Nexstim Plc resolved on drawing the loan granted by Kreos Capital V Limited and the issuance of related warrants

Company announcement, Helsinki, 19 June 2018 at 5:30 PM

Nexstim Plc (NXTMH:HEX, NXTMS:STO) ("Nexstim" or the "Company"), the targeted neuromodulation company developing and marketing pioneering navigated non-invasive brain stimulation systems for both therapeutic and diagnostic application, announces that the board of directors of Nexstim resolved on June 19, 2018 to draw the full loan facility of EUR 4 million as agreed with Kreos Capital V (UK) Limited ("Kreos"), and to issue the related special rights entitling to shares (the “Warrants”). Weighty financial reasons exist for the issuance of the Warrants as such issuance relates to the financing arrangement which, in the assessment of the board of directors, is necessary for the furtherance of the bringing to market of Nexstim NBT® and NBS products in Europe and the US.

Nexstim announced in a company release published on 16 October 2017 that it was negotiating a financing arrangement (the "Financing Arrangement"), as described in the company release, with a European growth debt provider. In a company release published on 11 December 2017, Nexstim announced that it had entered into a loan agreement with Kreos. In the Financing Arrangement, Kreos will grant the Company a senior secured term loan facility of EUR 4 million (the "Loan Agreement"). Maturity in respect of each tranche under the facility is forty-two (42) months as detailed in the Loan Agreement. Loans drawn down under the Loan Agreement will carry interest at the rate of 10.75% per annum.

The number of new or treasury shares to which the special rights entitling to shares, the Warrants, is 1,739,761 shares in aggregate (being 480,000 divided by the 90-day volume-weighted average price of the Nexstim share, as further specified in the Warrant Agreement), corresponding to approximately 1.78 per cent of the currently existing shares in the Company. The exercise period of the Warrants shall commence when the issue of the Warrants has been registered with the Finnish Trade Register, and the exercise period shall end on the fourth (4th) anniversary following the issue date, or in case of change of control to a bona fide third party, whichever is earlier.

Martin Jamieson, CEO and Chairman of the board commented: “We believe now is the right time to draw down our loan from Kreos, as we focus on commercialisation of our NBT® system in the US and Europe, following the recent successful launch and first delivery of our NBT® system in the US for depression.”

Aris Constantinides, General Partner of Kreos Capital commented: " We are delighted to be supporting Nexstim in their new phase of commercial growth including the commercialisation of their NBT® system in the USA”.

NEXSTIM PLC
Martin Jamieson, Chairman and CEO

Further information is available on the website www.nexstim.com or by contacting:
About Kreos Capital

Kreos Capital is the leading provider of growth debt financing in Europe and Israel to high-growth companies. Since 1998, Kreos has completed close to 500 transactions and committed over EUR 2.0 billion in 15 different countries. Kreos is dedicated to supporting management teams and their equity investors with flexible loan structures for all stages of a growth company’s development and to addressing the needs for growth capital, working capital, acquisition financings, lower mid-market buy-outs, roll-up strategies, bank re-financings as well as pre-and post-IPO financings. Kreos’ most recent fund, Kreos V, was launched in January 2016 and has since committed close to EUR 600m in more than 80 companies. The Kreos global team has extensive debt financing, management and equity investing experience, covering the pan-European market from its locations in London, Tel Aviv and Stockholm.

About Nexstim Plc

Nexstim is a targeted neuromodulation company focused on developing and commercializing its world-leading navigated non-invasive brain stimulation technology, known as SmartFocus™ TMS (transcranial magnetic stimulation), for therapeutic applications, namely stroke, depression and chronic pain via its Navigated Brain Therapy (NBT®) system.

Nexstim has launched its NBT® system in the US for the treatment of Major Depressive Disorder (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 stroke, major depression and chronic neuropathic pain.

The NBT® system is currently in a 60 patient, supplemental Phase III study, E-FIT trial, for its use in stroke rehabilitation. The trial is expected to complete in mid-2018, allowing Nexstim to file for FDA clearance. FDA clearance would allow Nexstim to start marketing and selling its NBT® system for stroke rehabilitation in the US.

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.