

Nexstim

Warrants to be topped up with share placement

22 October 2019

- The offer period for the 15.6m warrants issued by Nexstim during the April capital raise has opened and will run through until 4 November, with a subscription price for each share of €0.115 or SEK1.24.
- The subscription price was based on the higher of a 25% discount to prevailing price (which was c €0.14) or €0.115.
- Subscription commitments for c €0.5m (4.1m warrants) have been made by Kaikarhenni Oy, Ossi Haapaniemi, Kalksten Properties Koy, and Capricorn Health-Tech Fund, together with members of the Board of Directors and management of Nexstim.
- The warrant offering is fully underwritten, guaranteeing that Nexstim will raise €1.79m (gross) from the warrant offering. There is an agreement with a limited number of existing shareholders and external investors, who will purchase any of the 15.6m shares allocated to the warrant offering that have not being bought, i.e. up to 11.5m shares after the subscription commitments.
- The capital raise will, subject to the approval of an EGM, be supplemented by a directed share issue at €0.115/share of up to 9.8m new shares to the group of investors underwriting the warrant offering. This could result in an additional €1.12m being raised, before expenses.

Price	€0.13
Market Cap	€4.6m
Primary exchange	Helsinki
Sector	Healthcare
Company Codes	NXTMH/NXTMS
Corporate client	Yes

Company description:

Nexstim is a targeted neuro-modulation company that has developed a proprietary navigated rTMS platform for use in diagnostics (NBS) and therapeutics (NBT). NBS is used in planning brain surgery while NBT is focused on depression and chronic pain. FDA approval for depression was given in 2017, and the focus is on its commercial roll out in the US, Europe and Asia.

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Trinity Delta view: We estimate that Nexstim will raise c €2.8m net of expenses, which should extend the company's cash runway into Q320. This will allow the company to gain additional traction with the launch of NBT systems for treatment-resistant major depressive disorder (MDD), and more importantly conclude the licensing discussions with the leading Californian institution for the treatment of hospitalised MDD patients (see [October 2019 Update](#)), before additional capital is required.

Our current valuation of Nexstim is €19.0m or €0.41/share diluted (in the money options or warrants only). We estimate conservatively that it could increase by over 50%, if the negotiations with the Californian institution opens up a new market, the treatment of hospitalised MDD patients, to Nexstim.

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