

ONWARD Reports 2021 Full Year Financial and Operating Results

Company also provides Q1 2022 Business Update and 2022 Outlook

EINDHOVEN, the Netherlands & LAUSANNE, Switzerland—April 26, 2022, 7:00 CET—ONWARD Medical N.V. (Euronext: ONWD), the medical technology company creating innovative therapies to restore movement, independence, and health in people with spinal cord injury, today announces its annual financial and operating results for the year ended December 31, 2021. The Company also provides a business update for Q1 2022.

The company further announces the publication of its statutory annual accounts for the financial year ended December 31, 2021, prepared in accordance with International Financial Reporting Standards (IFRS-EU), as drawn up and approved by the Board and included in the Company's annual report (the Annual Report).

The full Annual Report is available on the Company's website in the Investors section (<https://ir.onwd.com>) and the website of the Netherlands Authority for the Financial Markets (www.afm.nl).

The Company's Financial and Operating highlights for 2021 include the following:

- Awarded Breakthrough Device Designation from the US Food and Drug Administration (FDA) for the Company's ARC[™] Therapy focused on restoration of normal blood pressure and trunk control for people with spinal cord injury (SCI). This is the Company's third such designation.
- Completed enrollment in its Up-LIFT pivotal study in December, ahead of expectations and in less than 12 months despite COVID-related challenges. Up-LIFT is the first large-scale pivotal trial of non-invasive spinal cord stimulation technology.
- Completed development of the initial generation of its ARC[™] technology platform in preparation for first-in-human use of its IPG and Lead family, expected to occur in 2022 as part of the HeMon Study.
- Raised EUR 30 million through a pre-initial public offering (IPO) convertible note financing.
- Raised EUR 80 million in an IPO on Euronext Brussels and Euronext Amsterdam in October, believed to be the largest early-stage medtech IPO in European history.

The Company reported an Operating Loss of EUR 34.3 million for 2021 vs. EUR 20.0 million in 2020. The Company's year-end balance for cash and cash equivalents increased to EUR 89.4 million on December 31, 2021 vs. EUR 6.4 million on December 31, 2020.

"Despite challenging conditions that impacted businesses worldwide, we executed strongly against our primary objectives in 2021", said Dave Marver, CEO of ONWARD. "We demonstrated excellent progress in R&D by completing our implantable device platform, and in

Clinical/Regulatory by completing enrollment in the Up-LIFT Study ahead of expectations and receiving our third Breakthrough Device Designation award from the FDA. Lastly, we successfully completed two important financings, including a large IPO that attracted a high-quality group of investors from the US, Europe, and across the world. We expect our strong cash position from these financings to provide runway through the end of 2024, but we will continue to explore options to raise even more capital and increase liquidity through financing activities.”

2021 Financial Summary

	<i>EUR millions</i>	2021	2020
Total Grant Income		1.4	0.8
Total Operating Expenses		(30.0)	(16.3)
Science expenses		(2.7)	(1.1)
Research & Development expenses		(7.9)	(5.8)
Clinical & Regulatory expenses		(4.8)	(2.8)
Marketing & Market Access expenses		(1.5)	(0.4)
Patent Fees & Related expenses		(1.4)	(1.2)
Quality Assurance expenses		(1.0)	(0.4)
General & Administrative expenses		(10.7)	(4.7)
Operating Loss for the Period		(28.6)	(15.5)
Net Finance expense		(5.7)	(4.5)
Net Loss for the Period		(34.3)	(20.0)
Basic (and diluted) Earnings per Share (in EUR)		(3.62)	(5.56)
Cash position at the end of the year		89.4	6.4
Interest Bearing Loans		(11.5)	(41.8)
Equity		82.7	(32.1)

Grant Income

Grant income increased by EUR 0.6 million vs. 2020, totaling EUR 1.4 million in 2021 and driven primarily by proceeds from a DARPA grant that commenced in October 2020. ONWARD is part of a research consortium eligible to receive up to USD 36 million as part of the DARPA Bridging the Gap+ program.

Operating Expenses

Operating expenses increased by EUR 13.7 million vs. 2020, totaling EUR 30 million in 2021. The increase was driven primarily by a EUR 8.2 million increase in employee costs, with full-time equivalent (FTE) employees increasing from 55 in 2020 to 76.9 in 2021. EUR 2.4 million of the employee cost increase can be attributed to additional FTEs while EUR 5.8 million can be attributed to share-based payment expense due to accelerated vesting of the Company's Employee Investment Plan on the date of the Company's IPO.

Consulting services and other costs associated with research and development of the Company's therapies increased by EUR 0.4 million vs. 2020. Activities to drive enrollment in the Company's

Up-LIFT pivotal trial and other clinical study related costs contributed to an increase of EUR 1.4 million vs. 2020. The Company also incurred an incremental EUR 0.4 million for marketing and market access activities in the US and Europe. The Company's 2021 IPO and the incremental costs of operating as a public company added EUR 2.4 million not incurred in 2020. These costs include uncapitalized consulting and legal expenses relating to the IPO and assuring compliance with financial regulatory requirements.

Operating Loss for the Period

The Company's Operating Loss for the period increased by EUR 13 million, driven by the increase in Operating Expenses.

Net Loss for the Period

The Company realized a Net Loss for the period of EUR 34.3 million vs. EUR 20 million in 2020. EUR 13.0 million of this increase can be attributed to the Operating Loss for the period. An additional EUR 1.2 million is due to an increase in the Company's Net Finance Expense, driven primarily by an increase in Interest Expense.

Cash Position

Cash and cash equivalents increased by EUR 83 million vs. 2020. The year-end balance was EUR 89.4 million on December 31, 2021 vs. EUR 6.4 million on December 31, 2020.

Net cash used in operating activities was EUR 19.9 million vs. EUR 12.9 million in 2020. The increase was driven by the increase in the Operating Loss for the period.

The company invested EUR 2.3 million in assets in 2021, a EUR 2.2 million increase vs. 2020. The increase was driven primarily by IPO-related license fees paid and capitalized as intangible assets.

The Company successfully raised EUR 110 million through investing activities in 2021. EUR 80 million was raised via the IPO on Euronext Brussels and Euronext Amsterdam, preceded by a pre-IPO convertible note financing of EUR 30 million. The cash generated was offset by capitalized IPO fees paid in the amount of EUR 4.6 million. Net cash generated from financing activities was EUR 105.3 million in 2021 vs. EUR 4.4 in 2020.

Interest Bearing Loans

The decrease in Interest Bearing Loans from EUR 41.8 million in 2020 to EUR 11.5 million in 2021 was mainly attributable to the conversion of the Company's preference A shares into ordinary shares immediately preceding the IPO.

Equity

The positive Equity position of the Company as of December 31, 2021 was EUR 82.7 million, an increase of EUR 114.8 million vs. December 31, 2020. This increase resulted from the proceeds from the IPO (EUR 80 million), the conversion of the convertible note into ordinary shares (EUR 31 million), the conversion of preference A shares into ordinary shares (EUR 34 million) and the accelerated vesting of the Employee Investment Plan (EUR 8.5 million). The increase was offset by the Net Loss for the period (EUR 34.3 million) and the total paid and unpaid capitalized IPO fees (EUR 4.9 million).

Q1 2022 Business Update and 2022 Outlook

The Company's cash balance was EUR 83 million as of March 31, 2022, reflecting a cash burn of EUR 6.4 million during Q1 2022. This is in alignment with expectations that current cash on hand will fuel operations through the end of 2024.

In January, the Company was awarded 9 new patents in collaboration with leading research universities. The Company now has over 320 issued or pending patents worldwide.

In February, the Company's technology was leveraged to enable people with the most severe form of spinal cord injuries to walk and stand again. This breakthrough was published in Nature Medicine and featured by media outlets around the globe.

In March, the Company enrolled the first participants in the LIFT Home Study, a trial designed to study the safety and performance of its ARC^{EX} Therapy in the home setting.

In March, the Company was added to Euronext Brussels' Bel-Small Index.

In March, the Company confirmed its cash runway through the end of 2024. The Company believes its strong cash position will mitigate the impact of global supply chain challenges that may affect certain development programs. At this time and barring unanticipated events, the Company believes it has mitigated the risk of further impacts to critical components.

In March, the Company added options to obtain rights to novel Brain-Spine Interface and Parkinson's disease IP developed by its research partners at EPFL and Lausanne University Hospital (CHUV).

Building on progress shown in Q1, 2022, the Company expects to achieve several important milestones during the remainder of 2022:

- Completion of the Up-LIFT Pivotal Study for the Company's ARC^{EX} Therapy
- Release of top line data from the Up-LIFT Pivotal Study for the Company's ARC^{EX} Therapy
- Completion of the LIFT Home Study for the Company's ARC^{EX} Therapy
- Release of top line data from the LIFT Home Study for the Company's ARC^{EX} Therapy
- First-in-human use of the Company's ARC^{IM} IPG
- Commencement of the HeMon Feasibility Study for the Company's ARC^{IM} Therapy

"We demonstrated steady and consistent execution (and associated news flow) in Q1 2022", said Dave Marver, CEO of ONWARD. "Our drive to execute will continue during the remainder of 2022, with several value-driving milestones expected, including top line data from the Company's first pivotal trial and first-in-human use of our novel, proprietary, purpose-built neuromodulation platform."

Conference Call & Webcast

ONWARD will host a conference call with live webcast today at 4 pm CET / 10 am ET. The webcast may be accessed on the Events page of the company's website or by clicking [here](#). A replay of the webcast will be available on the ONWARD website.

To learn more about ONWARD's ARC Therapy and the company's vision to restore movement, independence and health in people with spinal cord injury, please visit [ONWD.com](https://onwd.com).

About ONWARD

ONWARD is a medical technology company creating innovative therapies to restore movement, independence, and health in people with spinal cord injury. ONWARD's work builds on more than a decade of basic science and preclinical research conducted at the world's leading neuroscience laboratories. ONWARD's ARC Therapy, which can be delivered by implantable (ARC^{IM}) or external (ARC^{EX}) systems, is designed to deliver targeted, programmed stimulation of the spinal cord to restore movement and other functions in people with spinal cord injury, ultimately improving their quality of life. ONWARD has received three Breakthrough Device Designations from the FDA encompassing both ARC^{IM} and ARC^{EX}. The company's first FDA pivotal trial, called Up-LIFT, completed enrollment in December 2021 with 65 subjects worldwide.

ONWARD is headquartered at the High Tech Campus in Eindhoven, the Netherlands. It maintains a significant team in Lausanne, Switzerland and has a growing U.S. presence in Boston, Massachusetts, USA. For additional information about the company, please visit [ONWD.com](https://onwd.com). To access our 2022 Financial Calendar, please visit [IR.ONWD.com](https://ir.onwd.com).

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The Company is listed on Euronext Brussels and Euronext Amsterdam as of 21 October 2021 under the ONWD ticker with international securities identification number NL0015000HT4.

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