

# Nexstim

## **Nexstim Plc: Decisions of the Extraordinary General Meeting of Shareholders**

*Company announcement, inside information, Helsinki 11 November 2019 at 12.00 pm (EET)*

Nexstim Plc (NXTMH:HEX, NXTMS:STO) ("Nexstim" or "Company") announces that the Extraordinary General Meeting of Shareholders has today on 11 November 2019 made the following decisions:

### **THE COMMITTEES OF THE BOARD OF DIRECTORS AND ESTABLISHMENT OF THE NOMINATION BOARD OF THE SHAREHOLDERS**

The Company has had two Committees of the Board of Directors: Audit Committee and the Compensation Committee. The Board of Directors has resolved to terminate, effective as from November 11th, the Audit Committee and the Compensation Committee. These functions will be provided by the Board.

In accordance with the proposal of the Nomination Committee, the Extraordinary General Meeting of Shareholders resolved to establish a Nomination Board of the shareholders to replace the Nomination Committee and approved the Charter of the Nomination Board of the Shareholders in the form appearing at the Company's website <https://nexstim.com/investors/shareholder-meetings>.

### **ELECTION OF NEW MEMBERS AND CHAIRMAN OF THE BOARD OF DIRECTORS**

Ken Charhut and Juliet Thompson have resigned from the Company's Board of Directors as announced on 15 October 2019.

In accordance with the proposal of the Nomination Committee, the Extraordinary General Meeting of Shareholders made the following decisions:

- the Extraordinary General Meeting of Shareholders confirmed that the number of members in the Board of Directors is to be five (5);
- Martin Forss and Leena Niemistö were, in accordance with their consent, elected as new member of the Board of Directors for a period until the end of next the Annual General Meeting of Shareholders and;
- Leena Niemistö was, in accordance with her consent, elected as the Chairman of the Board of Directors for the above-mentioned period and Rohan Hoare as the Deputy Chairman.

Martin Jamieson is continuing as an ordinary member of the Board of Directors. Tomas Holmberg and Rohan Hoare shall continue as members of the Board of Directors

### **REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND REIMBURSEMENT OF THE TRAVEL EXPENSES**

Pursuant to the decisions of the Annual General Meeting of Shareholders dated 25 March 2019 and in accordance with the proposal of the Nomination Committee, the Extraordinary General Meeting of Shareholders resolved that the members of the

# Nexstim

Board of Directors are remunerated for the term ending in the Annual General Meeting in 2020 as follows:

- EUR 36,000 (i.e. no amendment to the amount approved by the Annual General Meeting of Shareholders) for a member who is based in the United States. The Board member whose position begins on the date of the Extraordinary General Meeting of Shareholders (or has ended prior to this) will receive 50% of such fee;
- EUR 27,000 (i.e. no amendment to the amount approved by the Annual General Meeting of Shareholders) for a member who is based in Europe. The Board member whose position begins on the date of the Extraordinary General Meeting of Shareholders (or has ended prior to this) will receive 50% of such fee;
- EUR 45,000 for the Chairman of the Board of Directors. As the new Chairman will begin in the position on the date of the Extraordinary General Meeting of Shareholders, she will receive 50% of such fee;
- Effective as at the date of the Extraordinary General Meeting of Shareholders, no member or chairman of the Committees of the Board of Directors or the Nomination Board of the Shareholders, shall receive any fees based on membership of such Committees or Nomination Board of the Shareholders;
- Effective as at the date of the Extraordinary General Meeting of Shareholders, reasonable travel expenses are reimbursed against receipts to the members of the Board, following the principles of the Company's Travel Policy. This applies both to members of the Board of Directors and, to the extent applicable, Board members acting as members of the Nomination Board of the Shareholders.

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

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

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

# Nexstim

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

In accordance with the proposal of the Board of Directors, the Extraordinary General Meeting of Shareholders resolved to authorize the Board of Directors to decide on issuance of new shares in connection and for the purposes of the Underwriting Issue and Directed Issue as follows:

The number of new shares to be issued based on the authorization may in total amount to a maximum of 22,202,190 shares, which (if completed to the fullest amount) for the existing shareholders could result in a dilution of up to approximately 39 percent ,considering all registered shares of the Company on the date of the Board of Directors proposal but excluding any exercise of the Offer Warrants.

The authorization will be used to execute the contemplated Underwriting Issue and the Directed Issue i.e. the new shares will be issued to the Underwriters deviating from the shareholders' pre-emptive right through one or more directed share issue. The reason for deviation from the shareholders' pre-emptive rights in both the Underwriting Issue and the Directed Issue is to raise capital and improve the Company's financial position in a cost-effective and timely manner and enable further development and growth of the Company's core businesses. Hence, there is a weighty financial reason to deviate from the shareholder's pre-emptive subscription right in both directed share issues set forth above. The final allocation of the new shares to the Underwriters shall be resolved by the Board of Directors of the Company.

The share subscription price EUR 0.115 or SEK 1.24 per share is applicable in both the Underwriting Issue and the Directed Issue.

The Board of Directors shall decide on all other terms and conditions of issuance of the new shares applicable in both the Underwriting Issue and the Directed Issue. The authorization is valid until 31 December 2019.

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

In accordance with the proposal of the Board of Directors, the 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:

The authorization would be given to a maximum quantity of 10,000,000 new shares with the number of the Company's registered shares (on the date of the Board of Directors' proposal) being 35,400,873 which (if completed to the fullest amount) would result in a dilution of approximately 22 percent considering all registered shares

# Nexstim

of the Company on the date of the Board of Directors' proposal (but excluding any exercise of the Offer Warrants and the directed share issues set forth above).

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' preemptive 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 authorization, the Board of Directors can also decide on issuance(s) of option rights or other special rights set forth in Chapter 10 Section 1 of the Limited Liability Companies Act complementing or replacing issuance(s) of shares.

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 authorization is be valid for one year from the Extraordinary General Meeting.

NEXSTIM PLC

Martin Jamieson, CEO

**Further information is available on the website [www.nexstim.com](http://www.nexstim.com), or by contacting:**

**Martin Jamieson, CEO**

+44 771 516 3942

[martin.jamieson@nexstim.com](mailto:martin.jamieson@nexstim.com)

**Sisu Partners Oy (Certified Adviser)**

Jussi Majamaa

+ 358 40 842 4479

[jussi.majamaa@sisupartners.com](mailto:jussi.majamaa@sisupartners.com)

# 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)