

Nexstim

Rights issue 178% oversubscribed

8 April 2021

- Nexstim has successfully raised the targeted €6.6m (€6.4m net), at a price of €0.03 (or SEK0.31) per issue share. The raise was oversubscribed by an equivalent of 178.1% of the maximum planned. A total of 219.8m new shares will be issued, of which 209.1m were through subscription rights (95.2% uptake). The remaining 10.7m offer shares (4.8%) were allocated to holders of subscription rights; no offer shares were allocated to non-holders of pre-emptive rights.
- The major shareholders, including Ossi Haapaniemi, Kyösti Kakkonen, Leena Niemistö (and their related businesses), plus company directors and other management, made subscription commitments for 105.1m new shares, representing 47.83% of the offer shares and amounting to c €3.2m.
- The new shares are expected to be registered on April 12, with delivery and combination on April 13 for the shares traded on Euroclear Finland and trading on First North Finland on the same day. The shares on Euroclear Sweden will be combined April 16 and traded on First North Sweden on 14 April. The total number of shares in issue will rise from 439.6m to 659.4m.
- Following the rights issue, the prices of the stock option programmes (2016B-C, 2018A-B, and 2020A-C) and outstanding warrant agreements with Kreos Capital have been reduced to maintain equivalence.
- A key use of funds will be exploring the NBT (Navigated Brain Therapy) platform in the treatment of major depression with an accelerated iTBS treatment protocol. Promising initial results recently announced from the pilot study at Kuopio University Hospital support the expansion into a broader trial programme ([March 2021 Lighthouse](#)). The funds will also be employed in growing the sales of both NBT and NBS (Navigated Brain Stimulation) systems, repayment of existing loans, and funding general R&D and trials in neuropathic pain.

Price	€0.07
Market Cap	€28.6m
Primary exchange	Helsinki
Sector	Healthcare
Company Codes	NXTMH/NXTMS

Corporate client	Yes
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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: The oversubscribed rights issue is tangible evidence of support for management's growth strategy. Demonstrating the value of NBT in accelerated iTBS protocols for severe depression is a key component of the 2020-24 strategic plan. The new funds will also support other plans for NBT and NBS growth and enable achievement of several near and mid-term goals. Updating our Nexstim rNPV model for the raise results in a valuation of €50.6m (€0.08 per share) against our prior €44.2m (€0.10 per share), with the accelerated iTBS protocol opportunity in depression potentially adding a further €8.8m (now €0.01 per share vs €0.02 per share) previously.

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