539. Depending on the issue date of the Warrants, the expiry date of the Warrants varies from 18 August 2020 to 30 December 2020.
  - Under the Bracknor SEDA 4,328,001 Warrants to Bracknor. The Warrants have a per share subscription price of EUR 0.6571. Depending on the issue date of the Warrants, the expiry date of the Warrants varies from 1 November 2019 to 17 January 2020.
  - Under the directed share issue to Sitra and the Sitra SEDA 1,068,321 warrants to Sitra. The Warrants have a per share subscription price of EUR 0.6571. Depending on the issue date of the Warrants, the expiry date of the Warrants varies from 22 August 2019 to 5 December 2019.

Under the Transaction, Nexstim has thus far received EUR 8,833,940.63 of funding. However, in implementing the above and as explained further above, 15,602,127 shares and special rights entitling to a total number of 31,167,761 shares in Nexstim have been issued without proper authorisation. These issues are subject to approval by the Extraordinary General Meeting of Shareholders as set out in items 6.4 and 6.5 below.

### 6.3 *Completing the Transaction*

After the Extraordinary General Meeting of Shareholders held on 18 August 2016, the share price of Nexstim has decreased considerably. The above-mentioned authorisations granted by the Extraordinary General Meeting of Shareholders held on 18 August 2016 and the Annual General Meeting held on 31 March 2016 have been utilized in full and are, thus, no longer available to fulfil the remaining obligations of Nexstim towards the Investors under the Transaction.

The finalisation of the Transaction is conditional on, inter alia, the granting of necessary authorisations by the Extraordinary General Meeting Shareholders of Nexstim. To complete the Transaction, the following further share and Warrant issues are to be made:

- Under the Bracknor SEDA, 16,787,253 shares in Nexstim to Bracknor against EUR 2,166,059.25.
- Under the Bracknor SEDA, 5,875,539 Warrants to Bracknor for a per share subscription price of EUR 0.6571 per Warrant.

# Nexstim

- Under the Sitra SEDA, a maximum number of 5,000,000 shares in Nexstim to Sitra against EUR 1,000,000.
- Under the Sitra SEDA, a maximum number of 1,750,000 Warrants to Sitra.

Assuming that the Investors exercise the issued Warrants in full, Nexstim will receive EUR 10,280,690.47 in further funding by 30 December 2020. If the Investors exercised the Bracknor SEDA, Sitra SEDA and Warrants in full, Nexstim would receive EUR 18,457,491.40 in further funding. Together with the already received funding and assuming that all of the outstanding Warrants would be exercised, the total proceeds of the Transaction would be EUR 27,291,432.03.

In order to complete the Transaction, the Board of Directors makes the proposals set out in items 6.4, 6.6 and 6.6 below. The proceeds from the Transaction have been and shall be used to ensure going concern operations and future growth. There are, therefore, especially weighty financial reasons for issuing special rights entitling to shares and deviating from shareholders' pre-emptive subscription rights in the directed share issues in connection with the Transaction.

## 6.4 *Approving the unauthorised directed issuances of shares*

The Board of Directors proposes that the Extraordinary General Meeting of Shareholders approves the unauthorised directed issuances of 15,602,127 shares in Nexstim to Bracknor and Sitra.

## 6.5 *Approving the unauthorised issuances of special rights entitling to shares*

The Board of Directors proposes that the Extraordinary General Meeting of Shareholders approves the unauthorised issuances to Bracknor and Sitra of special rights entitling to 31,167,761 shares in Nexstim. The Board of Directors would be authorised to amend the existing and registered terms and conditions of the issued special rights entitling to shares.

## 6.6 *Authorising the Board of Directors to resolve on share issues, as well as option rights and other special rights entitling to shares*

The Board of Directors proposes that the Extraordinary General Meeting of Shareholders authorises the Board of Directors to resolve on share issues as well as issues of option rights and other special rights entitling to shares, pursuant to Chapter 10 of the Finnish Companies Act as follows:

The shares issued under the authorisation are new or those in Nexstim's possession. Under the authorisation, a maximum number of 29,412,792 shares can be issued. Shares, options and other special rights entitling to shares can be issued in one or more tranches.

Under the authorisation, the Board of Directors may resolve upon issuing new shares to Nexstim itself. However, Nexstim, together with its subsidiaries, may not at any time own more than 10 per cent of all its registered shares.

The Board of Directors is authorised to resolve on all terms for the share issue and granting of the special rights entitling to shares. The Board of Directors is authorised 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 Nexstim to do so.

The authorisation would be effective for five (5) years from the date of the resolution of the Extraordinary General Meeting. This authorisation would not replace previous authorisations granted to the Board of Directors.

## 7 CLOSING OF THE MEETING

### ***B. Documents of the Extraordinary General Meeting of Shareholders***

The proposals relating to the agenda of the Extraordinary General Meeting of Shareholders as well as this notice are available on Nexstim Plc's website at [www.nexstim.com](http://www.nexstim.com). The proposals for the resolutions on the matters on the agenda of the Extraordinary General Meeting of Shareholders are also available at the Meeting. Copies of these documents and of this notice will be sent to shareholders upon request. The minutes of the meeting will be available on the abovementioned website as from 6 March 2017 at the latest.

### ***C. Instructions for the participants in the General Meeting of Shareholders***

#### **1. Shareholders registered in the shareholders' register**

Each shareholder, who is registered on 8 February 2017 in the shareholders' register of Nexstim held by Euroclear Finland Ltd, has the right to participate in the Extraordinary General Meeting of Shareholders. A shareholder, whose shares are registered on his/her personal book-entry account, is registered in the shareholders' register of Nexstim.

A shareholder, who wants to participate in the Extraordinary General Meeting of Shareholders, shall register for the meeting no later than 15 February 2017 at 10.00 a.m. by giving a prior notice of participation. Such notice can be given:

- (a) on Nexstim's website: [www.nexstim.com](http://www.nexstim.com); or
- (b) by mail to address Nexstim Plc, "Extraordinary General Meeting" Elimäenkatu 9B, 00510 Helsinki, Finland

In connection with the registration, a shareholder shall notify his/her name, personal identification number or business ID, address, telephone number and the name of a

possible assistant or proxy representative. The personal data given to Nexstim is used only in connection with the Extraordinary General Meeting of Shareholders and with the processing of related registrations.

## **2. Holders of nominee registered shares**

A holder of nominee registered shares has the right to participate in the Extraordinary General Meeting by virtue of such shares, based on which he/she on the record date of the Extraordinary General Meeting, i.e. on 8 February 2017, would be entitled to be registered in the shareholders' register of Nexstim held by Euroclear Finland Ltd. The right to participate in the Extraordinary General Meeting requires, in addition, that the shareholder on the basis of such shares has been registered into the temporary shareholders' register held by Euroclear Finland Ltd at the latest by 15 February 2017 at 10 a.m. As regards nominee registered shares this constitutes due registration for the Extraordinary General Meeting.

A holder of nominee registered shares is advised to request without delay necessary instructions regarding the registration in the shareholders' register of Nexstim, the issuing of proxy documents and registration for the Extraordinary General Meeting of Shareholders from his/her custodian bank. The account management organisation of the custodian bank has to register a holder of nominee registered shares, who wants to participate in the Extraordinary General Meeting, into the temporary shareholders' register of Nexstim at the latest by the time stated above.

## **3. Shares registered in Euroclear Sweden AB**

A shareholder with shares registered in Euroclear Sweden AB's Securities System who wishes to attend and vote at the Extraordinary General Meeting must:

- be registered in the shareholders' register maintained by Euroclear Sweden AB no later than on 8 February 2017.
- Shareholders, whose shares are registered in the name of a nominee must, in order to be eligible to request a temporary registration in the shareholders' register of Nexstim Plc maintained by Euroclear Finland, request that their shares are re-registered in their own names in the register of shareholders maintained by Euroclear Sweden AB, and procure that the nominee sends the above-mentioned request for temporary registration to Euroclear Sweden AB on their behalf. Such registration must be made at the latest by 8 February 2017 and the nominee should therefore be notified well in advance before said date.
- request temporary registration in the shareholders' register of Nexstim Plc maintained by Euroclear Finland Oy. Such request shall be submitted in writing to Euroclear Sweden AB no later than on 9 February 2017 at 10 a.m. Swedish time.



This temporary registration made through written request to Euroclear Sweden AB is considered a notice of attendance at the Extraordinary General Meeting.

#### **4. Proxy representative and powers of attorney**

A shareholder may participate in the Extraordinary General Meeting of Shareholders and exercise his/her rights at the Meeting by way of proxy representation. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder at the Extraordinary General Meeting of Shareholders.

When a shareholder participates in the Extraordinary General Meeting of Shareholders by means of several proxy representatives representing the shareholder with shares at different securities accounts, the shares by which each proxy representative represents the shareholder shall be identified in connection with the registration for the Extraordinary General Meeting of Shareholders.

Possible proxy documents should be delivered in originals to Nexstim Plc, "Extraordinary General Meeting" Elimäenkatu 9 B, 00510 Helsinki, Finland before the last date for registration.

#### **5. Other instructions and information**

Pursuant to chapter 5, section 25 of the Companies Act, a shareholder who is present at the Extraordinary General Meeting has the right to request information with respect to the matters to be considered at the Meeting.

The meeting will be conducted in Finnish language. Part of the material presented at the meeting will be in English language.

On the date of this notice to the Extraordinary General Meeting of Shareholders, dated 30 January 2017, the total number of shares and votes in Nexstim is 57,274,738. The proposals of the Board of Directors, if approved by the Extraordinary General Meeting of Shareholders, would not change the maximum fully diluted number of shares and votes of 117,855,291.

Helsinki, 30 January 2017

NEXSTIM PLC

The Board of Directors





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

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**About Nexstim Plc**

Nexstim is a medical technology company which has pioneered its technology in brain diagnostics with the Navigated Brain Stimulation (NBS) system as the first and only FDA-cleared and CE-marked navigated Transcranial Magnetic Stimulation (nTMS) system for pre-surgical mapping of the motor and speech cortices. Based on the same technology platform, the company has developed a system called Navigated Brain Therapy (NBT®) which is CE-marked for chronic neuropathic pain, major depression and stroke therapy. Nexstim's shares are listed on Nasdaq First North Finland and Nasdaq First North Sweden. For more information please visit [www.nexstim.com](http://www.nexstim.com)