



Nexstim Plc: Notice of the Extraordinary General Meeting of Shareholders (as amended on 21 October 2019)

Nexstim Plc (NXTMH:HEX, NXTMS:STO) ("Nexstim" or "Company") – the company developing and marketing a unique brain stimulation technology for personalized treatment of major depressive disorder (MDD), invites the shareholders to attend the Extraordinary General Meeting of Shareholders of the Company on 11 November 2019 commencing at 10.00 (EEST) at the auditorium of Hotel Haven, 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 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.

The Nomination Committee proposes that the Extraordinary General Meeting of Shareholders resolves to establish a Nomination Board of the shareholders to replacing the Nomination Committee and approve the Charter of the Nomination Board of the Shareholders in the form appearing at the Company's website.

- 7 ELECTION OF NEW MEMBERS AND CHAIRMAN OF THE BOARD OF DIRECTORS

It was noted that Ken Charhut and Juliet Thompson have resigned from the Company's Board of Directors.

The Nomination Committee of Nexstim proposes to the Extraordinary General Meeting of Shareholders that:

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- the Extraordinary General Meeting of Shareholders confirms that the number of members in the Board of Directors is to be five (5);
- Martin Forss and Leena Niemistö shall, in accordance with their consent, be 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 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.

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

Leena Niemistö is independent from the Company but not in respect of the shareholders of the Company as she holds a controlling majority in a company called Kaikarhenni Oy which holds 13.51% of all registered shares and votes in the Company. Martin Forss is independent both from the Company and its shareholders.

The curriculum vitae of the new members of the Board of Directors are available at the Company's website <https://nexstim.com/investors/shareholder-meetings>.

It is the collective opinion of the Nomination Committee that the proposed new members of the Board of Directors and the Board of Directors in its entirety are suitable for the assignment both collectively and individually and that Leena Niemistö is suitable for the position as Chairman of the Board of Directors.

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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 the proposal of the Nomination Committee in section 7 of the notice, the Nomination Committee furthermore proposes that the Extraordinary General Meeting of Shareholders resolves that the members of the 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.

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For avoidance of doubt, Martin Jamieson has not received any remuneration from his role as the Chairman of the Board of Directors whilst he is also the CEO of the Company, nor will he receive any remuneration for his Board membership for the same reason.

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.

9 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") as set forth in the company announcement published by the Company earlier today (21 October 2019).

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 to be held on 11 November 2019, gives authorization to the Board of Directors to resolve on the Underwriting Issue and the Directed Issue (the "EGM Approval")

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 would 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).

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Pursuant to the above-mentioned, the Board of Directors proposes that it is authorized 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 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 may and would 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 based on the Offer Warrant which was announced earlier today, 21 October 2019, i.e. EUR 0.115 or SEK 1.24 per share is applicable in both the Underwriting Issue and the Directed Issue.

The Board of Directors decides 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.

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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

The Board of Directors proposes that the Extraordinary General Meeting will authorize the Board of Directors to decide to issue new shares either against payment or without consideration. The authorization would be given to a maximum quantity of 10,000,000 new shares with the present number of the Company's registered shares being 35,400,873 which (if completed to the fullest amount) would result in a dilution of approximately 22 percent considering all registered shares of the Company (but excluding any exercise of the Offer Warrants and the directed share issues set forth above in section 9).

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 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

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remuneration and compensation system. The Board of Directors would 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 proposed authorization would be valid for one year from the Extraordinary General Meeting.

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

11 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, the Company's annual report 2018 including financial statements, report of the Board of Directors and auditor's report, the Company's half-yearly report for the period 1 January – 30 June 2019 (unaudited) as well as this notice are available on Nexstim Plc's website at 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 25 November 2019 at the latest.

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

1. Shareholders registered in the shareholders' register

Each shareholder, who is registered on 30 October 2019 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 6 November 2019 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/; 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 30 October 2019, 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 6 November 2019 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:

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- be registered in the shareholders' register maintained by Euroclear Sweden AB no later than on 30 October 2019.
- 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 30 October 2019 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 30 October 2019 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.

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On the date of this notice to the Extraordinary General Meeting of Shareholders, dated 21 October 2019, the total number of shares and votes in Nexstim is 35,400,873.

Helsinki, 21 October 2019

NEXSTIM PLC

The Board of Directors