

# Nexstim

## **Nexstim Plc: Resolutions of the Annual General Meeting**

***Company announcement, inside information, Helsinki, 30 April 2020 at 5.55 PM (EET)***

Nexstim Plc (NXTMH:HEX, NXTMS:STO) (“Nexstim” or “Company”) announces the resolutions of the Annual General Meeting convened today on 30 April 2020 as follows:

- 1 PRESENTATION OF THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS FOR THE YEAR 2019, LOSS FOR THE FINANCIAL YEAR AND DISCHARGE FROM LIABILITY.

The Annual General Meeting of Shareholders adopted the Company's financial statements, including the consolidated financial statements for the year 2019 and resolved that no dividend is paid for the financial year 1 January – 31 December 2019 and that the loss of the financial year is recorded to the retained losses account. The Annual General Meeting discharged the members of the Board of Directors and the Managing Director from liability for the financial year 1 January – 31 December 2019.

- 2 REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the proposal of the Nomination Board of Shareholders, the Annual General Meeting resolved that the members of the Board of Directors who are elected in the General Meeting shall be paid as follows for the term ending at the end of the Annual General Meeting in 2021:

- for the Chairman of the Board of Directors: EUR 36,000
- for a US member: EUR 30,600
- for a non-US member: EUR 25,200.
- No Board member acting in the Nomination Board of the Shareholders shall receive any fees based on such membership.

A member of the Board of Directors shall be entitled to remuneration only for the period during which he is a member of the Board. According to the company's policy, the cash remuneration is paid in four instalments.

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 Shareholders.

In accordance with the proposal of the Nomination Board it was decided that the new members of the Board of Directors elected by the Extraordinary General Meeting of the Company on November 11, 2019 shall be paid half of the amount stipulated in the restricted share unit plan in Company's shares for their contribution during 2019-2020. As a result, Leena Niemistö and Martin Forss shall each be issued, without

payment, shares of the Company at a value of € 6,250, calculated using the formula stated in the restricted share unit plan.

### 3

#### RESTRICTED SHARE UNIT PLAN

In accordance with the proposal of the Nomination Board, the Annual General Meeting decided that the restricted share unit plan implemented first in 2016 shall be continued for one year for the fifth vesting period (2020- 2021) 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).

The aim of the plan is to commit the participants to the Company, align the objectives of shareholders and participants thereby increasing the value of the Company and to offer the participants a reward plan based on receiving and accumulating the Company's shares.

The target group of the plan will be those members of the Board of Directors who are independent of the Company. Such member is however not required to be independent from the shareholders of the Company. The reward allocations in 2020 will be determined as a Euro value.

#### *Allocation for Board Members for the Vesting Period 2020—2021*

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 2020—2021 will be as follows:

- For Chairman of the Board of Directors: 24 000 €
- For a US member: 20 400 €
- For a non-US member: 16 800 €

The granted reward will be converted into restricted share units at the beginning of the vesting period in 2020. The conversion of the granted reward into restricted share units will be based on the trade volume weighted average quotation of the Company's share on Nasdaq Helsinki Ltd during the 20 trading days following the release date of the Company's Annual Accounts of the year 2019. In the plan, one restricted share unit corresponds to one Company share. The value of the payable reward will be determined on the basis of the share price on the book-entry registration date of the paid shares.

The rewards from the plan will be paid to the Board Members in the Company's shares within four weeks of the Annual General Meeting of Shareholders in 2021. The Company will withhold taxes and employment related expenses from the cash proportion of the reward as per the law in force. Should a Board member cease to be a member of the Board before the end of a vesting period, no reward will be paid to him on that basis.

#### *Ownership Recommendation*

# Nexstim

It is strongly recommended that the participants hold shares paid as reward as long as their mandate as a member of the Board continues.

## 4 REMUNERATION OF THE AUDITOR

The Annual General Meeting decided that the auditor shall be paid reasonable remuneration in accordance with the invoice approved by the Company.

## 5 ELECTION AND NUMBER OF THE MEMBERS, AND ELECTION OF THE CHAIRMAN AND THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with the proposal of the Nomination Board, the Annual General Meeting of Shareholders resolved that:

- The number of members in the Board of Directors is to be four (4);
- The Board members are elected to serve for a term ending at the end of the next Annual General Meeting;
- Martin Forss, Tomas Holmberg, Leena Niemistö and Rohan Hoare shall continue as members of the Board of Directors in accordance with their consents;
- Leena Niemistö shall, in accordance with her consent, be elected as the Chairman of the Board of Directors for the above-mentioned period and Rohan Hoare as the Deputy Chairman.

## 6 ELECTION OF AUDITOR

The Annual General Meeting decided that PricewaterhouseCoopers Oy, Authorised Public Accountants, which has appointed APA Martin Grandell as responsible auditor, is appointed as the auditor to serve for a term ending at the end of the next Annual General Meeting of Shareholders. The auditor proposed herein has given its consent for the election.

## 7 AMENDMENT OF THE CHARTER FOR THE NOMINATION BOARD OF SHAREHOLDERS

In accordance with the proposal of the Nomination Board of Shareholders, the Annual General Meeting resolved that the first paragraph of Section 2 of the Charter for the Nomination Board of Shareholders is amended as follows (amendments in bold letters):

“The Nomination Board of Shareholders shall consist of **3-4** members, 3 of which shall be appointed by the Company’s three largest shareholders who shall appoint one member each. The Chairman of the Company’s Board of Directors **may** act as a fourth member of the Nomination Board. **If the Chairman of the Company’s Board of Directors is entitled to a membership of Nomination Board based on his/her ownership, or if he is appointed to the Nomination Board by a shareholder, the Nomination Board can consist of three members.** The member appointed by the largest shareholder shall be the Chairman of the Nomination Board. Nomination

# Nexstim

Board's members shall be elected annually and their term of office shall end when new members are elected to replace them.”

The Charter of the Nomination Board of the Shareholders, as amended according to the above-mentioned proposal, is available at the Company's website <https://nexstim.com/investors/shareholder-meetings>.

8 AUTHORISING THE BOARD OF DIRECTORS TO DECIDE ON ISSUANCES OF SHARES AS WELL AS ISSUANCES OF OPTION RIGHTS AND OTHER SPECIAL RIGHTS ENTITLING TO SHARES

8.1 **Authorization intended to be used for future financing needs of the Company, developing the equity structure, minimize or reduce debts and possible mergers and acquisitions and other corporate purposes**

After a vote, the Annual General Meeting resolved, with the support of approximately 99.48% of all votes and 93.80 of all shares represented at the meeting, to approve the following authorization in accordance with the proposal of the Board of Directors:

The Annual 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, pursuant to Chapter 10 of the Companies Act, 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 four hundred twenty million (420,000,000) shares may be issued, which corresponds to approximately 86.99 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.

In issue of new ordinary shares, the shareholders have the right to subscribe for new shares in proportion to their existing holdings of the shares of the Company. The Board of Directors has the right to decide upon the offering to parties determined by the Board of Directors of any shares that may remain unsubscribed for pursuant to the shareholders' pre-emptive subscription right. In connection with any shares which remain unsubscribed in such subscription rights issue, the Board of Directors is authorized to resolve on directed share issues or directed issues of option rights or 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. The shares and option rights or other special rights entitling to shares can hence be issued in one or more tranches.

# Nexstim

In the issuance of shares in the subscription rights issue, the Board of Directors proposes that the preliminary subscription price is EUR 0.006. Taking into account such price level, the major shareholders of the Company, Kaikarhenni Oy and Ossi Haapaniemi jointly with his related-party companies, have provided a preliminary commitment to the Company regarding subscription of new shares in such subscription rights issue based on their existing ownership of approximately 24% which would be equal to in aggregate approximately EUR 0.5 million based on such price level.

The Board of Directors is authorized to resolve on the final subscription price as well as all terms for the share issues and granting of the special rights entitling to shares.

The authorization does not invalidate prior resolved and registered authorizations made at the General Meeting of Shareholders regarding share issues and issuances 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 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.

## **8.2 Authorization intended to be used for the Board's RSU plan and for the long-term incentive plans for the management and the personnel of the Company**

After a vote, the Annual General Meeting resolved, with the support of approximately 99.32% of all votes and shares represented at the meeting, to approve the following authorization in accordance with the proposal of the Board of Directors:

The Annual 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, pursuant to Chapter 10 of the Finnish Limited Liability Companies Act 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.

# Nexstim

Under the authorization, a maximum of thirty-nine million (39,000,000) shares may be issued, which corresponds to approximately 38.32 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.

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 five (5) years from the decision of the Annual General Meeting of Shareholders.

The authorization may 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. The authorization can also be used for incentive arrangements and payment of the Board fees.

- - - - -

The minutes of the Annual General Meeting will be available as from May 14, 2020 at the latest, on the Company's website [www.nexstim.com/investors/shareholder-meetings](http://www.nexstim.com/investors/shareholder-meetings).

NEXSTIM PLC

Leena Niemistö, Chairman of the Board of Directors

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

**Leena Niemistö**, Chairman

+358 9 2727 170

[leena.niemisto@nexstim.com](mailto:leena.niemisto@nexstim.com)

# Nexstim

## **Sisu Partners Oy (Certified Adviser)**

Jussi Majamaa+ 358 40 842 4479

jussi.majamaa@sisupartners.com

## **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)