



Nexstim Plc Business Update Q3 2024

Press release, Helsinki, 30 October 2024 at 9 AM (EET)

Nexstim Plc (NXTMH:HEX) ("Nexstim" or "Company") announces the key highlights of the Company's business operations during Q3 2024.

CEO Mikko Karvinen's Business Update

During Q3 2024, we have made progress in our strategic objectives, continued system sales, as well as prepared for and attended events significant to us. Nexstim's business is cyclical by nature, meaning an emphasis on the last quarter when it comes to system sales. Therefore, sales opportunities are largely focused to the end of the year.

Business focus on strategic objectives

In line with our main strategic objective, we have continued to focus on profitable net sales growth during the third quarter of 2024. In addition to system sales, profitable growth is supported by recurring revenue, our strong network of distributors, as well as our global team organization.

When it comes to our second strategic objective, we have progressed in the development work of the NBS 6 diagnostics product. The new product enables easy-to-use systems and future add-on modules in the same hardware. The commercial release of the NBS 6 diagnostics system is planned to take place in 2025.

Our third strategic objective for 2024 is the expansion of Nexstim's network of partners and clinics, primarily in the US and in Europe. Discussions with potential new strategic partners have continued with the intention to further scale the use of our technology. When it comes to clinic partnerships, during Q3 we negotiated with RapidRecovery TMS, a clinic based in the US, about a strategic investment in the management services organization (MSO) of the clinic. The definitive agreement was approved the week following the end of the quarter.

Progress in system sales

Considering that hospitals' budgets focus on purchases towards the end of the year, also our sales forecasts rely largely on the last quarter of the year. In Q3, we continued to grow our Diagnostics and Therapy Businesses with new system sales in our key markets in the United States and Europe. Between January and September 2024, we delivered a total of 5 new diagnostics systems, all of which also include therapy functionalities, and 6 new therapy systems which included 5 new NBS 6 therapy systems. In addition to these already delivered systems we had an open backlog of undelivered systems total of 4 systems at the end of Q3 2024.

In the Diagnostics Business, more than 230 NBS systems have been sold to research universities and leading hospitals across the world to date. In the Therapy Business, at the end of Q3 2024 there were a total of 93 Nexstim systems with therapy capabilities installed worldwide (33 in the U.S. and 60 in Europe and the rest of the world) for the treatment of depression and chronic neuropathic pain. This number includes both NBT® and NBS 6 systems and NBS systems with optional NBT add-on software installed.

Nexstim

We are happy about the continuously growing interest towards using the Nexstim system in both diagnostic and therapeutic applications. We see the combination platform as a clear competitive advantage, and we want to expand the offering of this platform in the form of the latest generation NBS 6 combination system to key markets worldwide.

Events as an important tool

Our first events of the third quarter were already in July, as we attended the Duke TMS Course held at Duke University School of Medicine, Durham, NC for the second time this year. At the end of the month, we took part in the NYC Neuromodulation Meeting.

In September and the beginning of October, we attended the Congress of Neurological Surgeons Annual Meeting (CNS) held in Houston, Texas, as well as the Nordic Neuromodulation Meeting in Turku, Finland.

One of the most important events for Nexstim is the International Symposium on nTMS in Neurosurgery and Neuromodulation, currently held every other year in Berlin, Germany. We have supported the event for over a decade now as it has a significant role in the interaction of key experts in the field. Nexstim has a strong presence at the event, and our team members worked hard preparing for the symposium during Q3. The event was held on October 11-12.

It has been a great pleasure to meet both current and new potential customers and engage in a lot of fruitful discussions about future needs in this area.

Planning the future

Nexstim's current strategy period ends in 2024. We have made good progress in planning the new strategy during the third quarter, both within management and also through an employee survey and workshops. Based on the work already done so far, I believe that our strategy will continue to build on strong growth in both diagnostics and therapy. The growth and profitability performance of both our Diagnostics and Therapy businesses will play a key role in our efforts to minimize our future capital needs on our journey towards continuous profitability. We aim to reveal our new strategy at the latest as we release our 2024 financial results.

Also in the future, one of our strengths will continue to be our systems that are highly differentiated from other currently available TMS products. Nexstim systems use unique and highly sophisticated 3D navigation that uses its proprietary E-field algorithm to visualize the exact location, orientation, and magnitude of the stimulation. The therapeutic application areas we have chosen (MDD, major depressive disorder and chronic pain) are indications where our unique technology is already delivering clear clinical results and contributing to the profitability of our customers' operations. In the future, the need for navigation capabilities is likely to become even more important in technologies that could treat brain diseases in an increasingly diverse range of ways. This could open a new market for TMS treatments for Nexstim, distinct from the current treatment of patients with severe depression or chronic neuropathic pain.

In the first half of 2024, we announced a planned collaboration with Sinaptica Therapeutics, Inc. for the treatment of Alzheimer's disease. As part of the planned collaboration, Nexstim will develop, manufacture and deliver Sinaptica's patented precision neuromodulation system based on the Nexstim NBS 6 medical TMS and neuronavigation systems and associated software including

Nexstim

integrated EEG software. Under the letter of intent Sinaptica's hardware modifications would include a patented workflow that would be integrated with a third-party EEG device and Sinaptica's proprietary cloud-based personalization engine (MAINTAIN™).

The collaboration would enable the tailored use of our new NBS 6 therapy system and our unique EEG visualization software in Sinaptica's breakthrough treatment for Alzheimer's patients. Demand for our navigated TMS technology has been steady and growing in the field of TMS-EEG research, and we are excited to see our systems being used in unprecedented therapy solutions for new clinical indications. Nexstim's technology is leading the way in neuroscience research, collecting accurate diagnostic data and delivering reliable, precise and accurate treatment. We look forward to the opportunity to support Sinaptica, first with a development project and research systems and later on the way to a commercial future meeting the great need for safe and effective treatments for Alzheimer's disease.

Nexstim has successfully expanded its global distribution partner network over the past few years, and we believe that further significant growth, particularly in the Diagnostics business, can be achieved through increasingly broad marketing and distribution partnerships. Through such strategic distribution partnerships, it is possible to cost-effectively reach an increasing number of customers with information about Nexstim's system and services, as well as potential representation in markets where it would not be as quickly and economically feasible to build on our own. The technological leadership of our products, their ease of use and the scalability of additional modules create an attractive platform for growth through partnerships.

Building owner value in exceptional circumstances

Despite the tightening global political situation, our expectations for end of the year 2024 remain in many ways positive. Nexstim will continue its determined efforts to enable personalized and effective therapies and diagnostics for challenging brain diseases and disorders. We strongly believe that our work will support long-term shareholder value growth through stronger competitive advantages, rapid growth, and improved financial results. We remain optimistic about the future but will continue to monitor developments in the global political landscape while advancing our own business.

Further information is available on the website www.nexstim.com, or by contacting:

Mikko Karvinen, CEO

+358 50 326 4101

mikko.karvinen@nexstim.com

About Nexstim Plc

Nexstim is a Finnish, globally operating growth-oriented medical technology company. Our mission is to enable personalized and effective diagnostics and therapies for challenging brain diseases and disorders.

Nexstim has developed a world-leading non-invasive brain stimulation technology for navigated transcranial magnetic stimulation (nTMS) with highly sophisticated 3D navigation providing accurate and personalized targeting of the TMS to the specific area of the brain.

Nexstim

Nexstim's Diagnostics Business focuses on commercialization of the Navigated Brain Stimulation (NBS) system. The NBS System 5 is the only FDA cleared and CE marked navigated TMS system for presurgical mapping of the speech and motor cortices of the brain.

Nexstim's Therapy Business markets and sells the NBS System 6 which is FDA cleared for marketing and commercial distribution for the treatment of major depressive disorder (MDD) in the United States. In Europe, the NBS 6 system is CE marked for the treatment of major depression and chronic neuropathic pain.

Nexstim shares are listed on Nasdaq First North Growth Market Finland.

For more information, please visit www.nexstim.com