

# Nexstim

Company announcement, Helsinki, 31 October 2018 at 2:00 PM

## **Nexstim Plc: Invitation to the Extraordinary General Meeting**

Nexstim Plc (NXTMH:HEX, NXTMS:STO), the targeted neuromodulation company developing and marketing pioneering navigated personalised, non-invasive brain stimulation systems for the treatment of Major Depression Disorder (MDD), invites the shareholders to attend the Extraordinary General Meeting of the Company on 21 November 2018 commencing at 12.00 (EET) at the Hotel Glo, Kluuvikatu 4, Helsinki, Finland. The reception of persons who have registered for the meeting will commence at 11.30.

### ***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 REDUCING THE QUANTITY OF COMPANY'S SHARES BY WAY OF ISSUING NEW COMPANY SHARES AND BY THE REDEMPTION OF COMPANY'S OWN SHARES

The Board of Directors of Company proposes to the Extraordinary General Meeting that the Extraordinary General Meeting resolves on the reduction of the quantity of Company's shares without reducing share capital by way of issuing new shares and by redemption of Company's own shares, in such a way that each current 30 shares of the Company shall correspond to one share of the Company after the arrangements related to the reduction of the quantity of Company's shares are completed. Prior to the reduction of the quantity of Company's shares, the total number of shares in the Company is 97,531,529.

The purpose of the reduction of the quantity of Company's shares is to increase the value of a single share and thus to improve the trade conditions of the shares and the reliability of the price formation of the shares. Thus, the Board of Directors considers that there is a particularly weighty financial reason for the Company to reduce the quantity of Company's shares. This arrangement shall not affect the equity of the Company.

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**In respect of shareholders registered on the Transaction Day (as defined below) in the shareholders' register of Nexstim held by Euroclear Finland Ltd, the reduction of the quantity of shares shall be carried out as follows:**

It is proposed that the reduction of the quantity of Company's shares shall be carried out so that the Company shall, on 23 November 2018 (the "**Transaction Day**"), issue new Company shares to each such shareholder of the Company without consideration so that the number of all shares per book-entry accounts owned by the shareholders of the Company are divisible by the number 30. The maximum quantity of Company's own shares transferred by the Company shall be 29 shares multiplied by the number of such book-entry accounts on the Transaction Day, on which the Company's shares are held, and which are owned by the shareholders of the Company. Based on the Board of Director's estimate on the number of Company's shareholders of Nexstim on the date of this proposal, it is proposed that the maximum amount of new shares issued by the Company in the share issue to such shareholders is 188,500 new shares of the Company. The Board of Directors of the Company is entitled to resolve on all other matters related to the issuance of shares without consideration.

On the Transaction Day, at the same time with the aforementioned issue of Company's new shares, the Company shall redeem without consideration a number of shares from each such shareholder of the Company. The number of shares to be redeemed by the Company will be determined according to the redemption ratio of 30/1 based on the ownership of such shareholders on the Transaction Day. In other words, for every 30 shares of the Company 29 Company shares shall be redeemed. The Board of Directors of the Company shall be entitled to resolve on all other matters related to the redemptions of shares.

The Company's shares, which are redeemed in connection with the reduction of the quantity of Company's shares, shall be annulled immediately following the redemption by a resolution of the Board of Directors of the Company. The reduction of the quantity of Company's shares shall be carried out in the book-entry system at the end of trading day on Nasdaq Helsinki on 23 November 2018 i.e. on the Transaction Day (i.e. on the record day). The annulment of the shares and the Company's new total number of shares are entered in the trade register by 26 November 2018. Trading with the Company's new total number of shares on Nasdaq Helsinki with new ISIN code will begin approximately on 26 November 2018 on which date the reduced number of shares shall also appear on each book entry account of the shareholders registered in the shareholders' register of Nexstim held by Euroclear Finland Ltd.

**In respect of shareholders with shares registered in a) Euroclear Sweden AB's Securities System (whether registered in the name of or a nominee or directly of the shareholder) and b) holders of nominee registered shares registered in Euroclear**

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## **Finland Ltd's Bookentry System, the reduction of the quantity of shares shall be carried out as follows:**

For the purposes of execution of the reduction of the number of shares, the Board of Directors also proposes that the Extraordinary General Meeting of shareholders passes a resolution on issuance of 9,000 new shares to the Company itself without payment. The directed share issue is connected to the completion of the reduction of the number of shares and justified by the reasons set forth above in this section. For the sake of clarity, the number of shares to be issued to the Company itself is calculated based on the reduced number of shares in the Company, and not the number of the shares prior to the reduction.

The shares issued to the Company itself are to be re-issued i.e. transferred from the Company without consideration to such shareholders (the **"Receiving Shareholders"**) holding on the Record Day (as defined below) a) shares registered in Euroclear Sweden AB's Securities System whether registered in the name of or a nominee or directly of the Shareholder or b) nominee registered shares registered in Euroclear Finland Ltd's Bookentry System, the amount of which (a or b) is not divisible by 30, to the extent required by their shareholding in the Company being divisible by the number 30. The Board of Directors is hereby authorized to pass a resolution on transfer of such shares from the Company to the Receiving Shareholders as well as decide upon terms related to such share issue(s)/ transfers.

In connection with the redemption of the Company's shares held by shareholders registered in the shareholders' register of Nexstim held by Euroclear Finland Ltd, the Company shall also redeem without consideration a number of shares from each Receiving Shareholder. The number of shares to be redeemed by the Company will be determined according to the redemption ratio of 30/1 based on ownership of the Company's shares by the Receiving Shareholders on the Transaction Day (according to share and shareholder information available with Euroclear Finland Oy) to execute the reduction of the number of shares, and such number(s) of reduced shares (per each Receiving Shareholder) are then adjusted, if needed, by the above-mentioned transfer of shares to the Receiving Shareholders based on their actual ownership of the Company's shares on the Record Day (as defined below). The Board of Directors of the Company shall be entitled to resolve on all other matters related to the redemptions of shares.

The Company's shares, which are redeemed in connection with the reduction of the quantity of Company's shares, shall be annulled immediately following the redemption by a resolution of the Board of Directors of the Company.

The shares issued to the Company itself will be registered in the trade register by 26 November 2018. Trading with the Company's new total number of shares on Nasdaq Stockholm (and Nasdaq Helsinki) with new ISIN code will begin approximately on 26 November 2018 (Trading Day). The record day (the **"Record Day"**) for the reduction

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of the quantity of Company's shares shall be a) in respect of shares registered in Euroclear Sweden AB's Securities System (whether registered in the name of or a nominee or directly of the shareholder) 27 November 2018 and b) in respect of nominee registered shares registered in Euroclear Finland Ltd's Bookentry System 23 November 2018. The transfers of shares from the Company to the Receiving Shareholders required for the final adjustments of their number of shares (after reduction) are expected to take place and be recorded in book-entry accounts at the latest on 3 December 2018.

Any own shares in the possession of the Company after transactions with the Receiving Shareholders will be annulled. The arrangement, if it is realized, will not require the shareholders to take any action. No part of the arrangement shall be carried out unless all the other parts of the arrangement are carried out as well.

If necessary, the trading with the Company's share on Nasdaq Helsinki or Nasdaq Stockholm shall be temporarily interrupted in order to perform necessary technical measures in the trading facility after the Transaction Day.

If the proposal of the Board of Directors is accepted as set forth above, it was noted that the authorized maximum amount of shares which may be issued under all outstanding authorizations (whether as new or existing shares or option rights or other rights to shares) is also divided with the above-mentioned principle that one share will after the reverse split be equal to 30 shares.

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

The Board of Directors proposes that the Extraordinary General Meeting will authorise the Board of Directors to decide to issue new shares either against payment or without consideration. The authorisation would be given to a maximum quantity of 210,000,000 new shares with the present number of the Company's registered shares being 97,531,529 if the proposals set forth in section 6 are not accepted). If also the proposals set forth in section 6 are passed, the authorisation would be given to a maximum quantity of 7,000,000 new shares.

In the event the General Meeting decides to adopt a reverse share split ratio other than the one proposed in section 6, the authorization shall be changed to correspond to a number of shares that is approximately equal to a maximum of approximately 215% of the total number of shares after completion of the reduction of the number of shares in accordance with section 6.

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' pre-emptive right through one or more directed share issue, if the Company has a weighty

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financial reason to do so, such as developing the Company's equity structure, 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 would decide upon terms and scope related to share issues.

Based on the authorisation, the Board of Directors can pursuant to chapter 10, section 1, of the Companies Act also decide on issuing option rights or other special rights entitling to new shares of the Company.

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 proposed authorisation would be valid for one year from the Extraordinary General Meeting.

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## 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 5 December 2018 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 9 November 2018 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 16 November 2018 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/investors/shareholder-meetings/](http://www.nexstim.com/investors/shareholder-meetings/); or

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- (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 9 November 2018, 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 9 November 2018 at 10.00 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 organization 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 9 November 2018.
- 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 9 November 2018 and the nominee should therefore be notified well in advance before said date.

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- 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 November 2018 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 31 October 2018, the total number of shares and votes in Nexstim is 97,531,529.

Helsinki, 31 October 2018

NEXSTIM PLC

The Board of Directors

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

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## About Nexstim Plc

Nexstim is a medical technology company focused on the development and commercialization of its world-leading SmartFocus™ TMS technology, a non-invasive brain stimulation system for the treatment of Major Depressive Disorder (MDD). The Company's proprietary Navigated Brain Therapy (NBT®) system, a highly sophisticated 3D navigation, is the only personalised, navigated transcranial magnetic stimulation (TMS) approach providing accurate targeting of the TMS to the specific area of the brain associated with MDD.

Nexstim's NBT® system has been launched in the US for the treatment of MDD following clearance from the FDA for marketing and commercial distribution for this indication. The NBT® system is CE marked in Europe for the treatment of major depression and chronic neuropathic pain.

In addition, Nexstim is commercialising its Navigated Brain Stimulation (NBS) system for diagnostic applications, based on the same technology. 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 Finland and Nasdaq First North Sweden.

For more information please visit [www.nexstim.com](http://www.nexstim.com).