

# Nexstim

## **Nexstim Plc: New invitation to the Annual General Meeting**

***Company announcement, inside information, Helsinki, 24 March 2020 at 6.20 PM (EET)***

Nexstim Plc (NXTMH:HEX, NXTMS:STO) (“Nexstim” or “Company”) has earlier today announced the cancellation of the Annual General Meeting convened on 31 March 2020 due to the corona outbreak and the related restrictions imposed by the Finnish authorities. Nexstim’s Board of Directors has now resolved on a new invitation, including an increase of the share issue authorization set forth in the earlier invitation, and invites shareholders to the Annual General Meeting of the Company on Tuesday, April 14, 2020 commencing at 4 PM (EET) at the Nexstim Headquarters, Elimäenkatu 9 B (inner court), 4<sup>th</sup> floor, 00510 Helsinki. The reception of persons who have registered for the meeting will commence at 3.30 PM (EET).

### ***A. Matters on the agenda of the Annual General Meeting of Shareholders***

At the Annual 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 PRESENTATION OF THE ANNUAL ACCOUNTS, INCLUDING CONSOLIDATED ACCOUNTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR’S REPORT FOR THE YEAR 2019  
  
Review by the CEO
- 7 ADOPTION OF THE ANNUAL ACCOUNTS
- 8 LOSS OF THE FINANCIAL YEAR  
  
The Board of Directors proposes to the Annual General Meeting of Shareholders 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 earnings/ losses account.
- 9 RESOLUTION ON THE DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO FROM LIABILITY
- 10 PRESENTATION OF THE REMUNERATION POLICY

The Board of Directors presents to the General Meeting the Remuneration Policy, which is available at the Company's web site.

## 11 RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND REIMBURSEMENT OF TRAVEL EXPENSES

The Nomination Board of Shareholders, which has representation from the largest shareholders, proposes 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 as follows:

- 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 installments.

In addition, the Nomination Board proposes that 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.

The Nomination Board proposes, 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 would 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.

## 12 RESTRICTED SHARE UNIT PLAN

The Nomination Board proposes to the Annual General Meeting of Shareholders 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

# Nexstim

offer the participants a reward plan based on receiving and accumulating the Company's shares.

The Nomination Board proposes that 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 Nomination Board proposes that the reward allocations in 2020 will be determined as a Euro value.

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

The Nomination Board proposes 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 Nomination Board proposes that 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*

The Nomination Board proposes that it be strongly recommended that the participants hold shares paid as reward as long as their mandate as a member of the Board continues.

## 13 RESOLUTION ON THE REMUNERATION OF AUDITOR

The Board of Directors proposes that the auditor is paid reasonable remuneration in accordance with the invoice approved by the Company.

## 14 ELECTION OF THE MEMBERS AND CHAIRMAN AND THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS

It is noted that Martin Jamieson has resigned from the Company's Board of Directors.

# Nexstim

The Nomination Board proposes to the General Meeting of Shareholders that:

- the General Meeting of Shareholders confirms 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.

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 13.83% of all registered shares and votes in Nexstim. Other Board members are independent both from the Company and its shareholders.

The curriculum vitae of 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 Board that the Board of Directors in its entirety and its members 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.

## 15 ELECTION OF AUDITOR

The Board of Directors proposes that the firm of authorized public accountants PricewaterhouseCoopers Oy, 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.

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

The Nomination Board of Shareholders proposes 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**

# Nexstim

**Nomination Board can consist of three members.** The member appointed by the largest shareholder shall be the Chairman of the Nomination Board. Nomination 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>.

17 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

**17.1 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**

The Board of Directors proposes that the Annual General Meeting of Shareholders authorizes 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, Kaikerhenni 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 proposed 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.

## **17.2 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**

The Board of Directors proposes that the Annual General Meeting of Shareholders authorizes 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.

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.

# Nexstim

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 proposed 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.

18 CLOSING OF THE MEETING

## ***B. Documents of the General Meeting of Shareholders***

The proposals of the Board of Directors and the Nomination Board of Shareholders relating to the agenda of the Annual 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 above-mentioned proposals, the annual report of Nexstim Plc, including the Company's Annual Accounts, the report of the Board of Directors and the Auditor's report, are available on the abovementioned website no later than on March 24, 2020. The proposals for the decisions on the matters on the agenda of the Annual General Meeting of Shareholders and the Annual Accounts 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 above-mentioned website as from April 28, 2020 at the latest.

## ***C. Instructions for the participants in the Annual General Meeting of Shareholders***

### **1. Shareholders registered in the shareholders' register**

# Nexstim

Each shareholder, who is registered on March 31, 2020 in the shareholders' register of the Company held by Euroclear Finland Ltd, has the right to participate in the Annual General Meeting of Shareholders. A shareholder, whose shares are registered on his/her personal book-entry account, is registered in the shareholders' register of the Company.

A shareholder, who wants to participate in the Annual General Meeting of Shareholders, shall register for the meeting no later than April 7, 2020 at 10.00 a.m. by giving a prior notice of participation. Such notice can be given:

- (a) on the Company's website: [www.nexstim.com](http://www.nexstim.com); or
- (b) by mail to address Nexstim Plc, "Annual 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 Plc is used only in connection with the 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 Annual General Meeting by virtue of such shares, based on which he/she on the record date of the Annual General Meeting, i.e. on March 31, 2020, would be entitled to be registered in the shareholders' register of the Company held by Euroclear Finland Ltd. The right to participate in the 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 April 7, 2020 at 10.00 a.m. As regards nominee registered shares this constitutes due registration for the General Meeting.

A holder of nominee registered shares is advised to request without delay necessary instructions regarding the registration in the shareholders' register of the Company, the issuing of proxy documents and registration for the 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 General Meeting, into the temporary shareholders' register of the Company 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 General Meeting must:



# Nexstim

- be registered in the shareholders' register maintained by Euroclear Sweden AB no later than on 31 March 2020.
- 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 31 March 2020 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 31 March 2020 at 5 p.m. Swedish time.

This temporary registration made through written request to Euroclear Sweden AB is considered a notice of attendance at the General Meeting.

#### **4. Proxy representative and powers of attorney**

A shareholder may participate in the Annual 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 Annual General Meeting of Shareholders.

When a shareholder participates in the Annual 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 Annual General Meeting of Shareholders.

Possible proxy documents should be delivered in originals to Nexstim Plc, "Annual 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 General Meeting has the right to request information with respect to the matters to be considered at the Meeting.

# Nexstim

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 Annual General Meeting of Shareholders, dated March 24, 2020, the total number of shares and votes in Nexstim Plc is 62,786,630.

Helsinki, March 24, 2020

NEXSTIM PLC

The Board of Directors

**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 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)