ONWARD®
MEDICAL

Half Year Report **2025**

ONWARD
Medical N.V.

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In this Half Year Report 'ONWARD Medical', 'the Company', 'the Group','we', 'us' and 'our' are sometimes used for convenience in contexts where reference is made to ONWARD Medical N.V. and/or any of its subsidiaries in general or where no useful purpose is served by identifying the particular company.

ONWARD MEDICAL

Message from the CEO

Dear Shareholders, Colleagues, Partners, and Collaborators,

For the millions of people around the world living with spinal cord injuries (SCI), the loss of movement, function, and independence brings sudden and enormous challenges. At ONWARD, we want to confront those challenges by developing groundbreaking therapies that help people enjoy life in the ways that matter to them.

The first half of 2025 has been transformational. We made meaningful progress advancing ARC Therapy across each of our three breakthrough technology platforms, and positioned ONWARD as a commercial organization ready to deliver tangible and scalable solutions to people who need them.

I would like to share key achievements from the first half of this year and share some of our near-term plans.

At the start of the 2025, we initiated phased US launch of the ARC$^{EX®}$ System, meeting ambitious sales targets for the first quarter and first half of the year. Already 30 systems have been sold to rehabilitation centers across the country, providing early positive feedback and confidence in our outlook for the rest of the year. ARC^{EX} is the first and only FDA-approved technology indicated to improve hand sensation and strength in people with chronic spinal cord injury. In the second half of 2025, our priorities include accelerating sales of ARC^{EX} Systems to clinics while expanding the label to allow home use in the US. We are also pursuing regulatory approval and preparing for subsequent anticipated commercial launch in Europe.

In March, we announced the successful first human implant of our investigational ARC$^{IM®}$ Lumbar Lead. This lead is designed to be used in conjunction with the implanted ONWARD Neurostimulator (IPG) to stimulate the lumbar region of the spinal cord to help restore standing, stepping, and improved mobility for people with SCI and other movement disabilities. We are also preparing for the initiation of our global pivotal trial, called Empower BP, focused on addressing blood pressure instability in people with SCI. We recently received FDA Investigational Device Exemption (IDE) approval to commence this important study.

We advanced our ARC$^{BCI®}$ platform, announcing its fourth and fifth successful implants in June. The ARC^{BCI} System pairs ONWARD's brain-computer interface (BCI) with our implanted spinal cord stimulation therapy to create the ONWARD DigitalBridge™. These milestones are bringing us ever closer to making thought-driven movement a reality for people living with paralysis. This spring, our BCI technology was featured on CBS 60 Minutes with Anderson Cooper, one of the most respected and longest-running US news programs.

We continue to strengthen our future pipeline with additional ARC^{IM} System implants planned with support from the Michael J. Fox Foundation for Parkinson's Research and the US Department of Defense. We're also planning more ARC^{BCI} implants, supported by the European Innovation Council and the Christopher & Dana Reeve Foundation. We are keeping our focus firmly on SCI – however, several of our programs also hold promise for addressing movement and functional challenges associated with Parkinson's disease, stroke, and other conditions.

I want to thank all of you for helping us deliver life-changing impact for people with spinal cord injury and other movement disabilities.

Dave Marver
Chief Executive Officer

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Business Review

Business Review

In the first half of 2025, we made meaningful progress advancing ARC Therapy across our three technology platforms, as we transitioned into a commercial organization able to deliver our groundbreaking therapies at scale. Our key operational highlights for the first half of 2025 include the following:

Clinical Evidence

- In February, results from the investigator-sponsored Pathfinder2 Study were published in Neuromodulation: Technology at Neural Interface. The study showed that ARC^{EX} Therapy combined with activity-based rehabilitation improved function in people with SCI. Participants continued to make gains in upper body strength, trunk control, and balance after one year of treatment.[1]

Technology advancement

- In March, we announced the first human implant of our ARC^{IM} Lumbar Lead, targeting restoration of standing, stepping, and lower limb mobility.
- In March, we announced two new grants to support early clinical feasibility studies using our ARC^{IM} System to help people with Parkinson's disease. The Michael J. Fox Foundation for Parkinson's Research (MJFF) awarded our research partner NeuroRestore a USD 1M grant to explore how the ARC^{IM} System can address mobility challenges. The US Department of Defense awarded a USD 1.5M grant to ONWARD and NeuroRestore for a clinical feasibility study to explore how the ARC^{IM} System can address blood pressure instability.
- In May, we announced successful implants of the ARC^{BCI} Technology in two additional individuals, bringing the total number to five. These studies are supported by the Christopher & Dana Reeve Foundation and the European Innovation Council. They further reinforce our leadership in developing brain-computer interface (BCI)-enabled movement solutions for people with SCI.
- We also announced that we had submitted a 510(k) application to the US Food and Drug Administration (FDA) to obtain regulatory clearance to expand the label for the ARC^{EX} System to include home use. In parallel, we filed an application to enable commercialization of the ARC^{EX} System in the European Union and non-EU countries recognizing CE Marking.
- We continued to prepare for the initiation of Empower BP, a global pivotal study to assess the safety and efficacy of the ARC^{IM} System to address blood pressure instability after SCI. Just prior to publication of this report, the US FDA approved an investigational device exemption (IDE).

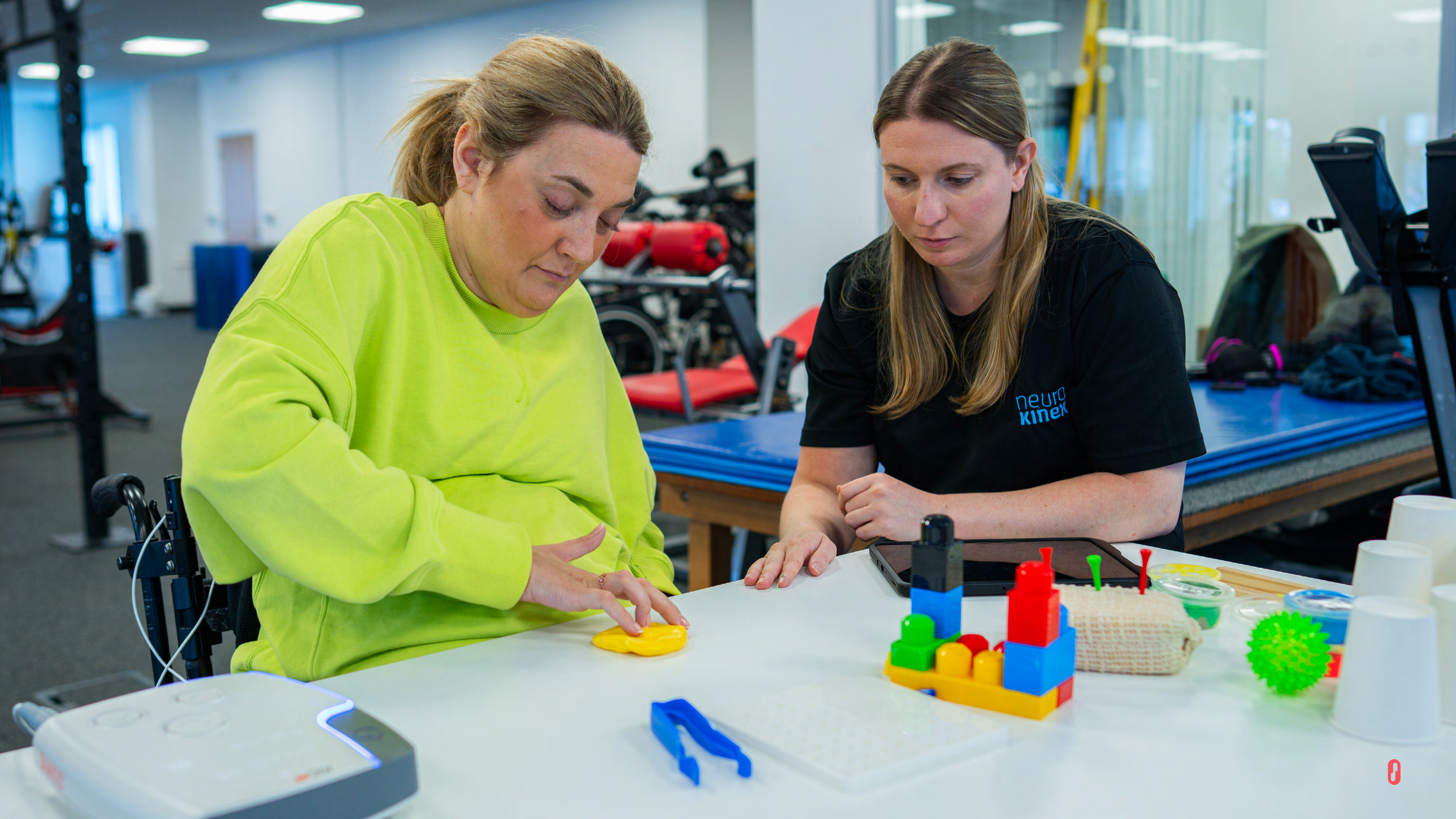
Commercial traction

- In January, the ARC^{EX} System was added to US Veterans Affairs (VA)'s online procurement platforms, allowing the VA and other government agencies to purchase the technology.
- Adoption of the ARC^{EX} System by US clinics has been rapid. After meeting our Q1 target of 10 ARC^{EX} Systems sold to US clinics, we then met our 2025 first-half sales target of 30 systems.

Corporate

- In April, we established a sponsored Level 1 American Depositary Receipt (ADR) program through the Bank of New York Mellon to facilitate US investor trading and participation in our growth. The ADRs trade on the OTCQX® Best Market under the symbol ONWRY.

[1] *Jenny Suggitt, Jane Symonds, Jessica M. D'Amico, "Safety and Effectiveness of Multisite Transcutaneous Spinal Cord Stimulation Combined With Activity-Based Therapy When Delivered in a Community Rehabilitation Setting: A Real-World Pilot Study," Neuromodulation: Technology at the Neural Interface, 2025*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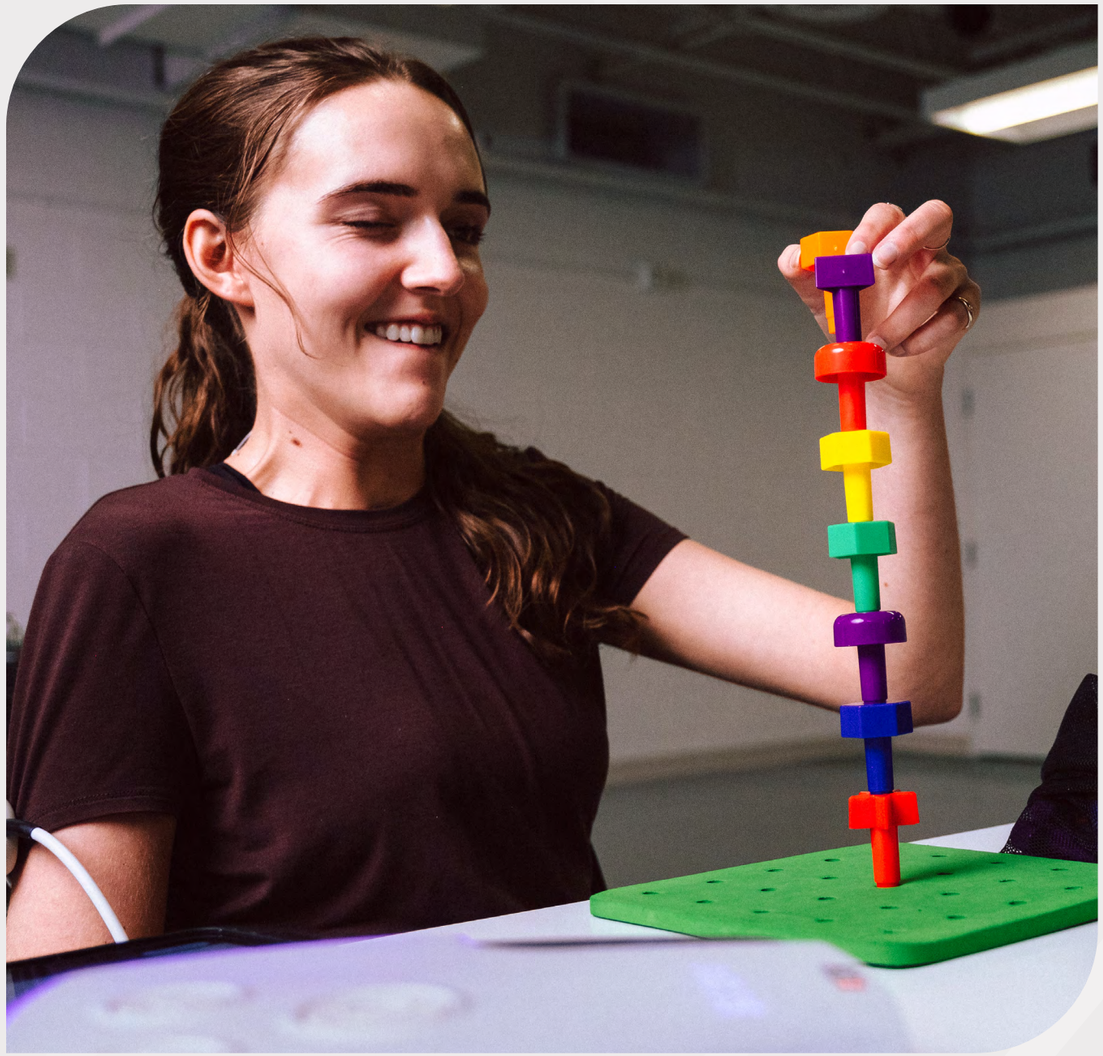

Financial Review

Financial Review

EUR' Million *For the six-month period ended, 30 June*	HY 2025	HY 2024
Total Revenues & Other Income	**1.2**	**0.2**
Cost of Goods Sold	**(0.2)**	**–**
Gross Profit	**1.0**	**0.2**
Research & Development Expenses	(5.2)	(6.1)
Clinical & Regulatory Expenses	(3.1)	(2.7)
Marketing & Market Access Expenses	(3.7)	(1.4)
Patent Fees & Related Expenses	(0.6)	(0.5)
Quality Assurance Expenses	(1.1)	(1.1)
General & Administrative Expenses	(7.2)	(7.1)
Total Operating Expenses	**(21.0)**	**(19.0)**
Operating Loss for the Period	**(20.0)**	**(18.7)**
Net Finance Result	(1.0)	0.2
Income Taxes	(0.2)	0.3
Net loss for the Period	**(21.2)**	**(18.3)**
At	**30 June 2025**	**31 Dec 2024**
Net cash* position at the end of the period	**40.9**	**60.0**
Interest-bearing loans	**(14.2)**	**(14.0)**
Equity	**(27.7)**	**(48.0)**

**Refer to Definitions and Abbreviations for the definition of net cash*

Total Revenues & Other Income

The increase in revenue compared to 1H 2024 results from the recognition of product revenue from the sale of ARC^{EX} Systems following the planned limited launch in late December 2024 after receiving FDA clearance. Other Income consisting of income recognized under ongoing grants has remained in line with 2024.

Total Operating Expenses

1H 2025 Operating Expenses of EUR 21.0 million were EUR 2.0 million more than in the first half of the prior year. This increase is driven by the commercialization activities following the limited launch of the ARC^{EX} System.

Net Finance Result

In the first six months of 2025, ONWARD recorded a net finance expense of EUR 1.0 million, compared to a net finance income of EUR 0.2 million in the same period of 2024. The year-on-year difference mainly reflects the benefit in 2024 from interest earned on short-term deposits and favorable foreign exchange movements. While interest expense on the Runway Growth Capital loan is higher than in the prior year, this was not the primary driver of the change.

Net Cash Position

The Company ended the six-month period on 30 June 2025 with a positive net cash balance of EUR 40.9 million (31 December 2024: EUR 60.0 million). The decrease in net cash is due to cash outflows from operating activities.

Interest-bearing Loans

The EUR 0.2 million increase in interest-bearing loans reflects the amortization of the loan balance in accordance with IFRS accounting requirements.

Equity

Company's positive Equity position of EUR 48.0 million on 31 December 2024 decreased to EUR 27.7 million on 30 June 2025. The decrease related to the operating loss for the period of EUR 21.2 million and the foreign currency translation impact of US and Swiss operations. This is offset by an increase in the reserve related to share-based payment of EUR 1.2 million.

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2025 Outlook

2025 Outlook

We expect to continue the steady and consistent execution of our strategy in the second half of 2025:

- Following strong early demand for the ARC^{EX} System and positive feedback from initial users, we expect to meet our sales target for the full year and deliver a strong 2025 in line with expectations.
- We anticipate FDA clearance to market the ARC^{EX} System for home use, as well as CE Mark authorization to begin marketing the device in Europe.
- We expect a peer-reviewed publication in a top-tier medical journal detailing the results of the first patients implanted with investigational ARC^{IM} Therapy to address blood pressure instability after spinal cord injury.
- Following recent IDE approval from the FDA, we are preparing to launch a global pivotal study, called Empower BP, for investigational ARC^{IM} Therapy to address blood pressure instability after spinal cord injury.
- We plan additional implants of our ARC^{IM} System and ARC^{BCI} to explore additional indications in SCI and Parkinson's disease.
- Given our healthy balance sheet, we expect our current cash to fund operations into the first half of 2026. We will explore ways to bolster our cash balance to support planned investments in product development, clinical trials, and the enhancement of our operational and commercial capabilities.

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Condensed Consolidated Interim Financial Statements

Profit & Loss

All amounts in EUR '000	Notes	For the six-month period ended, 30 June 2025 Unaudited	2024 Unaudited
Revenue		**1,035**	**–**
Grants & Other Income		**150**	**208**
Total Revenues & Other Income		**1,185**	**208**
Cost of Goods sold		(232)	–
Gross Profit		**953**	**208**
Research & Development expenses		(5,199)	(6,134)
Clinical & Regulatory expenses		(3,056)	(2,689)
Marketing & Market Access expenses		(3,739)	(1,387)
Patent Fees & Related expenses		(601)	(547)
Quality Assurance expenses		(1,133)	(1,052)
General & Administrative expenses		(7,198)	(7,148)
Total Operating Expenses		**(20,926)**	**(18,957)**
Operating Loss for the Period		**(19,973)**	**(18,749)**
Net Finance Result		(1,025)	179
Net Finance Cost		**(1,025)**	**179**

Loss for the Period Before Taxes		**(20,998)**	**(18,570)**
Income taxes	**11**	**(180)**	**318**
Net Loss for the Period		**(21,178)**	**(18,252)**
Attributable to:			
Equity holders of the parent		**(21,178)**	**(18,252)**
		(21,178)	**(18,252)**
Earnings Per Share (€):	**9**		
Basic earnings per ordinary share attributable to shareholders		(0.47)	(0.53)
Diluted earnings per ordinary share attributable to shareholders		(0.47)	(0.53)

Comprehensive Income

All amounts in EUR '000	Notes	For the six-month period ended, 30 June 2025 Unaudited	2024 Unaudited
Net Loss for the Period		**(21,178)**	**(18,252)**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		–	–
Other comprehensive income		526	–
Currency translation differences		(996)	(606)
Other comprehensive income that will be reclassified to profit or loss in subsequent periods		**(470)**	**(606)**
Total Comprehensive Result for the period, net of tax		**(21,648)**	**(18,858)**
Attributable to:			
Equity holders of the parent		**(21,648)**	**(18,858)**
		(21,648)	**(18,858)**

Financial Position

All amounts in EUR '000	Notes	30 June 2025 Unaudited	31 December 2024 Audited
Assets			
Non-Current Assets			
Intangible fixed assets	6	9,241	10,425
Property, plant and equipment		513	471
Right of use assets		771	1,054
Deferred tax assets		499	568
		11,024	**12,518**
Current Assets			
Inventories		413	102
Indirect tax receivables	13	104	125
Receivable from related parties		5	36
Other current assets		3,934	3,313
Cash and cash equivalents		40,931	60,043
		45,387	**63,619**
		56,411	**76,137**

Condensed Consolidated Interim Statement of Financial Position

Equity & Liabilities			
Equity & Reserves			
Issued capital		5,357	5,355
Share premium		217,854	217,774
Other reserves	8	6,631	6,770
Retained earnings		(202,122)	(181,845)
Total Equity Attributable to Shareholders		**27,720**	**48,054**
Non-Current Liabilities			
Interest-bearing loans	7	14,237	13,972
Deferred tax liability		277	303
Lease liability		211	518
Post-employment benefits		3,508	3,999
		18,233	**18,792**
Current Liabilities			
Income tax liabilities		152	200
Lease liability		613	597
Trade payables		2,180	1,269
Payable to related parties	12	56	–
Other financial liabilities		437	437
Other payables	12	7,020	6,788
		10,458	**9,291**
		56,411	**76,137**

The above balance sheet should be read in conjunction with the accompanying notes.

Changes in Equity

		For the six-month period ended, June 30				
All amounts in EUR '000	Notes	Issued Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
At 1 January 2025		**5,355**	**217,774**	**6,770**	**(181,845)**	**48,054**
Loss for the period		–	–	–	(21,178)	(21,178)
Other comprehensive income		–	–	(996)	526	(470)
Total comprehensive result		–	–	(996)	(20,652)	(21,648)
Issue of Shares	8	2	80	(130)	130	82
Issue of Shares- Closing costs	8	–	–	–	–	–
Share based payments	10	–	–	987	245	1,232
At June 30, 2025 (Unaudited)		**5,357**	**217,854**	**6,631**	**(202,122)**	**27,720**

		For the six-month period ended, June 30				
All amounts in EUR '000	Notes	Issued Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
At 1 January 2024		**3,622**	**155,249**	**4,488**	**(145,428)**	**17,931**
Loss for the period		–	–	–	(18,252)	(18,252)
Other comprehensive income		–	–	(606)	–	(606)
Total comprehensive result		–	–	(606)	(18,252)	(18,858)
Issue of Shares	8	533	19,467	–	–	20,000
Issue of Shares- Closing costs	8	–	(2,054)	–	–	(2,054)
Share based payments	10	–	–	734	595	1,329
At June 30, 2024 (Unaudited)		**4,155**	**172,662**	**4,616**	**(163,085)**	**(18,348)**

Cash Flows

All amounts in EUR '000	Notes	For the six-month period ended 30 June 2025 Unaudited	2024 Unaudited
Loss for the Period Before Taxes		**(20,998)**	**(18,570)**
Adjusted for:			
◦ Depreciation and impairment of property, plant and equipment and right-of-use assets		468	434
◦ Share based payment transaction expense		1,232	1,329
◦ Post-employment benefits		95	–
◦ Net finance costs		867	(179)
◦ Other non-cash items		–	(54)
Changes in working capital:			
(Increase) / Decrease in Trade and other receivables		(933)	(828)
Increase / (Decrease) in Trade and other payables		1,197	3,104
Interest received		365	194
Interest paid		(859)	–
Bank charges paid		(18)	(10)
Income tax paid		(230)	(225)

Condensed Consolidated Interim Statement of Cash Flows

Net cash used in operating activities		**(18,814)**	**(14,805)**
Cash flows from investing activities			
Investments in fixed assets		(222)	(24)
Investments in intangible fixed assets		–	–
Investments in fixed term deposits		–	(7,500)
Net cash generated/(used) from investing activities		**(222)**	**(7,524)**
Cash flows from financing activities			
Proceeds from interest bearing loans	7	–	–
Payment of principal portion of lease liabilities		(316)	(304)
Proceeds from issuance of shares	8	82	20,000
Transaction costs on issuance of shares	8	–	(2,054)
Net cash generated/(used) from financing activities		**234**	**17,643**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		60,043	29,768
Effect of exchange rates on cash and cash equivalents		158	(528)
Changes in cash and cash equivalents during the period		(19,270)	(4,687)
Cash and cash equivalents at 30 June		**40,931**	**24,553**

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Notes to the Condensed Consolidated Interim Financial Statements

Notes

1. General Information

ONWARD Medical B.V. was a Dutch private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid), incorporated on 20 November 2015. On 21 October 2021 (the First Trading Date) the Company completed a corporate conversion, converting into a public limited company under Dutch law (naamloze vennootschap). The legal name changed to ONWARD Medical N.V. ("ONWARD"). The registered office is located at Schimmelt 2, Eindhoven, the Netherlands. ONWARD Medical N.V. is registered in the Commercial Register of the Chamber of Commerce under number 64598748.

ONWARD and its subsidiaries (the "Group") are developing implantable and non-invasive neuromodulation systems to deliver the company's proprietary therapies to the spinal cord. These Condensed Consolidated Interim Financial Statements are comprised of statements for ONWARD and its two wholly owned subsidiaries: ONWARD Medical SA (incorporated in Switzerland) and ONWARD Medical Inc. (incorporated in the United Stated of America).

The interim financial statements of ONWARD Medical N.V. and its subsidiaries for the six months ended 30 June 2025 have not been audited or reviewed. The interim consolidated financial statements were authorized for publication by the Board on 2 September 2025.

2. Basis of Preparation

The Company's Condensed Consolidated Interim Financial Statements ("Interim Financial Statements" or "Interim Report") for the six-month period ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as endorsed by the European Union ("IFRS") and should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended 31 December 2024.

The significant accounting policies used in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended 31 December 2024.

The Interim Financial Statements are presented in thousands of euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated, and for the number of shares and the per share amount. Due to rounding, amounts may not add up to totals provided.

The preparation of the Interim Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, are areas where assumptions and estimates are significant to the Consolidated Financial Statements. The critical accounting estimates used in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended 31 December 2024.

3. Continuity of the Group

In preparing the interim consolidated financial statements for the six months ended 30 June 2025, Management evaluated the Company's ability to continue as a going concern by reviewing projected cash flows for the next 12 months. These projections reflect anticipated investments in the ongoing Empower BP pivotal trial, continued R&D efforts, regulatory activities—including the cost relating to ongoing steps toward obtaining CE mark certification in Europe.

As of 30 June 2025, the Company held EUR 40.9 million in cash and cash equivalents. Based on current forecasts and planned expenditures, this is expected to support the Company's operations and capital requirements into the first half of 2026. However, it is not expected to be sufficient for the next 12 months.

Management and the Board recognises there are material uncertainties that could affect the going concern assessment.

The ARC^{EX} System was launched commercially in late December 2024. During the first half of 2025, market adoption has been encouraging, with positive feedback from early customers and key clinical partners. Sales traction has steadily improved, with unit sales in Q2 2025 doubling compared to Q1. While the market response supports Management's initial expectations, the product remains in the early stages of its commercial lifecycle, and the absence of long-term sales history means that actual revenues may still vary from projections. Additionally, the home-use indication—representing a significant growth opportunity—remains under FDA review, with clearance anticipated later in 2025.

In parallel, the Company continues to manage its debt obligations and remains in compliance with all covenants as of the reporting date. Management recognizes, however, that future financial performance and broader market conditions could require additional flexibility from lenders. The Company has a constructive relationship with its financing partner, which has previously demonstrated a willingness to adapt terms in response to evolving circumstances. At the same time, the Company is actively pursuing strategic financing options, maintaining ongoing dialogue with both existing and potential new investors to secure additional capital should it become necessary. These actions are reinforced by the Company's consistent ability to control costs, prioritize expenditures, and align spending with strategic objectives. Taken together, disciplined cost management, the potential for new equity or debt financing, and the possibility of renegotiating or refinancing existing debt facilities provide a range of levers to support liquidity and ensure the Company's ability to fund operations. The Board of Directors remains confident that this multi-pronged approach will allow the Company to navigate potential risks while continuing to execute on its long-term strategy.

Given these factors, and despite a cumulative loss of EUR 202.2 million as of 30 June 2025, Management and the Board of Directors believe it is appropriate to prepare the interim financial statements on a going concern basis.

4. Standards Issued but not yet Effective

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Group's Annual Consolidated Financial Statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2025, but they do not have an impact on the Interim Financial Statements of the Group.

5. Segment Reporting

Based on the organizational structure, as well as the nature of financial information available and reviewed by the Company's chief operating decision-makers to assess performance and make decisions about resource allocations, the Company has concluded that its total operations represent one reportable segment and that the consolidated disclosures address the requirements.

6. Intangible Fixed Assets

	30 June 2025 Unaudited	31 December 2024
Goodwill	1,739	1,962
In-Process R&D	5,371	6,059
License fees	2,131	2,404
Closing net book value	**9,241**	**10,425**

The Company has reviewed whether changes in market conditions require an update to the impairment assessment performed in December 2024 and concluded that no update is required. The movement since 31 December 2024 is the result of foreign exchange rate movements.

7. Financial Liabilities

7.1 Interest Bearing Loans

Runway Growth loan

On 02 July 2024, the Group was granted a loan from Runway Growth, which was used to (i) repay all of the Company's outstanding debt, (ii) fund the Company's upcoming commercial and clinical activities, and (iii) support for working capital and general corporate purposes. The facility is divided into five individual credit tranches, of which, only the first initial credit tranche of EUR 16.0 million is withdrawn.

	30 June 2025
Loan opening balance (31 December 2024)	**13,972**
Loan amount received	–
Interest accrued	891
Interest paid	(859)
Transaction cost amortization	233
Closing net book value	**14,237**

7.2 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the Consolidated Financial Statements for the year ended 31 December 2024.

Fair Value Hierarchy

The valuation techniques and inputs used to develop measurements for financial liabilities are consistent with those disclosed in the Consolidated Financial Statements for the year ended 31 December 2024.

The carrying amounts and fair values of the Group's financial instruments are as follows, including its fair value hierarchy:

Balance at 30 June 2025	Carrying Amount	Fair Value
Financial liabilities		
Runway Growth loan (Level 2)	14,237	15,107
Lender warrants (level 3)	437	437
Total financial liabilities	**14,674**	**15,544**

Balance at 31 December 2024	Carrying Amount	Fair Value
Financial liabilities		
Runway Growth loan (Level 2)	13,972	16,818
Lender warrants (Level 3)	437	437
Total financial liabilities	**14,409**	**17,255**

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

Management has assessed that the fair values of cash and cash equivalents, accounts payable, taxes and social securities and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

The following table details the remaining undiscounted contractual maturity for the Company's financial liabilities with agreed repayment periods, including both interest and principal cash flows:

At 30 June 2025

	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Runway Growth loan	1,748	4,621	14,686	–	21,056
Lease liability	636	212	–	–	848
Warrants issued to Runway Growth	437	–	–	–	437
Trade payables	2,180	–	–	–	2,180
Total (Unaudited)	**5,001**	**4,833**	**14,686**	**–**	**24,521**

At 31 December 2024

	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Runway Growth loan	1,972	3,944	18,820	–	24,736
Lease liability	633	527	–	–	1,160
Warrants issued to Runway Growth	437	–	–	–	437
Trade payables	1,269	–	–		1,269
Total	**4,311**	**4,471**	**18,820**	**–**	**27,602**

8. Issued Capital & Reserves

The authorized share capital ("maatschappelijk kapitaal") amounts to EUR 24 million divided into 100,000,000 Ordinary Shares and 100,000,000 Preferred Shares with a nominal value of EUR 0.12 each. All of the issued Ordinary Shares are fully paid-up and represent capital in the Company. No Shareholders have any voting rights different from any other Shareholder.

Other Reserves

	Currency Translation Differences	Stock Compensation Reserve	Total Reserves
Balance at 1 January 2025	598	6,171	6,770
Share based payment expense for the period	–	1,232	1,232
Reclassification of the fair value of forfeited options	–	(375)	(375)
Currency translation differences	(996)	–	(996)
Balance at 30 June 2025 (Unaudited)	**(398)**	**7,028**	**6,631**
Balance at 1 January 2024	**164**	**4,324**	**4,488**
Share based payment expense for the period	–	1,329	1,329
Reclassification of the fair value of forfeited options	–	(595)	(595)
Currency translation differences	(606)	–	(606)
Balance at 30 June 2024 (Unaudited)	**69**	**2,931**	**4,616**

9. Loss per Share

The objective of determining diluted EPS is to reflect the maximum possible dilutive effect arising from potential ordinary shares outstanding during the period. The Group has stock option plans that may be settled in ordinary shares of the Group, and that are considered anti-dilutive considering the Group is currently loss making. Therefore, diluted EPS is disregarded.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these Interim Financial Statements. The following tables reflect the income and share data used in the EPS calculation:

Profit (Loss) Attributable to Ordinary Shareholders

	2025 Unaudited	2024 Unaudited
Profit (loss) for the year, attributable to equity holders of the parent	**(21,178)**	**(18,252)**

Weighted-average Number of Ordinary Shares

	2025 Thousands	2024 Thousands
Weighted average number of ordinary shares for basic EPS	**44,637**	**34,627**

10. Share-based Payments

	30 June 2025 Unaudited	30 June 2024 Unaudited
Opening balance	**6,171**	**4,324**
Addition to the reserve	1,232	1,329
Reclassification of the fair value of forfeited options	(375)	(595)
Closing balance	**7,028**	**5,058**

Long-term incentive Plan (LTIP)

The LTIP plan aims to align the Employee's interest with the interests of the Shareholders and to allow the employee to participate in the long-term growth of the Company. The LTIP is an omnibus plan with the flexibility to issue a different type of equity incentive(s). ONWARD awarded options over its ordinary shares to participants (referred to as the "Award" or "Grant') on the Grant Dates as specified in the table below. Each option represents the right to receive one ordinary share of ONWARD against payment of the exercise price.

The options expire 10 years after the Grant Date and become exercisable on vesting. The Grant is subject to continued provision of services to the Company under a graded vesting schedule, with 25% of the Grant vesting on the first anniversary of the Grant Date, and the remaining 75% of the Grant vesting in equal, monthly tranches over the 3 years following the first anniversary of the Grant Date (2.083% per month). The number of Options that will vest and become unconditional is subject only to a continued service condition. All options granted have the same conditions. Options do not settle automatically and are exercised at the option of the participant.

Financial Year	Grant Date	Type of Security	Number of Options Granted	Exercise Price	Expiration Date	Fair Value
2021	15/12/2021	Stock Options	612,000	EUR 9.70	15/12/2031	EUR 4.89
2022	01/04/2022	Stock Options	169,800	EUR 7.64	01/04/2032	EUR 4.18
2022	26/09/2022	Stock Options	166,350	EUR 5.70	26/09/2032	EUR 3.19
2023	03/01/2023	Stock Options	978,050	EUR 6.12	03/01/2033	EUR 3.37
2023	28/02/2023	Stock Options	132,000	EUR 4.95	28/02/2033	EUR 2.72
2023	03/07/2023	Stock Options	308,175	EUR 5.18	03/07/2033	EUR 2.85
2024	15/01/2024	Stock Options	710,975	EUR 2.94	15/01/2034	EUR 1.60
2024	01/07/2024	Stock Options	460,688	EUR 5.08	01/07/2034	EUR 2.85
2024	05/12/2024	Stock Options	704,625	EUR 4.77	04/12/2034	EUR 2.68
2025	01/05/2025	Stock Options	100,000	EUR 4.19	01/05/2035	EUR 2.37

The following parameters were used in the option model for the calculation of the fair value of the options per grant in 2025:

	2025 – 05
Fair value on date of measurement (EUR)	2.37
Share price (EUR)	4.19
Exercise price (EUR)	4.19
Expected volatility	59.8%
Term of the option	4[a]
Expected dividend	–
Risk-free interest rate	2.4%
Time to expiration	10

a: Vesting period is 1 – 4 years and depends on the vesting date of the specific tranche.

The weighted average fair value of the options granted during the six months ended 30 June 2025 was EUR 2.37 (year ended 31 December 2024: EUR 2.31).

For the six months ended 30 June 2025, the Group has recognized EUR 1.23 million of share-based payment expense in the statement of profit or loss (30 June 2024: EUR 1.33 million).

11. Income Taxes

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2025 was 0.9% (six months ended 30 June 2024: 1.7%). Deferred tax assets increased primarily due to net operating losses and tax credit carry forwards in the US subsidiary.

The major components of income tax expense in the Interim condensed consolidated statement of profit or loss are:

	2025	2024
Current income tax	184	138
Deferred income tax	(4)	(456)
Total corporate income tax in profit and loss	**180**	**(317)**

12. Trade & Other Payables

The increase in Trade Payables is driven by manufacturing and commercialization activities following the limited launch of ARC^{EX} system and timing of settlement.

The increase in Other Payables is due to the higher leave pay accrual in June ahead of the summer holiday period compared to December.

13. Related Party Transactions

Receivable from and payable to related parties result from the operational expenses arising out of normal course of business.

Except as disclosed, there are no material changes to the Group's related parties, related party transactions (including their terms and conditions) and future obligations towards related parties, compared to 31 December 2024. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in the notes.

Remuneration of Key Management

	30 June 2025 Unaudited	30 June 2024 Unaudited
Salary, bonuses and other (short-term employee benefits)	2,112	1,952
Pension premiums (post-employment benefits)	66	80
Share based payments	1,700	1,650
Net liability	**3,878**	**3,682**

14. Commitments &Contingencies

Legal Claim Contingencies

At 30 June 2025, the Group had no legal claim contingencies.

Guarantees

The Group has provided a guarantee to Wincasa for EUR 304k and EUR 8k to SPACES as collateral for the lease of its office spaces.

Royalties

The Group has entered into three license agreements with EPFL that will require royalty payment in the event the Company is able to generate revenues in the future for products directly linked to these licenses. The royalty scheme with EPFL is based on net sales. On 27 September 2019, NeuroRecovery Technologies, Inc. (now ONWARD Medical, Inc.) entered into a license agreement with the Regents of the University of California acting through Technology Development Group UCLA Campus granting an exclusive license on certain patents in certain fields of neuromodulation and spinal cord stimulation and a non-exclusive license on certain other patent rights. Various revenue milestone payments are due under the exclusive license and fixed royalty payments are due under the nonexclusive license. The agreement contains various milestone and diligence obligations ranging from USD 10k to USD 50k payable upon entering a phase III clinical trial, regulatory approval and/or first commercial sale. On 8 October 2019, NeuroRecovery Technologies, Inc. (now ONWARD Medical, Inc.) entered into a license agreement with the California Institute of Technology ("Caltech"), the latter on behalf of various intellectual property owners, including UCLA, University of Louisville, DEI and USC, granting an exclusive license on certain technology in certain fields of epidural and transcutaneous neuromodulation and a non-exclusive license of certain other intellectual property. Various revenue milestone payments, diligence obligations and fixed royalty payments are due under the license. These payments range from USD 20k to USD 75k payable upon FDA approval, CE mark and/or first commercial sale.

15. Events after the Reporting Period

On 1 July 2025 the Group granted 632,487 stock options to employees with an exercise price of EUR 4.49, and on 12 August the Group granted 32,000 stock options to two non-executive directors with an exercise price of EUR 4.11. The conditions of the existing plan as explained in Note 10 applies to this grant.

ONWARD MEDICAL

Board's Statements on the Interim Consolidated Financial Statements

Board's Statements on the Interim Consolidated Financial Statements

Board's Statements on the Interim Consolidated Financial Statements for the six Months Ended 30 June 2025

We have prepared the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2025 of ONWARD Medical N.V.

To the best of our knowledge:

- The interim condensed consolidated financial statements prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities and financial position at 30 June 2025, and of the results of our consolidated operations for the first half year of 2025.
- The half year report related to the first half year 2025 gives a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Act on Financial Supervision

Amsterdam, 2 September 2025 – Board of Directors

Overview of Risks

Overview of Risks

In the Directors' Report in our Annual Report 2024 we set out an overview of our primary strategic, operational, legal and compliance and financial risks. Financial risks are also described in more detail in the notes to the Consolidated Financial Statements 2024 (Note 4.3).

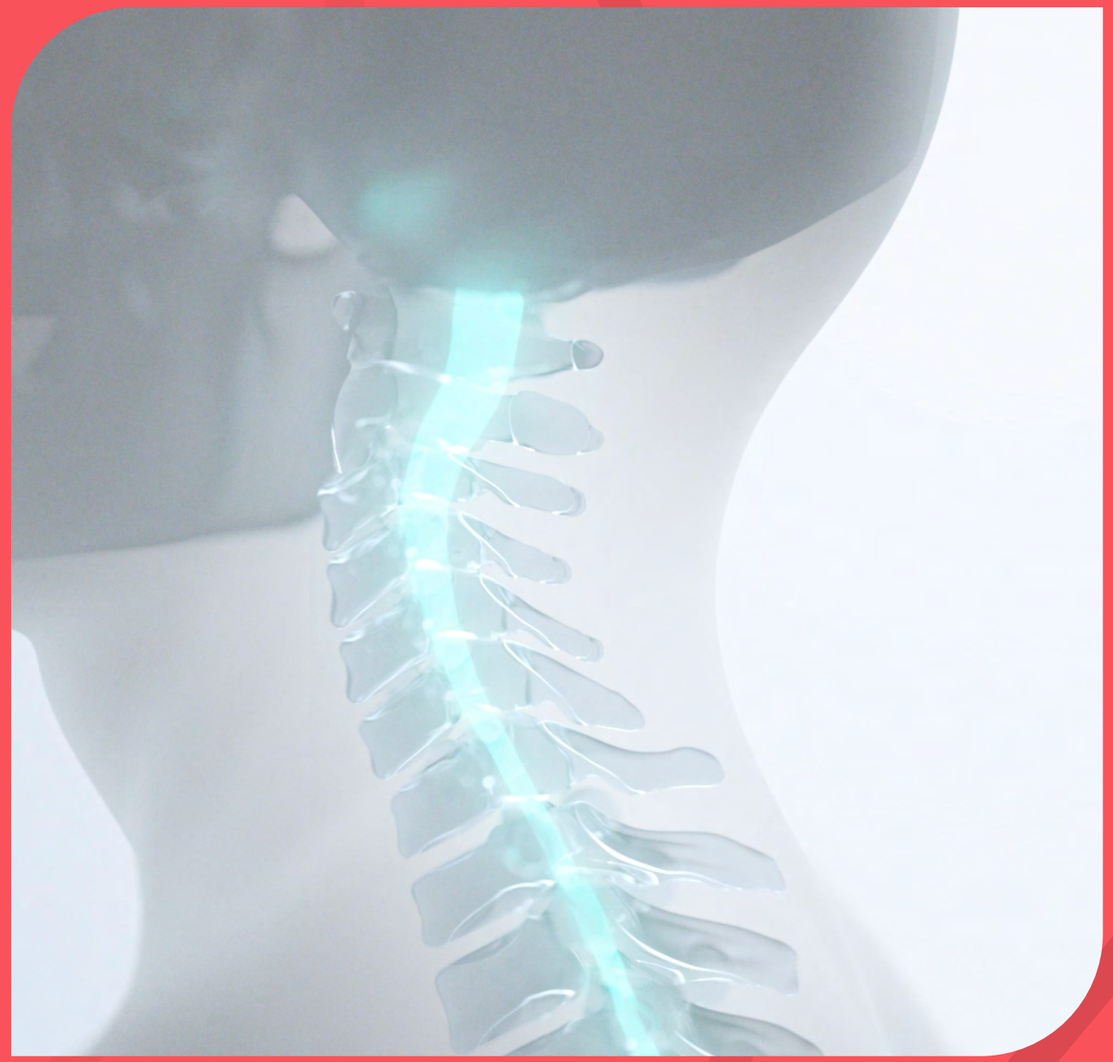
Risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

In the first six months of 2025, there has been no material change in the identified risks as described in the Annual Report 2024, other than specifically included in this report, and we do not expect this to significantly change during the remaining six months of the financial year 2025 based on the existing business activities.

Forward-Looking Information / Statements

Forward-Looking Information / Statements

Certain statements, beliefs, and opinions in this document are forward-looking, which reflect the Company's or, as appropriate, the Company directors' current expectations and projections about future events. In particular, the words 'expect', 'anticipate', 'estimate', 'may', 'should', 'could', 'would', 'believe', 'outlook', 'potential', 'will', 'planned', 'pipeline', 'seek' and similar expressions are intended to identify forward looking statements. By their nature, forward-looking statements involve several risks, uncertainties, and assumptions that can cause actual results or events to differ materially. These risks, uncertainties, and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, supplier performance, competition, regulatory review timelines and outcomes, intellectual property enforcement and outcomes, and technology, can cause actual events, performance, or results to differ significantly from any anticipated development. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also the Risk management and control section of the 2024 Annual Report. Forward-looking statements contained in this Half Year Report regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or any change in events, conditions, assumptions, or circumstances on which these forward-looking statements are based. Neither the Company nor its advisers or representatives nor any of its subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this document or the actual occurrence of the forecasted developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document ARC^{IM}, alone or in combination with BCI, is investigational and not commercially available. ARC^{EX} is FDA-cleared in the United States (please refer to its Indications for Use).



Definitions & Abbreviations

Definitions & Abbreviations

BCI
Brain-Computer Interface: A device implanted on the motor cortex that records brain signals and sends a person's intention to move to our ARC™ System, which translates the brain recordings into targeted spinal cord stimulation to enable thought-driven movement.

Caltech
California Institute of Technology

CE
Conformité Européene

EPFL
École Polytechnique Fédérale de Lausanne

Epidural
Placed or administered outside the dura mater of the spinal cord.

FDA
U.S. Food and Drug Administration

IPG
ONWARD implantable pulse generator

LTIP
Long-Term Incentive Plan

Net cash
Net cash is defined as the sum of cash and cash equivalents and fixed term deposits included in the current assets as included in consolidated statement of financial position in the Financial Statements. This is considered a non-IFRS financial measure.

Neuromodulation
Field of bioengineering impacting the brain or spinal cord to influence or restore function

RVO
Rijksdienst voor Ondernemend Nederland

SCI
Spinal Cord Injury: Damage to the nerves in the spine that circulate signals from the brain to and from the body that can be caused by a trauma or a disease and may lead to temporary or permanent dysfunction

Transcutaneous
Through the skin (non-invasively)

UCLA
University of California, Los Angeles

EMPOWERING MOVEMENT™