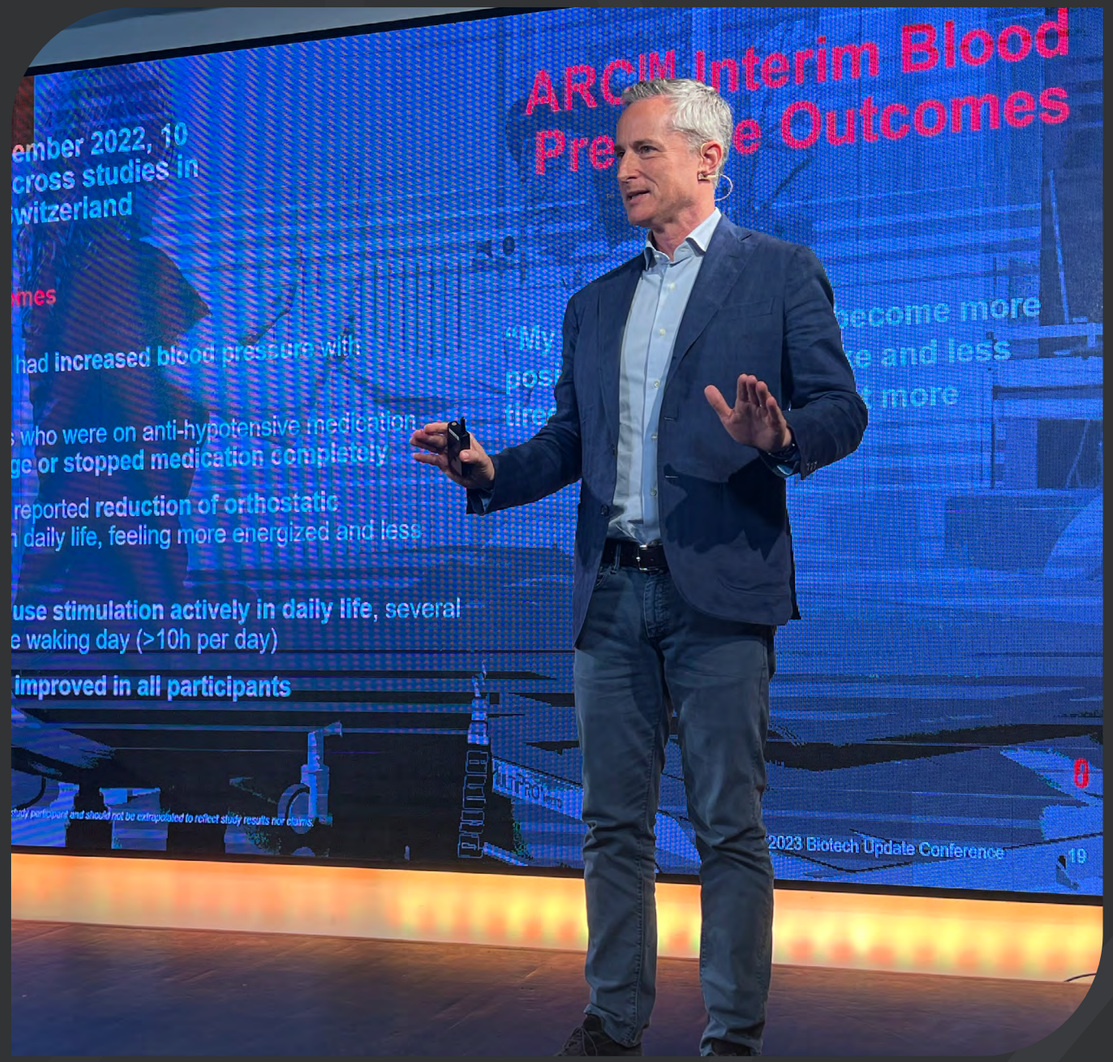
ONWARD®
MEDICAL

Half Year Report **2024**

ONWARD
Medical N.V.

Table of Contents

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

Message from the CEO

Dear Shareholders, Colleagues, Partners, and Collaborators,

It is a privilege to lead this company, working to make a difference in the lives of the nearly seven[1] million people worldwide with spinal cord injury (SCI). In the first half of 2024, we made meaningful strides towards our strategic goals – preparing to commercialize our investigational ARC$^{EX®}$ System later this year, progressing toward the launch of the pivotal trial for our investigational ARC$^{IM®}$ Therapy, advancing our clinical and development activities for our investigational ARC$^{BCI™}$ System, and evolving the company to enable robust commercial operations.

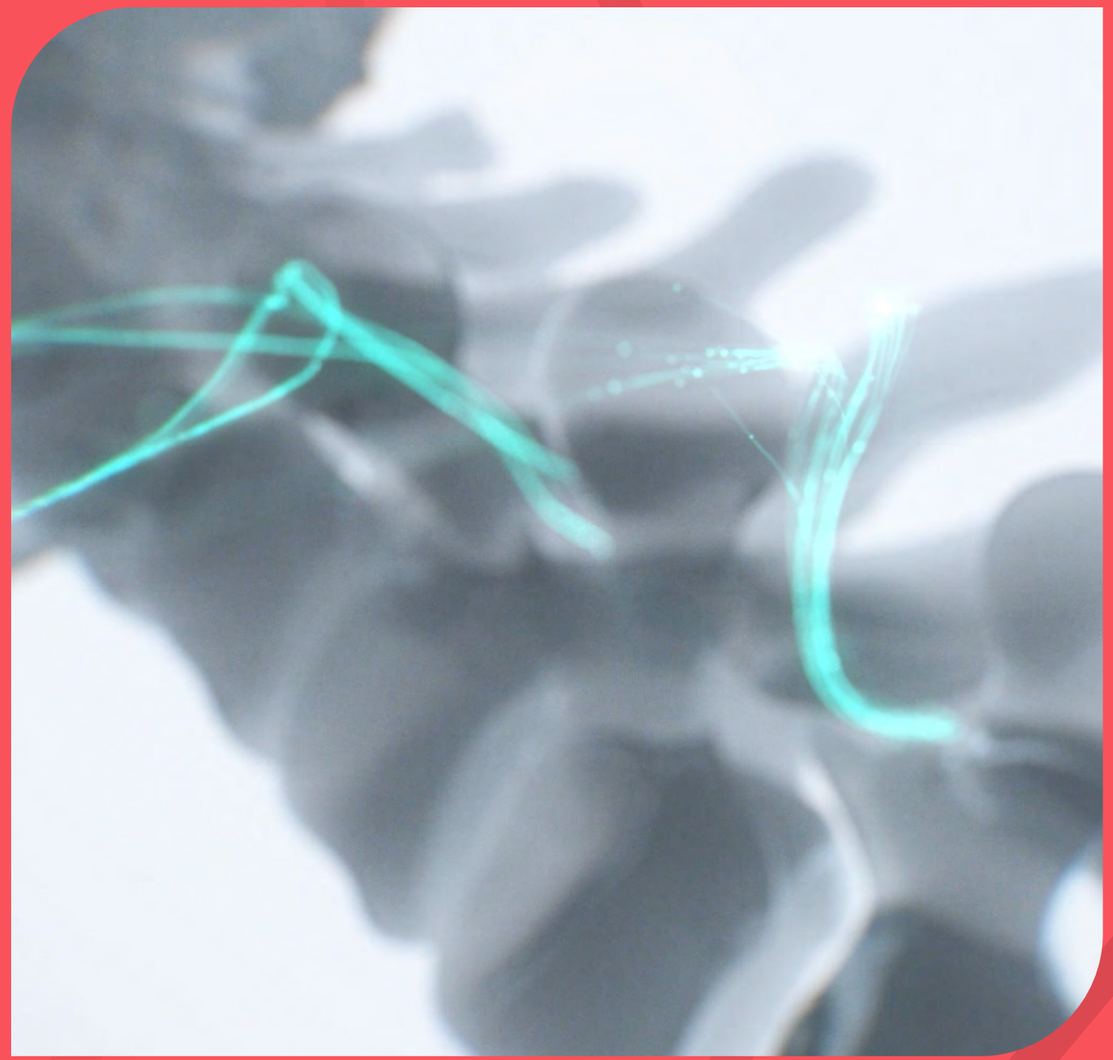
I would like to highlight several key achievements from the first half of this year and expectations for the next few quarters:

- In April, we announced the submission of our ARC^{EX} System to the US Food and Drug Administration (FDA) for clearance to commercialize the platform in the US. In May, we announced the publication of our global Up-LIFT pivotal trial results in Nature Medicine. The study achieved all primary safety and effectiveness endpoints, and ARC^{EX} Therapy demonstrated significant improvements in upper limb strength, function, and sensation among people with chronic tetraplegia due to cervical SCI. We expect to launch the ARC^{EX} System in the US later this year, pending FDA approval.
- We are preparing to initiate our global pivotal study, called Empower BP, for ARC^{IM} Therapy to address blood pressure instability after SCI. Major milestones expected in late 2024 and early 2025 include FDA Investigational Device Exemption (IDE) submission, FDA IDE approval and first participant enrollment. In addition, we expect a peer-reviewed publication in a top-tier medical journal detailing the results of the first 10+ participants from the feasibility study that have been implanted with ARC^{IM} Therapy to address blood pressure instability.
- We plan to advance clinical and development activities for our ARC^{BCI} System. Earlier this year, we were only the second brain-computer interface (BCI) company to be admitted into the FDA's new Total Product Lifecycle Advisory Program (TAP). In addition, several additional ARC^{BCI} System implants are expected in the coming quarters as part of the ongoing clinical feasibility study with partners at .NeuroRestore and CEA-Clinatec.
- In June, we announced a debt financing agreement with US-based lender Runway Growth Capital. This financing provides up to €52.5M in fresh capital in tranches. The initial capital was used to repay existing debt and fund our upcoming commercial and clinical activities, which include the planned launch of our ARC^{EX} System later this year. This milestone follows a €20M capital raise in March.

Thank you for your continued support as we work passionately to help the SCI Community.

Dave Marver

[1]*Kumar et al. 2018, Traumatic Spinal Injury: Global Epidemiology and Worldwide Volume*



ONWARD

Business Review

Business Review

In the first half of 2024, we continued to execute our strategy to research, develop and commercialize novel therapies that restore movement and other functions in people with SCI. Our key operational highlights for the first half of 2024 include the following:

Science & Intellectual Property

- Together with our research partners at École Polytechnique Fédérale de Lausanne (EPFL) and Lausanne University Hospital (CHUV), we continue to explore new therapies with the promise to help people with SCI and other movement disabilities.
- The Company was issued 30 new patents in 1H, bringing its total number of issued patents to 270+ and strengthening our first-mover advantage.[2]

Clinical Development

The first half of 2024 also marked several key milestones on our clinical roadmap:

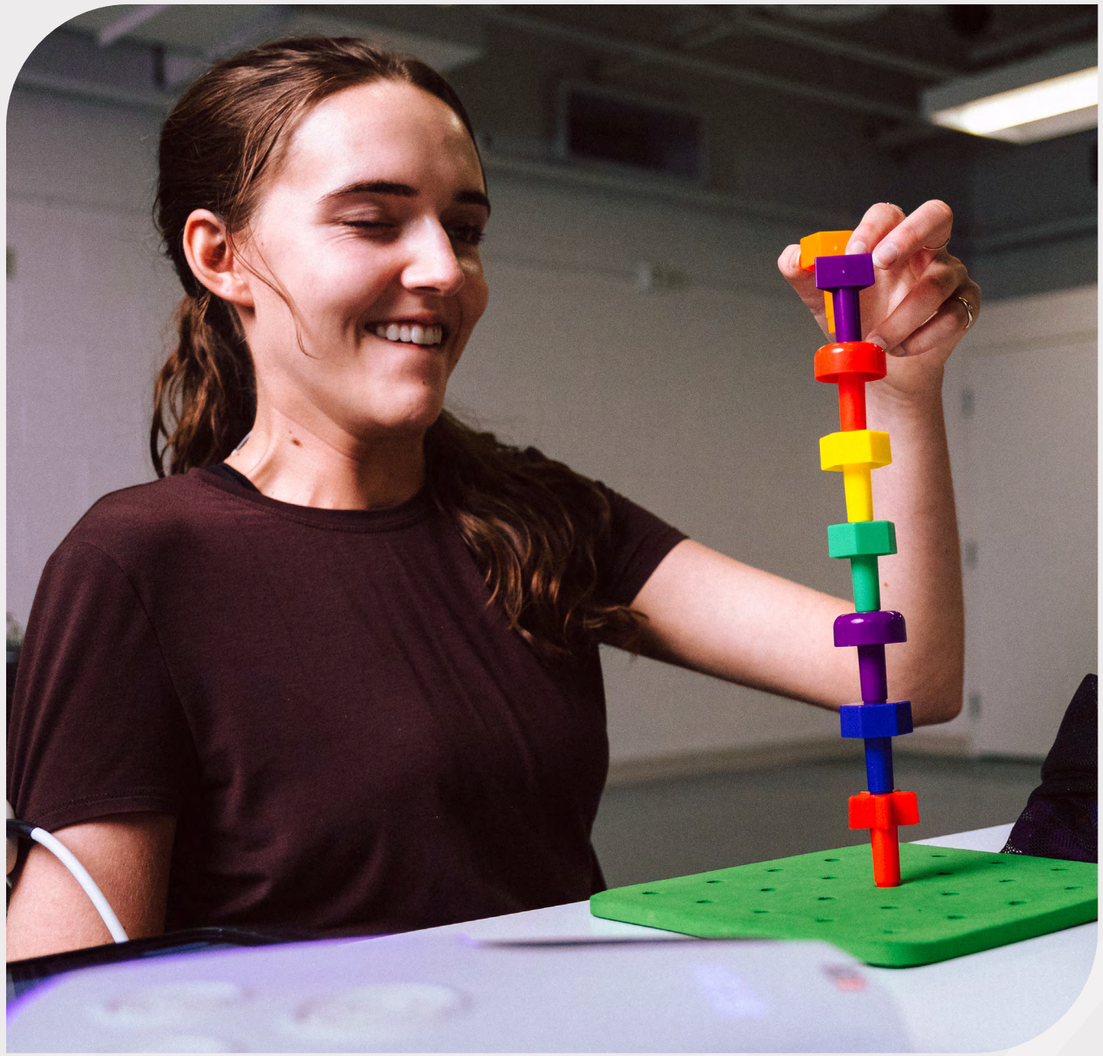
- In January, the Company expanded our HemON clinical feasibility study to explore use of the ARC^{IM} System to improve blood pressure regulation after SCI with the addition of Sint Maartenskliniek in the Netherlands. The addition of this clinical research site helps the Company to prepare for the expected initiation of our global pivotal trial called Empower BP to assess the safety and efficacy of ARC^{IM} Therapy to improve blood pressure regulation after SCI.
- In February, the Company announced we have been awarded Breakthrough Device Designation (BDD) by the US Food and Drug Administration (FDA) for the ARC^{BCI} System, which uses brain-computer interface (BCI) technology in conjunction with our ARC^{IM} Therapy to restore thought-driven lower limb mobility after spinal cord injury (SCI). This is the Company's 10th BDD.
- In March, ONWARD Medical was only the second BCI company admitted into the FDA's new Total Product Lifecycle Advisory Program (TAP), which is intended to streamline the commercialization of new technologies.
- In April, the Company announced we submitted a De Novo application to the US FDA to obtain regulatory clearance to begin marketing our non-invasive ARC^{EX} System in the United States. Clearance is expected in Q4 2024.
- In May, the Company announced the publication of our Up-LIFT pivotal trial results in *Nature Medicine*[3]. The study achieved all primary and secondary safety and effectiveness endpoints, and ARC^{EX} Therapy demonstrated significant improvements in upper limb strength, function, and sensation among people with chronic tetraplegia due to cervical SCI.

Corporate

We continued to enhance our organizational capabilities and augment our leadership team in preparation for commercialization of our first-ever therapy, expected in 2H 2024:

- In March 2024, the Company completed a €20M equity financing that strengthened our cash position to support investments in product development, clinical trials, operational and commercial capabilities; this financing extended the Company's cash runway into spring 2025.
- In April, the Company announced that Stifel, a US-based full-service investment bank, had initiated analyst coverage of ONWARD Medical. In February, the Company announced that KBC Securities also initiated research coverage. The Company is also covered by equity research at Bryan Garnier & Co, Degroof Petercam, and Kepler Cheuvreux.
- In June, the Company signed a debt financing agreement in the amount of up to €52.5 million with U.S.-based lender Runway Growth Capital. The loan was used to repay all the Company's outstanding debt and future tranches are expected to be used to fund the Company's upcoming commercial and clinical activities and support working capital and general corporate purposes.

[2]*Issued patents include EP country validations*
[3]*Moritz, Chet, et al. "Non-invasive spinal cord stimulation for arm and hand function in chronic tetraplegia: a safety and efficacy trial." Nature Medicine. 2024.*



ONWARD®

Financial Review

Financial Review

EUR' Million *For the six-month period ended, 30 June*	2024	2023
Total Revenues & Other Incomes	**0.2**	**0.9**
Research & Development Expenses	(6.1)	(7.6)
Clinical & Regulatory Expenses	(2.7)	(2.2)
Marketing & Market Access Expenses	(1.4)	(1.6)
Patent Fees & Related Expenses	(0.5)	(1.0)
Quality Assurance Expenses	(1.1)	(0.8)
General & Administrative Expenses	(7.1)	(6.5)
Total Operating Expenses	**(19.0)**	**(19.7)**
Operating Loss for the Period	**(18.7)**	**(18.8)**
Net Finance Result	0.2	(0.5)
Income Taxes	0.3	(0.0)
Net loss for the Period	**(18.3)**	**(19.3)**
At	**30 June 2024**	**31 December 2023**
Net cash* position at the end of the period	**32.1**	**29.8**
Interest-bearing loans	**(16.0)**	**(15.3)**
Equity	**18.3**	**17.9**

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

Total Revenues & Other Income

Other income totalled EUR 0.2 million in 1H 2024, consisting of royalties and income recognized under ongoing grants.

Total Operating Expenses

1H 2024 Operating Expenses of EUR 19 million were EUR 0.7 million less than in the first half of the prior year. The De Novo submission to the US FDA for our ARC^{EX} System resulted in increased spending in Clinical & Regulatory and Quality of EUR 0.9 million. Research & Development expenses decreased by EUR 1.5 million in the first half of 2024 vs. the first half of the prior year as the Company transitioned its focus to supporting the above regulatory submission.

Net Finance Result

EUR 0.2M in Net Finance Income was generated for the first six months of 2024 vs. a EUR 0.5M expense for the first half of 2023. The positive change resulted from interest earned on cash balances invested in short-term deposits and the positive impact of foreign exchange offset by accrued interest relating to the loan from the Netherland Enterprise Agency (RVO), which has subsequently been repaid and replaced by the loan from Runway Growth Capital.

Net Cash Position

The Company ended the six-month period on 30 June 2024 with a positive net cash balance of EUR 32.1 million (31 December 2023: EUR 29.8 million). The increase in net cash of EUR 2.3 million compared to 31 December 2023 is due to cash outflows for operating activities offset by the capital raise completed in March 2024.

Interest-bearing Loans

Interest-bearing Loans increased from 31 December 2023 by EUR 0.7 million to EUR 16 million. The increase is due to accumulated interest on the RVO loan.

Equity

The Company's positive Equity position of EUR 17.9 million on 31 December 2023 increased marginally to EUR 18.3M. The capital raise in March 2024 added EUR 18 million to Equity and is offset by the EUR 18.3 million operating loss for the first 6 months. The net movement in other reserves was due to the share-based payment expense, offset by the foreign currency translation reserve.

ONWARD®

2024 Outlook

2024 Outlook

We expect to continue the steady and consistent execution of our strategy in the second half of 2024.

- The Company expects to obtain FDA clearance to launch its ARC^{EX} System in the US in Q4 2024. The Company has commenced the hiring of a field sales and service organization and plans to provide more detail about its launch plans during the 1H 2024 Investor Webinar on 10 September 2024.
- The Company expects a peer-reviewed publication in a top-tier medical journal detailing the results of the first 10+ patients implanted with investigational ARC^{IM} Therapy to address blood pressure instability after SCI.
- The Company is preparing to initiate its Empower BP global pivotal trial for ARC^{IM} Therapy to address blood pressure instability after spinal cord injury. Major associated milestones expected to occur in late 2024 and early 2025 include FDA Investigational Device Exemption (IDE) submission, FDA IDE approval, and first participant enrollment.
- The Company plans to advance clinical and development activities for its ARC^{BCI} System, leveraging new grant funding from the Christopher & Dana Reeve Foundation, ongoing financial support from the European Innovation Council under the Reverse Paralysis project, the previously announced FDA Breakthrough Device Designation, and acceptance into the FDA's new TAP program. Several additional ARC^{BCI} System implants are expected in the second half of 2024 and first half of 2025 as part of the ongoing clinical feasibility study with partners at .NeuroRestore and CEA-Clinatec.
- Given our healthy balance sheet, we expect our current cash to fund operations until spring 2025. 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.

ONWARD

Condensed Consolidated Interim Financial Statements

Profit & Loss

All amounts in EUR '000	Notes	For the six-month period ended, 30 June 2024 Unaudited	2023 Unaudited
Grants & Other Income		**208**	**928**
Total Revenues & Other Income		**208**	**928**
Research & Development Expenses		(6,134)	(7,638)
Clinical & Regulatory Expenses		(2,689)	(2,177)
Marketing & Market Access Expenses		(1,387)	(1,568)
Patent Fees & Related Expenses		(547)	(950)
Quality Assurance Expenses		(1,052)	(799)
General & Administrative Expenses		(7,148)	(6,576)
Total Operating Expenses		**(18,957)**	**(19,708)**
Operating Loss for the Period		**(18,749)**	**(18,780)**
Net Finance Result		179	(457)
Net Finance Cost		**179**	**(457)**

Loss for the Period Before Taxes		**(18,570)**	**(19,237)**
Income taxes	**11**	**318**	**(45)**
Net Loss for the Period		**(18,252)**	**(19,282)**
Attributable to:			
Equity holders of the parent		**(18,252)**	**(19,282)**
		(18,252)	**(19,282)**
Earnings Per Share (€):	**9**		
Basic earnings per ordinary share attributable to shareholders		(0.53)	(0.64)
Diluted earnings per ordinary share attributable to shareholders		(0.53)	(0.64)

Comprehensive Income

All amounts in EUR '000	Notes	For the six-month period ended, 30 June 2024 Unaudited	2023 Unaudited
Net Loss for the Period		**(18,252)**	**(19,282)**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		–	–
Other comprehensive income		–	–
Currency translation differences		(606)	(250)
Other comprehensive income that will be reclassified to profit or loss in subsequent periods		**(606)**	**(250)**
Total Comprehensive Result for the period, net of tax		**(18,858)**	**(19,532)**
Attributable to:			
Equity holders of the parent		**(18,858)**	**(19,532)**
		(18,858)	**(19,532)**

Financial Position

All amounts in EUR '000	Notes	30 June 2024 Unaudited	31 December 2023 Audited
Assets			
Non-Current Assets			
Intangible fixed assets	6	10,130	9,804
Property, plant and equipment		470	609
Right of use assets		1,162	1,483
Deferred tax assets		310	310
		12,072	**12,206**
Current Assets			
Indirect tax receivables		101	117
Receivable from related parties	13	34	37
Other current assets		2,594	1,501
Fixed term deposits		7,500	–
Cash and cash equivalents		24,553	29,768
		34,782	**31,423**
		46,854	**43,629**

Condensed Consolidated Interim Statement of Financial Position

Equity & Liabilities			
Equity & Reserves			
Shareholders' equity		4,155	3,622
Share premium		172,662	155,249
Other reserves	8	4,616	4,488
Retained earnings		(163,085)	(145,428)
Total Equity Attributable to Shareholders		**18,348**	**17,931**
Non-Current Liabilities			
Interest-bearing loans	7	16,022	15,255
Deferred tax liability		195	631
Lease liability		743	1,051
Post-employment benefits		2,006	2,081
		18,966	**19,018**
Current Liabilities			
Income tax liabilities		157	221
Lease liability		549	568
Trade payables	12	3,312	1,369
Other payables	12	5,522	4,522
		9,540	**6,680**
		48,854	**43,629**

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 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	1329
At June 30, 2024 (Unaudited)		**4,155**	**172,662**	**4,616**	**(163,085)**	**(18,348)**

		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 2023		**3,622**	**155,249**	**2,079**	**(108,319)**	**52,631**
Loss for the period		–	–	–	(19,282)	(19,282)
Other comprehensive income		–	–	(250)	–	(250)
Total comprehensive result		–	–	(250)	(19,282)	(19,282)
Share based payments	10	–	–	1,171	–	1,171
At June 30, 2023 (Unaudited)		**3,622**	**155,249**	**3,000**	**(127,601)**	**34,270**

Cash Flows

All amounts in EUR '000	Notes	For the six-month period ended 30 June 2024 Unaudited	2023 Unaudited
Loss for the Period Before Taxes		**(18,570)**	**(19,237)**
Adjusted for:			
◦ Depreciation and impairment of property, plant and equipment and right-of-use assets		434	329
◦ Share based payment transaction expense		1,329	1,171
◦ Post-employment benefits		–	22
◦ Net finance costs		(179)	404
◦ Net foreign exchange differences		–	–
◦ Other non-cash items		(54)	61
Changes in working capital:			
(Increase) / Decrease in Trade and other receivables		(828)	(566)
Increase / (Decrease) in Trade and other payables		3,104	(713)
Interest received		194	237
Interest paid		–	–
Bank charges paid		(10)	(9)
Income tax paid		(225)	(91)

Condensed Consolidated Interim Statement of Cash Flows

Net cash used in operating activities		**(14,805)**	**(18,391)**
Cash flows from investing activities			
Investments in fixed assets		(24)	(287)
Investments in intangible fixed assets		–	(16)
Investments in fixed term deposits		(7,500)	(5,000)
Net cash generated/(used) from investing activities		**(7,524)**	**(5,303)**
Cash flows from financing activities			
Proceeds from Borrowings	7	–	1,037
Payment of principal portion of lease liabilities		(304)	(263)
Proceeds from issuance of shares	8	20,000	–
Transaction costs on issuance of shares	8	(2,054)	–
Net cash generated/(used) from financing activities		**17,642**	**775**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		29,768	41,760
Effect of exchange rates on cash and cash equivalents		(527)	52
Changes in cash and cash equivalents during the period		(4,688)	(22,920)
Cash and cash equivalents at 30 June		**24,553**	**18,788**

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 2024 have not been audited or reviewed. The interim consolidated financial statements were authorized for publication by the Board on 10 September 2024.

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 2024 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 2023.

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 2023.

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 2023.

3. Continuity of the Group

As of 30 June 2024, the Company had a net cash position of EUR 32.1 million. Based on cash flow forecasts for the years 2024 and 2025, which include significant expenses and cash outflows related to commercial readiness, the continuation of research and development projects, and upcoming clinical trials, the Company believes that this cash position will be sufficient to meet the Company's capital requirements and fund its operations for the near term. However, it is not expected to be sufficient for the next 12 months. Given the current cash position, a material uncertainty remains about the Company's ability to continue as a going concern.

Inherent uncertainties in these forecasts may impact the Company's cash position. The Company's long-term success is contingent on achieving FDA clearance or approval and CE mark for its therapies. To continue development and commercialization activities as planned, the Company will need to secure additional funding in the near future.

The Runway Growth debt facility closed earlier this year will provide cash as tranches are unlocked upon the Company's achievement of pre-determined milestones. In addition, the Company is actively engaged in discussions and activities that carry the potential to raise significant cash through equity financing.

The Board of Directors is aware that the continuity of the Company's operations depends on its ability to close additional funding and that there are uncertainties in this regard. Considering the Company's history of successfully raising necessary capital, the Board of Directors have a reasonable expectation of success.

In view of the above, and notwithstanding a loss brought forward of EUR 163 million as of 30 June 2024, the Interim Financial Statements have been prepared 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 2023, except for the adoption of new standards effective as of 1 January 2024. 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 2024, 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 2024 Unaudited	31 December 2023
Goodwill	1,906	1,845
In-Process R&D	5,888	5,698
License fees	2,336	2,261
Closing net book value	**10,130**	**9,804**

The Company has reviewed whether changes in market conditions require an update to the impairment assessment performed in December 2023 and concluded that no update is required. The movement since 31 December 2023 is the result of foreign exchange rate movements.

7. Financial Liabilities

7.1 Interest Bearing Loans

Innovation Loan

On 5 February 2016, the Group was granted a loan from the Netherlands Enterprise Agency (RVO) of € 10 million payable according to a set repayment scheme.

	30 June 2024 Unaudited
Loan opening balance (31 December 2023)	**15,255**
Loan amount received	–
Interest accrued during the period	767
Closing net book value	**16,022**

The loan carries interest at 10%.

The current repayment plan for the loan is as presented below:

Date	% of Loan amount
1 January 2026	15.0
1 April 2026	15.0
1 July 2026	17.5
1 October 2026	17.5
1 January 2027	17.5
1 April 2027	17.5
1 July 2027	All due interest

Refer to Note 15 for information on the repayment of this loan in July 2024.

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 2023.

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 2023. The carrying amounts and fair values of the Group's financial instruments are as follows, including its fair value hierarchy:

Balance at 30 June 2024	Carrying Amount	Fair Value
Financial liabilities		
Innovation credit loan (Level 2)	16,022	16,022
Total financial liabilities	**16,022**	**16,022**

Balance at 31 December 2023	Carrying Amount	Fair Value
Financial liabilities		
Innovation credit loan (Level 2)	15,255	15,460
Total financial liabilities	**15,255**	**15,460**

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 2024

	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Innovation loan	16,022	–	–	–	16,022
Lease liability	549	743	–	–	1,293
Trade & other payables	3,312	–	–	–	3,312
Total (Unaudited)	**19,883**	**743**	**–**	**–**	**20,626**

At 31 December 2023

	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Innovation loan	–	6,500	14,295	–	20,795
Lease liability	615	1,084	–	–	1,699
Trade & other payables	1,369	–	–	–	1,369
Total	**1,984**	**7,584**	**14,295**	**–**	**23,863**

8. Issued Capital & Reserves

The authorized share capital ("maatschappelijk kapitaal") amounts to EUR 18 million divided into 75,000,000 Ordinary Shares and 75,000,000 Preferred Shares with a nominal value of EUR 0.12 each. At 30 June 2023, 34,628,832 Ordinary Shares were issued (31 December 2023: 30,184,388 shares). The increase is the result of a capital raise in March 2024 where 4,444,444 new ordinary shares were issued at an issue price of EUR 4.50. The transaction costs directly attributable to the capital raise have been deducted from share premium. 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 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)	**(442)**	**5,058**	**4,616**
Balance at 1 January 2023	**319**	**1,760**	**2,079**
Share based payment expense for the period	–	1,179	1,179
Currency translation differences	(250)	–	(250)
Balance at 30 June 2023 (Unaudited)	**69**	**2,931**	**3,000**

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

	2024 Unaudited	2023 Unaudited
Profit (loss) for the year, attributable to equity holders of the parent	**(18,252)**	**(36,181)**

Weighted-average Number of Ordinary Shares

	2024 Thousands	2023 Thousands
Weighted average number of ordinary shares for basic EPS	**34,627**	**30,184**

10. Share-based Payments

	30 June 2024 Unaudited	30 June 2023 Unaudited
Opening balance	**4,324**	**1,760**
Addition to the reserve	1,329	1,171
Reclassification of the fair value of forfeited options	(595)	–
Closing balance	**5,058**	**2,931**

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
2024	15/01/2024	Stock Options	710,975	EUR 2.94	15/01/2034	EUR 1.60

The following parameters were used in the option model for the calculation of the fair value of the options per grant in 2024:

	2024 – 01
Fair value on date of measurement (EUR)	1.60
Share price (EUR)	2.94
Exercise price (EUR)	2.94
Expected volatility	57.0%
Term of the option	4[a]
Expected dividend	–
Risk-free interest rate	2.23%
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 2024 was EUR 1.60 (year ended 31 December 2023: EUR 3.20).

For the six months ended 30 June 2024, the Group has recognized EUR 1.33 million of share-based payment expense in the statement of profit or loss (30 June 2023: EUR 1.17 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 2024 was 1.7% (six months ended 30 June 2023: (0.2%)). 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:

	2024	2023
Current income tax	138	(46)
Deferred income tax	(456)	1
Total corporate income tax in profit and loss	**(317)**	**(45)**

12. Trade & Other Payables

The increase in Trade Payables is driven by activities preparing for the manufacturing and commercial launch of ARC^{EX} expected by the end of 2024, and transaction costs relating to the venture debt financing concluded by the end of June 2024.

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

Receivables from related parties result from the settlement of withholding taxes on behalf of employees related to the EIP (Employee Investment Plan).

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 2023. 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 2024 Unaudited	30 June 2023 Unaudited
Salary, bonuses and other (short-term employee benefits)	1,952	2,392
Pension premiums (post-employment benefits)	80	86
Share based payments	1,650	1,235
Net liability	**3,682**	**3,713**

14. Commitments &Contingencies

Legal Claim Contingencies

At 30 June 2024, the Group had no legal claim contingencies.

Guarantees

The Group has provided a guarantee to Wincasa for EUR 294k 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 28 June 2024 the Company and its subsidiaries, ONWARD Medical, Inc. and ONWARD Medical S.A., signed a loan agreement in the amount of up to €52.5 million (the "Loan Agreement") with U.S.-based lender Runway Growth Capital LLC (the "Lender"). The loan 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. The first initial credit tranche of €16.0 million was available upon signing of the Loan Agreement and was drawn down immediately. Three subsequent credit tranches of €14.0 million, up to €5.0 million and up to €7.5 million will be available to be drawn by the Company until 31 March 2025 and 31 July 2026 respectively, in each case subject to the Company's achievement of certain milestones under the Loan Agreement. The fifth credit

tranche of up to €10.0 million is uncommitted and available in the first quarter of 2027 upon the sole discretion of the Lender. The loan bears interest at a rate equal to Term Secured Overnight Financing Rate (SOFR) for a three-month interest period (currently at 6.00% and subject to a 4.25% floor), plus a margin of 6.50%. The loan documents provide for a number of affirmative and negative covenants by the Company customary for financings of this type, including financial covenants relating to revenue, earnings before interest taxes, depreciation and amortization (EBITDA) and minimum liquidity targets. The loans advanced under the Loan Agreement will be secured by a security interest in substantially all of the assets of the ONWARD Medical, N.V. and its subsidiaries. In addition, upon the signing of the debt financing the Company will issue to the Lender warrants which will entitle the Lender to purchase ordinary shares in the capital of the Company at an exercise price per newly issued share calculated on the basis of the lowest 30-day volume weighted average price (VWAP) between 9 April 2024 and the signing of the debt financing. The number of shares subject to the warrants are five percent (5.00%) of the drawn down principal amount initially and upon each subsequent loan advance, divided by the exercise price of €4.83. In accordance with IFRS 9, the Company recognizes a loan when it becomes a party to the contractual provisions of the instrument. The conditions precedent for the recognition of the new loan included the repayment of the existing Innovation Loan from the RVO. The existing securities and pledges were contingent upon this repayment, and their release was necessary to secure and pledge assets to the new lender. The funds required for the repayment of the existing (RVO) loan, representing the first tranche, were received on 2 July 2024, at which point the conditions for the recognition of the new loan were satisfied. The RVO loan was also repaid on 2 July 2024.

On 2 July 2024 the Group granted 457,838 stock options to employees with an exercise price of EUR 5.08. The conditions of the existing plan as explained in Note 10 applies to this grant.

On 10 July 2024 the Company concluded the process to secure replacement funding from the Swiss State Agency (Secrétariat d'État à la formation, à la recherche et à l'innovation "SEFRI") in relation to the European Innovation Council and SMEs Executive Agency (EISMEA), Project 101057450 — ReverseParalysis for retroactive effect. EISMEA agreed to an amendment for the existing agreement that allows for the transferring of tasks required under the grant agreement from the Dutch entity to its Swiss subsidiary. The recognition of revenue related to activity performed by the Company's Swiss subsidiary is anticipated in the second half of 2024. Amendment procedures are still ongoing for the second grant Project 101070891 — NEMO BMI.

ONWARD

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 6 Months Ended 30 June 2024

We have prepared the interim condensed consolidated financial statements for the six months ended 30 June 2024 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 2024, and of the results of our consolidated operations for the first half year of 2024.
- The half year report related to the first half year 2024 gives a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Act on Financial Supervision.

Lausanne, 10 September 2024 – Board of Directors

ONWARD®

Overview of Risks

Overview of Risks

In the Directors' Report in our Annual Report 2023 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 2023 (Note 4.3).

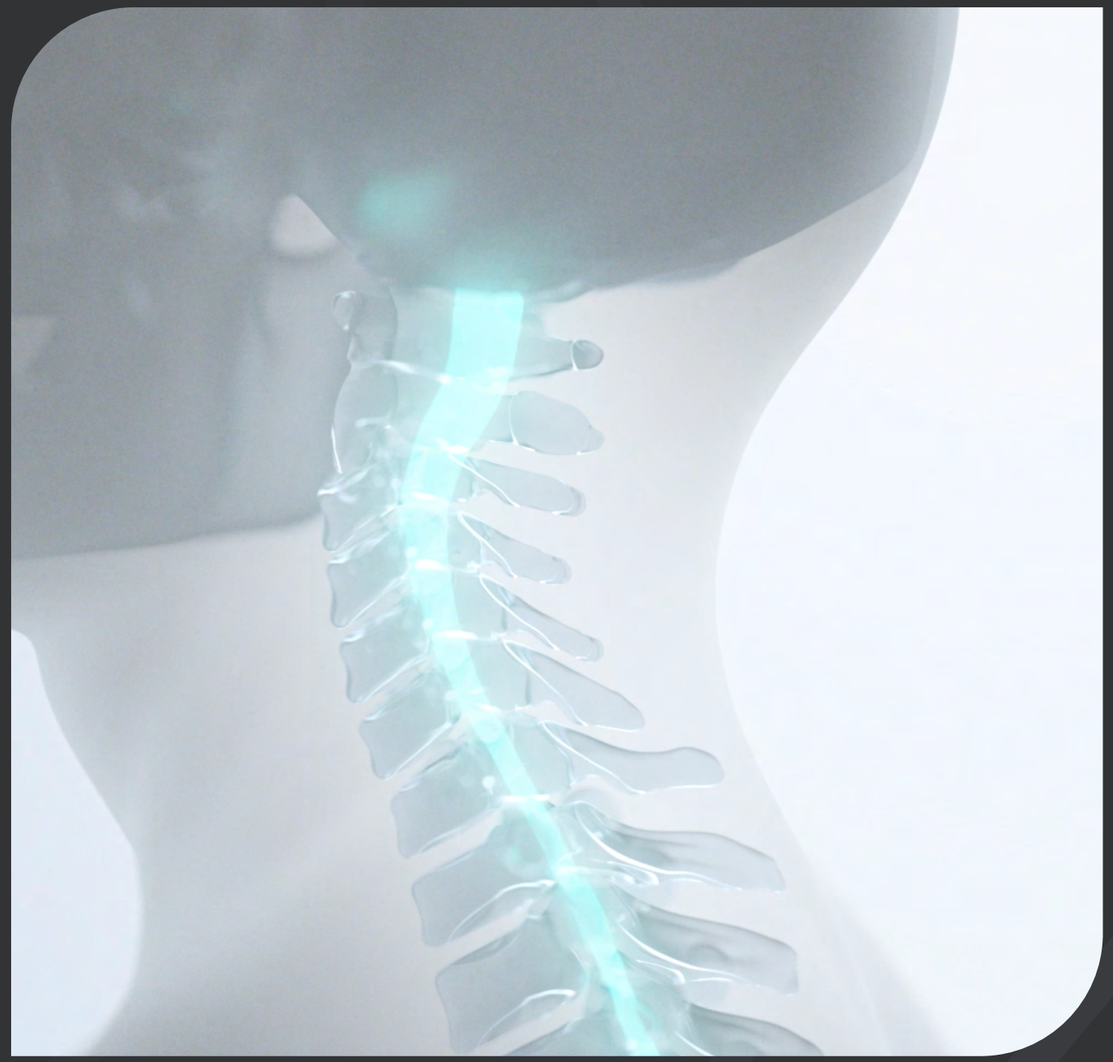
Risk management policies of the Group are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

In the first six months of 2024, there has been no material change in the identified risks as described in the Annual Report 2023, 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 2024 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 could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. 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, 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 2023 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. All ONWARD Medical devices and therapies referenced here, including but not limited to ARC^{IM}, ARC^{EX}, and ARC Therapy, alone or in combination with BCI, are investigational and not available for commercial 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^{IM} System, which translates the brain recordings into targeted spinal cord stimulation to enable thought-driven movement.

Caltech
California Institute of Technology

CE
Conformité Européene

CHUV
Centre Hospitalier Universitaire Vaudois

EPFL
École Polytechnique Fédérale de Lausanne

Epidural
Placed or administered outside the dura mater

FDA
U.S. Food and Drug Administration

Hypotension
Lower blood pressure than normal range

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 implicating technologies impacting neural interfaces

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

Up-LIFT
Title of a pivotal trial using the Company's ARC^{EX} System

ONWARD

EMPOWERING MOVEMENT