ONWARD MEDICAL

Annual Report 2025

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In this Annual Report, 'ONWARD', 'the Company', 'the Group', 'we', 'us' and 'our' are used interchangeably to refer 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, ARC^{EX}, ARC^{IM}, ARC^{BCI}, and the stylized O-Logo are proprietary and registered trademarks of ONWARD Medical. Unauthorized use is strictly prohibited.

European single electronic reporting format (ESEF) and PDF version. *This is a copy of the annual financial report of ONWARD Medical N.V. for the year ended 31 December 2025. This version has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official ESEF reporting package is available on our website at this* ***link****.*

ONWARD® MEDICAL

At a Glance

At a Glance

Our Vision

Empowered by independence, people with spinal cord injury will enjoy life in the ways that matter to them

We are a commercial stage neurotechnology company pioneering neuromodulation therapies to restore movement, function, and independence in people with spinal cord injury (SCI) and other movement disabilities.

2015
Year founded

140
Team members

10
US FDA Breakthrough Device Designations

Global Presence

- HQ in the Netherlands
- Science and Engineering Center in Switzerland
- US-based field Clinical and Sales organizations

Listed on Euronext Brussels, Amsterdam, and Paris (Euronext: ONWD) and OTCQX (US ADRs: ONWRY)

Market Opportunity

Category-defining leader with first-mover advantage

$17B+/€15B+
Total addressable market with limited competition

3 purpose-built neuromodulation platforms designed to deliver precise spinal cord stimulation:

ARC EX

External spinal cord stimulation platform indicated to improve hand strength and sensation

Commercially available in the US & Europe

ARC IM

Investigational implanted neuromodulation platform

Pivotal trial underway

ARC BCI

Investigational implanted platform that combines the ARC^{IM} System with an implanted brain-computer interface (BCI) to restore thought-driven movement

Clinical feasibility studies ongoing

Commercialization

ARC^{EX} System launched in US clinics in 2025

- US FDA Home Use clearance received in November 2025
- CE Mark certification received in September 2025

Clinical Validation

- Safety and effectiveness of ARC^{EX} System for upper limb mobility demonstrated in Up-LIFT clinical trial; results published in *Nature Medicine*, May 2024
- Positive results from clinical feasibility studies for ARC^{IM} Therapy to improve blood pressure regulation published in *Nature* and *Nature Medicine*, September 2025

Forward-Looking Information / Statements

This document contains certain forward-looking statements, beliefs and opinions with respect to the financial condition, expected results of actual and planned operations, business and objectives of ONWARD Medical N.V. (the "Company"). In particular, the words "expect", "anticipate", "estimate", "may", "should", "could", "would", "believe", "outlook", "potential", "will", "plan", "pipeline", "seek", "intend", "aim", "explore", "target", "project" and similar expressions are intended to identify forward-looking statements.

These forward-looking statements are based on current expectations and assumptions and are subject to known and unknown risks, uncertainties, and other factors, many of which are beyond the Company's control, that could cause actual results, performance, or achievements to differ materially from those expressed or implied in such statements.

You should not place undue reliance on them. 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 this Annual Report. For this reason, we can offer no assurances that the forward-looking statements published here will prove correct at a future date, and the Company assumes no duty to update any such forward-looking statements.

ONWARD MEDICAL

Message from the Chairman & CEO

Message from the Chairman & CEO

Dear Shareholders, Colleagues, Partners, and Collaborators,

ONWARD Medical is dedicated to pioneering neuromodulation therapies to restore movement, function, and independence for people with spinal cord injuries (SCI) and other movement disabilities. Leveraging our deep expertise in spinal cord stimulation, we are developing and commercializing technologies that address the most pressing needs of the people we serve. Our progress in pursuing this important mission was reflected in our many 2025 achievements.

The need for innovative new therapies is great. SCI is a life-altering condition that affects over nine million people worldwide. The sudden loss of independence following an SCI presents enormous challenges for those injured and their loved ones. We are committed to addressing these challenges by developing and commercializing breakthrough therapies that deliver meaningful improvements in function and quality of life. The promise of our therapies is highlighted by Jessie, Nuno, and Marta throughout this report.

2025 was a transformational year for ONWARD. We advanced each of our three breakthrough technology platforms and established a commercial organization capable of bringing our therapies to market at scale.

We are pleased to share some of our key achievements:

Driving commercial traction

Regaining hand function is a high priority for people living with SCI. The ARC$^{EX®}$ System is the first and only US FDA-cleared technology indicated to improve hand sensation and strength after SCI, offering unprecedented hope to people with upper extremity paralysis. In 2025, we built a highly qualified field sales and service organization and commercially launched ARC^{EX} in the US. Our field team is comprised solely of physical and occupational therapists, whose consultative selling approach resulted in rapid adoption – we sold over 100 units to more than 80 rehabilitation centers in our first year of commercialization. ARC^{EX} has already reached 25% penetration in US rehabilitation clinics, laying the groundwork for future success, particularly in marketing the device for the larger home-use opportunity.

In 2024, ARC^{EX} was named a TIME Magazine Best Invention. Last year, Fast Company selected ARC^{EX} as one of its "World Changing Ideas," celebrating its ability to address one of the world's most pressing challenges.

Achieving regulatory milestones

Given the early success of ARC^{EX} in US clinics, we are aggressively pursuing additional venues for the technology. ARC^{EX} received CE Mark certification in September 2025, enabling its commercialization for clinic and home use in Europe. This is great news for the European SCI community.

In November 2025, ARC^{EX} received 510(k) clearance to expand use of the therapy at home. In addition to greatly enlarging the market opportunity for the technology, this clearance

allows people with SCI to benefit from use of the device in the privacy and convenience of their homes.

In August 2025, the FDA approved an Investigational Device Exemption (IDE) for our ARC$^{IM®}$ System, enabling commencement of our Empower BP pivotal study. This study will evaluate the safety and effectiveness of ARC^{IM} in managing blood pressure instability, a critical recovery target after SCI. The study will involve approximately 20 leading neurorehabilitation and neurosurgical centers in the US, Canada, and Europe, and it will be among our top operational priorities in 2026.

Nurturing science & technology leadership

As pioneers in the pursuit of novel neurotechnology therapies to restore movement and other functions after SCI and other movement disabilities, breakthrough research germane to our therapies continues to be showcased in publications in leading peer-reviewed journals. In September 2025, rare concurrent publications in *Nature* and *Nature Medicine* detailed clinical feasibility results for our investigational ARC^{IM} blood pressure instability indication and explored the underlying mechanism behind the condition and our approach.

ARC$^{BCI®}$ is the world's first and most advanced technology platform pairing an implanted brain computer interface (BCI) with our implantable spinal cord stimulation system to restore thought-driven movement. Last year, four additional people were implanted with ARC^{BCI}, and our pioneering work was featured on the long-running and highly respected US news program, *60 Minutes*, highlighting our potential to make thought-driven movement restoration a reality.

Building financial strength

We strengthened our balance sheet in October 2025, successfully raising over EUR 50 million in equity capital from top-tier life science and technology investors. The transaction was anchored by our top shareholder and partner, Ottobock SE & Co. Proceeds are being used to expand our commercial footprint for ARC^{EX}, fund the execution of the Empower BP pivotal study, and complete research and development activities in anticipation of a future ARC^{IM} launch.

Looking ahead

Building on outstanding execution in 2025, we are positioned for a successful 2026. The regulatory approvals earned in the second half of last year allow us to offer ARC^{EX} in the home setting and commercialize the technology in Europe. These new market segments offer the potential for significant sequential annual revenue growth. They also broaden access to the device for a significant group of people with spinal cord injury.

On behalf of our entire team, we thank our employees, research collaborators, clinical trial participants, investors, and business partners for making our recent achievements possible. We also extend our special appreciation to members of the broader SCI community for their trust and partnership. Throughout this report, Jessie, Nuno, and Marta share their experiences – reminding us of the tangible impact we are having on people's lives.

Thank you for supporting our pursuit of new solutions for people with SCI and other movement disabilities. We invite you to follow our progress through our website and social media channels as we continue our mission to restore movement, function, and independence after spinal cord injury.

Warm regards,

Rob ten Hoedt
Chairman

Dave Marver
Chief Executive Officer

ONWARD MEDICAL

2025 Highlights

2025 Highlights

US launch

We launched ARC^{EX} in US clinics. ARC^{EX} is the first US FDA-cleared technology indicated to improve hand strength and sensation after SCI.

Clinical evidence

We expanded the body of clinical evidence supporting ARC Therapy with publications in *Nature, Nature Medicine, Neurology: Clinical Practice,* and *Neuromodulation: Technology at the Neural Interface.*

BCI

Now with 7 successful human implants, ARC^{BCI} is the world's first and most advanced platform pairing a brain-computer interface (BCI) with an implantable spinal cord stimulation system to restore thought-driven movement after SCI.

CE Mark

We received CE Mark certification for the ARC^{EX} System, allowing commercialization for both clinic and home use in the European Union and in certain other countries, including the UK and Switzerland.

Home Use

We received US FDA clearance to expand the ARC^{EX} System indication for home use in the US.

60 Minutes

The highly respected US news program, *60 Minutes* with Anderson Cooper, aired a story about our leadership in developing the ARC^{BCI} System.

World Changing Ideas

The ARC^{EX} System was recognized as one of Fast Company's 2025 World Changing Ideas for its potential to transform lives.

IDE

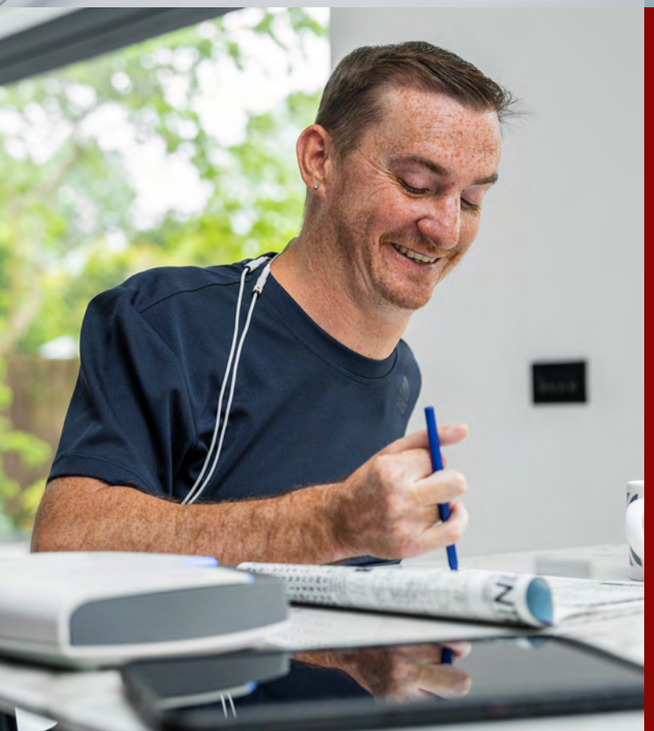
The US FDA approved an investigational device exemption (IDE) for the ARC^{IM} System, allowing the initiation of the Empower BP global pivotal study.

EUR 50 million

We added financial strength by raising over EUR 50M in equity capital from top-tier life science and technology investors.

Rapid adoption

More than 80 US clinics acquired the ARC^{EX} System by year-end.



60 MINUTES

FAST COMPANY

WE MADE THE LIST!

WORLD CHANGING IDEAS 2025

ONWARD MEDICAL

Business Review

Business Review

2025 was a transformational year for ONWARD. We advanced each of our three breakthrough technology platforms and established a commercial organization capable of bringing our therapies to market at scale. Here are some detailed highlights:

Clinical Evidence

Published in *Nature Medicine*, results from multi-year clinical feasibility studies showed that participants who received ARC^{IM} Therapy saw immediate and robust increases in blood pressure, as well as reduced frequency and severity of hypotensive symptoms. The enhanced hemodynamic stability resulted in improved quality of life and greater engagement in rehabilitation and daily life activities.

In a simultaneous publication in *Nature*, authors were able to identify the neuronal architecture of the spinal cord that forms after SCI and leads to autonomic dysreflexia (AD), an uncontrolled, life-threatening elevation of blood pressure. Results showed that electrical stimulation targeting the specific region of the spinal cord responsible for blood pressure regulation, called the "Hemodynamic Hotspot," can activate a competing neuronal architecture to safely and precisely regulate blood pressure.

Results from the investigator-sponsored Pathfinder2 Study were published in *Neuromodulation: Technology at the 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.

Results of the LIFT Home Study, published in *Neurology: Clinical Practice*, showed that continued use of ARC^{EX} Therapy at home is effective in maintaining and extending gains achieved in the clinic.

Technology Advancement

We received 510(k) clearance to expand the ARC^{EX} System indication for home use in the US. Launched to US clinics in 2025, ARC^{EX} is the first and only FDA-cleared technology demonstrated to improve hand strength and sensation in people with SCI.

We also received CE Mark certification for the ARC^{EX} System, allowing commercialization for both clinic and home use in the European Union. The CE Mark facilitates a streamlined regulatory pathway in other countries, including the UK and Switzerland. The first commercial sales of the ARC^{EX} System in Europe occurred in December 2025.

The US FDA approved an investigational device exemption (IDE) for the ARC^{IM} System, allowing the initiation of the Empower BP global pivotal study designed to assess the safety and effectiveness of this novel technology designed to manage blood pressure instability in people with SCI. The first participant enrollment was announced in February 2026.

We announced the first human implant of our ARC^{IM} Lumbar Lead, targeting restoration of standing, stepping, and lower limb mobility.

We announced successful implants of the ARC^{BCI} Technology in four additional individuals, bringing the total number to seven. These groundbreaking procedures extend our leadership in the development of brain-computer interface (BCI) platforms to restore thought-driven movement for people living with paralysis. These latest implants are part of ongoing clinical

feasibility studies supported by grants from the European Union's Horizon Europe research and innovation program through the European Innovation Council, the Christopher & Dana Reeve Foundation, and the Swiss State Secretariat for Education, Research and Innovation (SERI).

We received two new grants to support early clinical feasibility studies using our ARC™ 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™ 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™ System can address blood pressure instability.

Commercial traction

The ARC^EX System is enjoying rapid adoption. To drive this early success, we built a highly qualified US field sales and service organization comprised solely of physical and occupational therapists, whose consultative selling approach resulted in rapid adoption – we sold over 100 units to more than 80 rehabilitation centers in our first year of commercialization. Already ARC^EX is 25% penetrated in US rehabilitation clinics, laying the groundwork for future success, particularly in marketing the device for the larger home-use opportunity.

In early 2025, ARC^EX was added to US Veterans Affairs (VA) online procurement platforms, allowing the VA and other government agencies to purchase the breakthrough technology.

In 2024, ARC^EX was named a TIME Magazine Best Invention. Last year, Fast Company selected ARC^EX as one of its "World Changing Ideas," celebrating its ability to address one of the world's most pressing challenges.

Corporate

In summer 2025, we strengthened our Board of Directors by recruiting and appointing entrepreneur and neurotechnology thought-leader, Tim Denison, PhD, and finance leader Lucas Buchanan, to our Board of Directors.

Tim is a Professor of Engineering Science and Clinical Neurosciences at the University of Oxford and a former Vice President at Medtronic, where he oversaw the design of next-generation neural interface technologies. He is also a co-founder and Chief Engineer of Amber Therapeutics and has been a co-author on several landmark neurotechnology publications in journals such as *Nature* and *Nature Medicine*.

Lucas is the former Chief Financial Officer (CFO) and Chief Operating Officer (COO) of Silk Road Medical, where he successfully led the company from its founding through its initial public offering (IPO) and eventual acquisition by Boston Scientific. He brings over 25 years of experience in commercialization and finance, having previously held roles at The Vertical Group, Medtronic, and Ernst & Young.

In April 2025, 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.

In October 2025, we raised over EUR 50M in equity capital. The transaction was supported by strong demand from top-tier existing and new life-science and technology investors.

Also in October 2025, BNP Paribas Portzamparc initiated coverage with a Buy rating, expanding the Company's equity research coverage to five banks, each with Buy ratings.

ONWARD® MEDICAL

2026 Outlook

2026 Outlook

After achieving our 2025 objectives, we expect to continue the steady and consistent execution of our strategy as we advance our innovation pipeline and introduce our breakthrough therapies to the market:

- Continued strong demand for the ARC^{EX} System and positive feedback from users across US clinics suggest that we are well-positioned to demonstrate commercial traction and deliver strong commercial execution in 2026. We plan to expand US marketing of the ARC^{EX} System to the home setting, which would significantly broaden access and treatment options for people with SCI.
- We also plan to accelerate the commercialization of ARC^{EX} across several key countries in Europe, including the Netherlands, the UK, Germany, Belgium, Switzerland, France, and Italy.
- We expect to explore advantageous engineering and commercial collaboration activities with our principal strategic investor and partner, Ottobock, and pursue fruitful collaborations with other partners worldwide.
- We plan to execute the Empower BP global pivotal study, assessing the safety and effectiveness of investigational ARC^{IM} Therapy to address blood pressure instability after SCI.
- We expect to initiate a clinical feasibility study involving first-in-human use of the ARC^{IM} System to explore its potential to restore bladder function in people with SCI.
- We plan additional implants to explore future indications in SCI, Parkinson's disease, and stroke.
- The Company expects to announce further advancements in its therapy pipeline, which includes multiple indications that can be pursued using one or more of our technology platforms. These indications primarily target spinal cord injury, but several also show promise in potentially addressing movement or functional challenges resulting from Parkinson's disease, stroke, and other movement disabilities.

ONWARD MEDICAL

Overview

Overview

The Case for Innovative Therapies

Nine million people worldwide have a spinal cord injury,[1] and the annual global incidence of new injuries exceeds 750,000. In the US and Europe alone, approximately 650,000 people live with SCI, and the annual incidence of new cases is approximately 30,000.

Spinal cord injury is a highly debilitating, chronic, and often lifelong condition that impacts individuals, physically and emotionally, as well as their caretakers. When the spinal cord is injured, communication between the brain and the parts of the nervous system located beneath the lesion is interrupted, either completely or partially.

While most people associate SCI with paralysis and loss of sensation, there are often other accompanying challenges such as infection, incontinence, pressure sores, poor blood pressure regulation, and loss of sexual function. As a result, quality of life following spinal cord injury can be quite poor for the injured and their caregivers. SCI is also an expensive condition, with high productivity loss and healthcare expenditures. The average lifetime cost to support a person with a severe SCI can exceed USD 5M.[2] Injuries to the spinal cord occur primarily as a result of accidents and falls, and disproportionately affect young men.

While conventional rehabilitation provides important benefits, most people reach a plateau in their progress after three to six months. Thereafter, many of those injured face decades of continuing challenges, declining quality of life, and dependence on others. A significant unmet need remains as the vast majority of SCI patients seek more meaningful and durable therapies. ONWARD Medical seeks to solve this unmet need by delivering durable therapies to improve strength, function, and independence, including for those injured many years ago.

[1]Liu et al. 2023 Spinal cord injury: global burden from 1990 to 2019 and projections up to 2030 using Bayesian age-period-cohort analysis.
[2]NSCISC Traumatic Spinal Cord Injury Facts and Figures at a Glance (2024 SCI Data Sheet); estimated lifetime costs for a person aged 25 at the time of injury with injury severity AIS ABC; costs for a tetraplegic person calculated as the average cost for a person with high tetraplegia and a person with low tetraplegia.

Market

A large unmet medical need

US & Europe

Prevalence
~650,000[1]

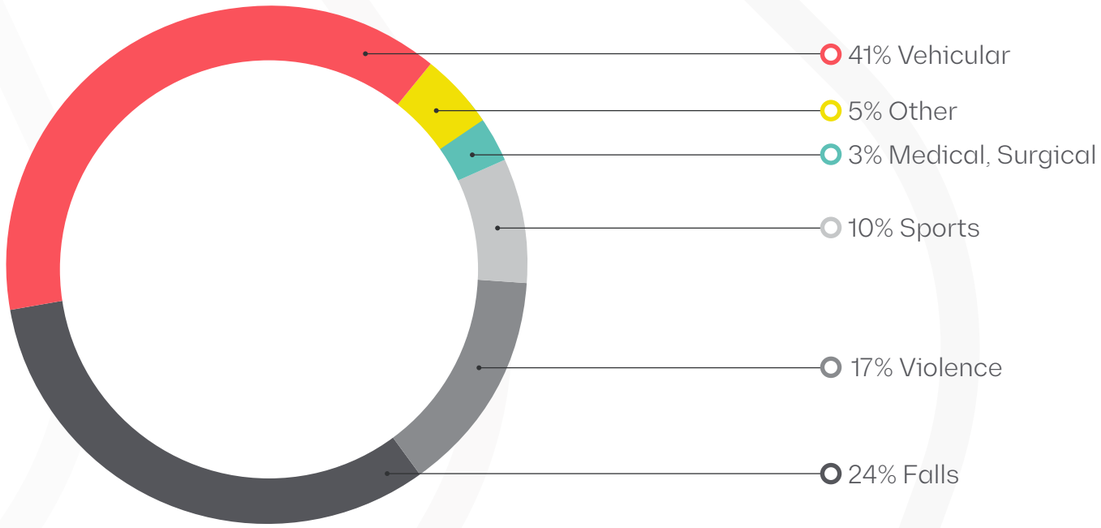
US & Europe

Incidence
~30,000[2]

[1]2024 NSCISC Annual Statistical Report Complete Public Version and European prevalence calculated by annual incidence 30 years of additional lifetime expectancy: annual incidence considered using average across >25 papers on SCI incidence within Europe and European countries*
[2]2024 NSCISC Annual Statistical Report Complete Public Version and European annual incidence considered using average across >25 papers on SCI incidence within Europe and European countries

SCI Causes & Patient Profile

Damage to the spinal cord resulting in loss of function



Profile of SCI Patient

- Nearly half of the injuries occur between the ages of 16 and 30 years[1]
- 80% of new SCI cases are male[1]

[1]2024 NSCISC Annual Statistical Report Complete Public Version

Our Vision

Empowered by independence, people with spinal cord injury will enjoy life in the ways that matter to them

Our team is pursuing this vision with urgency and determination, developing ARC Therapy with the intent to commercialize and make our solutions broadly available. We were pleased to start this process following US FDA approval of the ARC^{EX} System in the US in late 2024. 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. Our goal is to bring our innovative solutions to as many of the nine million people worldwide with SCI as possible.

The work to complete and commercialize our ARC Therapy platforms is aided by 10 FDA Breakthrough Device Designation awards. While many of these innovations were created by our R&D team, others have been exclusively licensed from the top neuroscience research universities around the world, underscoring ONWARD's position as a pioneer and a leader in our space.

We are supported in our pursuits by our many strong relationships with SCI advocacy groups across the globe, such as the Christopher & Dana Reeve Foundation in the United States. We are grateful for these partnerships and the insights they provide.

At ONWARD, our vision is to enable people with SCI to regain movement and other bodily functions so they can enjoy life in the ways that matter to them. We develop and commercialize therapies that address major challenges faced by people with SCI, leveraging the Company's ARC^{IM}, ARC^{EX}, and ARC^{BCI} platforms to target a broad spectrum of injury locations and severities. While our primary objective is to serve the needs of people with SCI, we envision that our therapies may also benefit other populations with similar challenges, such as people who have suffered a stroke or who have Parkinson's disease. We also aim to reward those who invest their capital, time, and ideas in ONWARD, while engaging in sustainable and equitable business practices.

Our Strategy

Our objective is to build an enduring, impactful, and successful medical device company that creates sustainable long-term value and makes a meaningful difference in the lives of people with SCI and other movement disabilities, and in the lives of those who care for them.

We have developed a two-phase growth strategy as we pursue this objective:

- Phase 1: Focus on near-term indications. Expected achievements include driving commercial uptake for ARC^{EX}, completing the pivotal study and gaining FDA approval for ARC^{IM}, and advancing our pipeline with the benefit of grant funding.
- Phase 2: Unlock multiple additional indications and populations by pursuing label and platform expansion. Expected achievements include driving commercial uptake for ARC^{EX} and ARC^{IM}, pursuing cost-effective label expansion leveraging ARC^{EX} and ARC^{IM} technology, including in Parkinson's and stroke, and advancing BCI-enabled therapies.

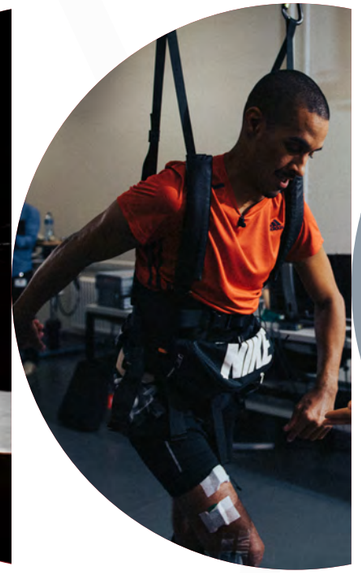
To execute our strategy;

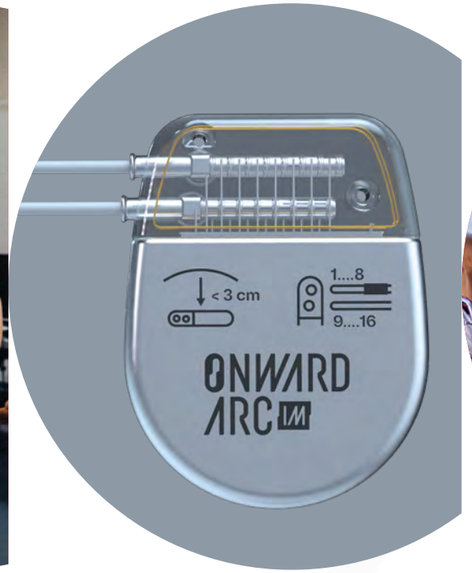
- We work with leading neuroscience researchers across the globe to identify breakthrough therapies for people with SCI and other movement-related disorders for which our therapies have shown promise.
- We leverage our R&D, clinical, and regulatory capabilities to develop proprietary technologies that are well suited to deliver our breakthrough therapies at scale, and we protect these innovations with rigorous IP prosecution.
- We commercialize these breakthrough therapies in our target markets, using direct and indirect channels to SCI clinics with rehabilitation programs, and hospitals with neurosurgery expertise.

Growth Strategy

Focus first on near-term indications, then unlock multiple additional indications and populations

	Phase 1	Phase 2
Focus	**ARC^{EX} hand sensation & strength and ARC^{IM} blood pressure instability**	**Label and platform expansion**
Expected achievements	1 Drive commercial uptake for ARC^{EX} 2 Complete pivotal study and gain FDA approval for ARC^{IM} 3 Advance pipeline with benefit of grant funding	○ Drive commercial uptake for ARC^{EX} and ARC^{IM} ○ Pursue cost-effective label expansion leveraging ARC^{EX} and ARC^{IM} technology, including in Parkinson's and stroke ○ Advance BCI-enabled therapies





ONWARD® MEDICAL

Basic
Mechanisms

Preclinical
Therapy Development

Clinical
Proof of Concept

Pivotal
Evidence Generation

Commercial
Launch

Advanced Scientific & Clinical Research Network

Our unwavering commitment to pioneering innovative therapies that restore movement, function, and independence after spinal cord injury is rooted in the groundbreaking science driven by leading researchers. ONWARD has relationships with prominent research centers around the world.

This includes a close relationship with the ONWARD co-founders and their highly productive laboratory at .NeuroRestore, a research initiative of Centre Hospitalier Universitaire Vaudois (CHUV) and Federal School of Technology in Lausanne (EPFL) in Lausanne, Switzerland. .NeuroRestore is led by Prof. Grégoire Courtine and neurosurgeon Dr. Jocelyne Bloch. Prof. Courtine and Dr. Bloch continue to provide counsel to the Company as Science and Medical Advisors, respectively.

ONWARD also partnered with leading clinical research institutions for its Up-LIFT pivotal trial, the results of which were published in *Nature Medicine* in 2024. The study met all primary safety and effectiveness endpoints, with no serious device-related adverse events and a majority (72%) of participants with chronic tetraplegia due to spinal cord injury achieving clinically meaningful improvements in both strength and function. Participants also achieved significant and clinically meaningful improvements in sensation following ARC^{EX} Therapy. Building on this work, ONWARD also collaborated with experts to develop a clinical programming framework for non-invasive transcutaneous spinal cord stimulation (tSCS) to further support the successful clinical implementation of this novel technology. This framework, published in Neuromodulation, outlines stimulation parameters demonstrated to restore upper extremity function in ONWARD's clinical trials and within the broader body of literature. The programming framework was found to be safe and well tolerated, and offers a practical foundation for the clinical use of tSCS in treating cervical spinal cord injury.

ARC Therapy: a Breakthrough in Neuromodulation Technology

We have developed the ONWARD ARC Therapy to deliver targeted, programmed electrical stimulation of the spinal cord to restore movement, and independence in people with SCI. By delivering precisely timed and programmed electrical impulses to specific areas of the spinal cord, ARC Therapy is designed to mimic the natural pattern of nerve signals sent by the brain.

ARC Therapy can be delivered via three purpose-built neurostimulation platforms: an external, transcutaneous system, called ARC^{EX}, which is commercially available; the investigational implantable system ARC^{IM}; and the ARC^{BCI} System which pairs ARC^{IM} with an implanted brain-computer interface designed to restore thought-driven movement via the Company's wireless ONWARD DigitalBridge™.

Spinal cord injury disrupts the brain-body connection

When the spinal cord is injured, communication between the brain and the parts of the nervous system located beneath the lesion is interrupted, either completely or partially. The person may lose all feeling or movement[1] – or both – in these areas. Functions and organs controlled by the autonomic nervous system may also be affected, leading to difficulty with breathing, swallowing, stabilizing blood pressure, experiencing sexual arousal, and bowel and bladder function.[2,3] This disruption of the body-brain feedback loop can cause a host of debilitating conditions. People with SCI at the thoracic or cervical level are most affected by this loss of function.

Nevertheless, even in cases of complete SCI, some neural pathways in the spinal cord remain intact but hypoactive. Currently, rehabilitation approaches aim to mobilize these latent nerve connections and promote regeneration through intensive physiotherapy. Unfortunately, these activity-based therapies have limited benefits for people who cannot produce movements voluntarily. Some symptoms and conditions can be managed with medication, such as antispasmodics to reduce involuntary muscle contractions, or with devices, such as catheters to facilitate urination. However, these solutions can be cumbersome and carry the risk of harmful side effects.

There is an urgent need for more effective therapies that enable people with SCI to live more independent, high-quality lives. This is where ONWARD ARC Therapy has the potential to make a dramatic impact.

ARC Therapy activates intact nerve fibers with biomimetic stimulation

As detailed in the previous section, our ARC Therapy is based on pioneering research led by Prof. Courtine and Dr. Bloch over the last two decades to pinpoint the location of neurons in the spinal cord responsible for triggering movement and function.[4]

By delivering precisely timed and programmed electrical impulses to specific areas of the spinal cord, ARC Therapy mimics the natural pattern of nerve signals sent by the brain. When combined with voluntary efforts to move, this enables users to improve motor control in the arms, legs,[5-7] or trunk,[8] making daily activities, like moving in and out of a wheelchair, much easier. In addition, ARC Therapy has the potential to improve the management of internal functions, such as regulation of blood pressure,[9] and improved bowel and bladder control.

Most participants in clinical trials using ARC Therapy regain some degree of independent movement, even when stimulation is switched off. ARC Therapy stimulates intact nerve fibers responsible for carrying messages from the body back to the spinal cord (afferent nerves), and "retrains" them to perform a different function, demonstrating the plasticity of the nervous system.

[1]*A. S. Burns, R. J. Marino, A. E. Flanders, and H. Flett, "Chapter 3 - Clinical diagnosis and prognosis following spinal cord injury," in Handbook of Clinical Neurology, vol. 109, J. Verhaagen and J. W. McDonald, Eds. Elsevier, 2012, pp. 47–62. doi: 10.1016/B978-0-444-52137-8.00003-6.*
[2]*M. W. G. Brinkhof et al., "Health conditions in people with spinal cord injury: Contemporary evidence from a population-based community survey in Switzerland," Journal of Rehabilitation Medicine, vol. 48, no. 2, pp. 197–209, Feb. 2016, doi: 10.2340/16501977-2039*
[3]*M. Walter and A. V. Krassioukov, "Autonomic Nervous System in Paralympic Athletes with Spinal Cord Injury," Phys Med Rehabil Clin N Am, vol. 29, no. 2, pp. 245–266, May 2018, doi: 10.1016/j.pmr.2018.01.001.*
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Developing Three Platforms to Deliver ARC Therapy

ONWARD has developed three technology platforms to deliver ARC Therapy: an external system called ARC^{EX}, which is now commercially available, an implantable system called ARC^{IM}, and ARC^{BCI} which adds an implantable brain-computer interface to the ARC^{IM} platform. ARC^{EX}, ARC^{IM}, and ARC^{BCI} have all been awarded FDA Breakthrough Device Designation for a range of indications.

All three platforms contain the same basic elements: an electrical pulse generator and a programmer that enables clinicians to set stimulation therapy parameters and users to control their therapy within those parameters. The ARC^{BCI} has an additional brain-recording component.

External ARC^{EX} System

The **ARC^{EX} System** is our external stimulator that is intended to improve hand strength and sensation following SCI. The ARC^{EX} System is non-invasive and delivers programmed, transcutaneous electrical spinal cord stimulation. It is intended to be operated in medical centers by rehabilitation professionals and at home by patients and persons providing assistance to patients as needed. It is indicated for use in conjunction with functional task practice in the clinic and take-home exercises in the home to improve hand strength and sensation in adults with chronic, non-progressive neurological deficits resulting from an incomplete SCI (C2-C8 inclusive).

ONWARD is currently investigating how ARC^{EX} may be used to target additional indications, such as bowel control and lower limb strength and function in the future.

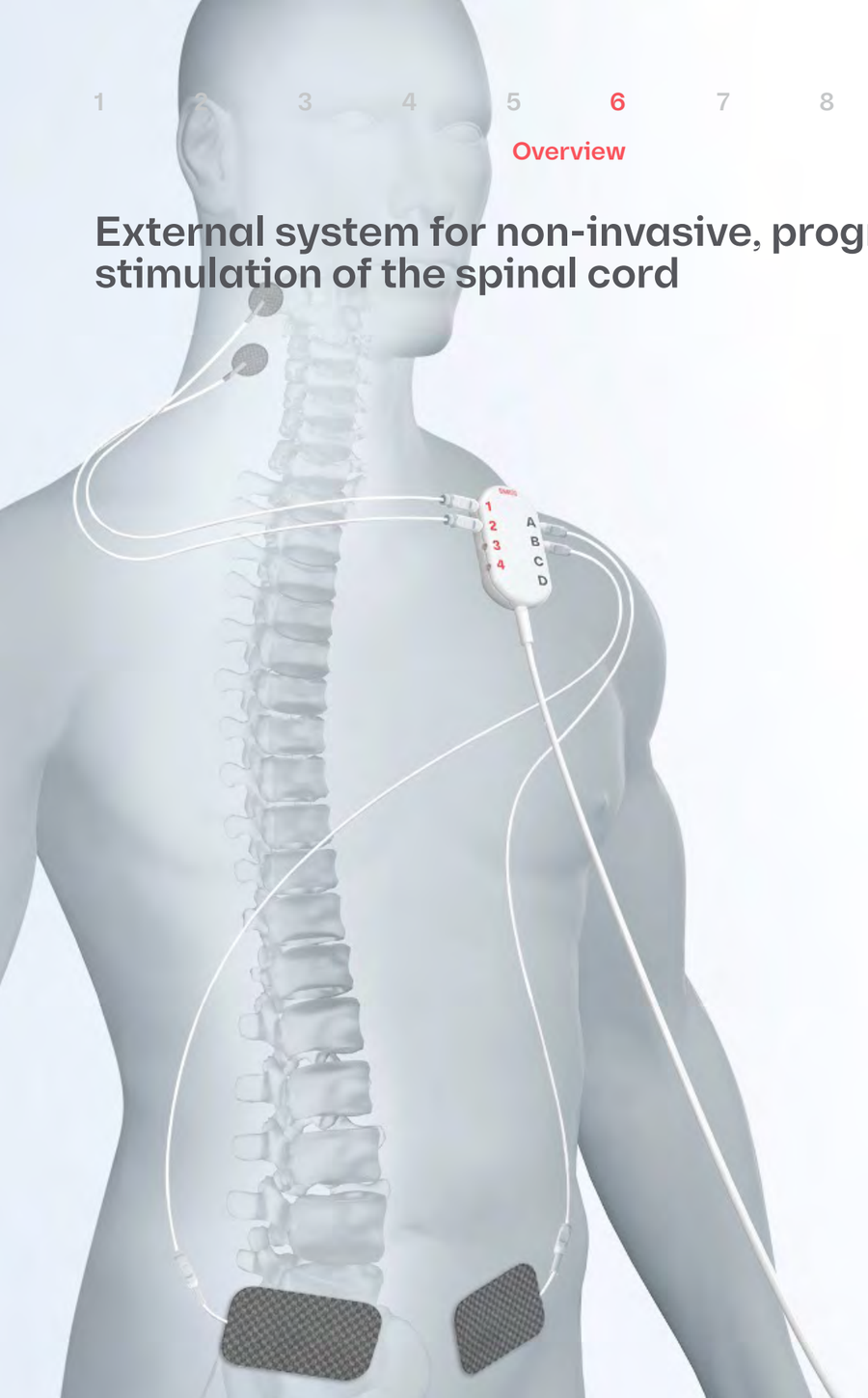
The **ARC^{EX} System** has three main components:

- A **Stimulator** that delivers programmed electrical impulses through the skin to the spinal cord.
- **Electrodes** placed externally on the skin of the neck near the area of the spinal cord that controls movement in the arms and hands.
- **Dedicated apps for efficiency and ease of use: the ARC^{EX} PRO app,** which connects wirelessly to the Stimulator to program the therapy and adjust parameters, and the **myARC^{EX} app** for users to easily control the stimulation during personal use in the home setting.

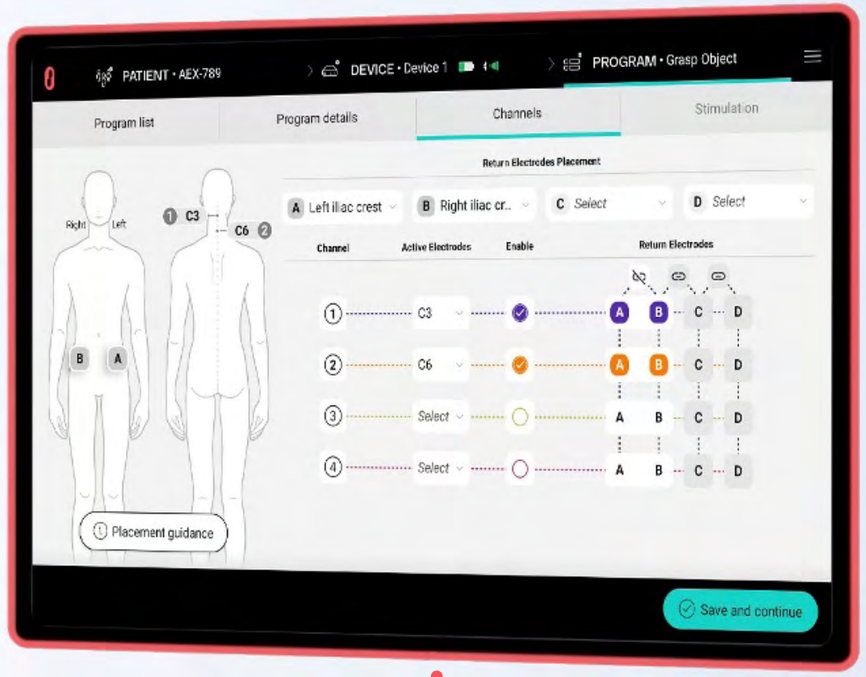
External system for non-invasive, programmed stimulation of the spinal cord

ARC EX

External Platform



ARC^{EX} Neurostimulator



ARC EX®

"I have never been happier in my life. I'm so grateful for the team that I've built and the resources that I have to make this beautiful life everything I want it to be."

Jessie Owen

The first thing you notice about Jessie Owen is her broad smile and contagiously bubbly personality. It's difficult to imagine that over a decade ago, she sustained a spinal cord injury and became a quadriplegic in a car accident that also took the lives of her parents.

Ahead of the 2025 holiday season, Jessie shared her joy of painting with us by designing ONWARD's seasonal greeting card.

Jessie Owen

"I lost a lot of things that day," shares Jessie. "My parents, my autonomy, my job, and my apartment – because it had stairs."

Many aspects of Jessie's daily life suddenly became near impossible tasks without assistance or planning – such as going to the bathroom, showering, folding laundry, and cooking. Thankfully, throughout her initial recovery, Jessie could count on a strong friend group to support her.

Five years after her injury, while searching for solutions to overcome her physical challenges and regain greater independence, Jessie learned about the Up-LIFT pivotal study evaluating ARC^{EX} Therapy. The ARC^{EX} System is non-invasive and delivers programmed, transcutaneous electrical spinal cord stimulation. It is the first and only US FDA-cleared technology indicated to improve hand strength and sensation after SCI.

"During the therapy sessions using the technology, I noticed my frustration fading and my ability to repeat tasks improving," she says. "I was stacking the blocks higher. I could pour water. By the end of the study, I felt significantly more confident in my hand strength."

The benefits of the therapy seeped into Jessie's daily life as well. Soon, she found it easier to open jars, use scissors, garden, and was confident enough to adopt a dog. Eventually, she opened herself to love, got married, and now has two beautiful twin boys.

"Because of this therapy, I can now make my children a bottle. I can pick them up. I can use my hand to kind of brush the hair out of their eyes when it dangles down to their nose. I can wipe away their tears, I can hug them."

Over the years, Jessie has become a valued member of ONWARD Medical's community, and we look forward to learning more from her journey in 2026.

The ARC™ System

The **ARC™ System** is an implantable system currently being used to explore a series of potential indications in clinical feasibility studies. The first target indication for ARC™ is addressing blood pressure instability after SCI. Other potential indications may be explored in the future, including SCI-related bladder and bowel control, spasticity reduction, improved sexual function, and upper and lower limb mobility (standing and walking), each enabled by further development of our proprietary lead portfolio and, in some cases, including a BCI.

The ARC™ System has four components:

- A **Lead** implanted on the spinal cord in the area responsible for driving the movement or function targeted by the therapy. We are currently developing a family of leads that are optimized for precise placement in different areas of the spinal cord, varying in shape and electrode configuration.
- A **Neurostimulator** implanted under the skin and connected to the lead through a wire. When switched on, this device delivers precisely sequenced and calibrated bursts of electricity to specific electrodes in the Lead.
- An external **Hub** that connects wirelessly to the Neurostimulator to turn therapy on or off, set or update the frequency and intensity of the impulses, recharge the device, and integrate external sensors via wireless connections and sensor-specific algorithms. The Hub is worn on a belt around the waist.
- **Dedicated apps for efficiency and ease of use.** Apps are available for both clinicians and users of ARC Therapy. Clinicians use the professional app to create and adjust stimulation programs using a tablet connected wirelessly to the Hub, and users employ the personal app to control their therapy within clinician-prescribed programming parameters. The personal app is expected to be deployed on a mobile phone or smartwatch and enabled by voice commands as well.

Empower BP: a global pivotal study

Empower BP is a landmark global pivotal study evaluating the safety and effectiveness of the implantable ARC™ System to address blood pressure instability after spinal cord injury. It is the first global pivotal study to evaluate the Company's implantable spinal cord stimulation system. The randomized, double-blinded, sham-controlled study is expected to involve participants across approximately 20 leading neurorehabilitation and neurosurgical research centers in the US, Canada, France, Germany, Spain, and the UK. The study targets individuals with injuries at spinal cord levels C2-T6 and injury severities of AIS A-D. The first participant was enrolled at Craig Hospital in Denver, Colorado in early 2026.

Blood pressure instability is a key unmet need after SCI, characterized by chronic orthostatic hypotension and episodes of autonomic dysreflexia. Published in *Nature Medicine* in September 2025, detailed results from multi-year clinical feasibility studies show that participants who received ARC™ Therapy saw immediate and robust increases in blood pressure, as well as reduced frequency and severity of hypotensive symptoms. The enhanced hemodynamic stability resulted in improved quality of life and greater engagement in rehabilitation and daily life activities. Additional benefits included reduced fatigue, improved bowel management, and increased tolerance of upright postures. Participants reduced or discontinued traditional treatments for low blood pressure, including compression garments and medications. Benefits were observed for the duration of the studies, which lasted up to two years following implant.

IPG and leads for direct, programmed stimulation of the spinal cord

ARC IM

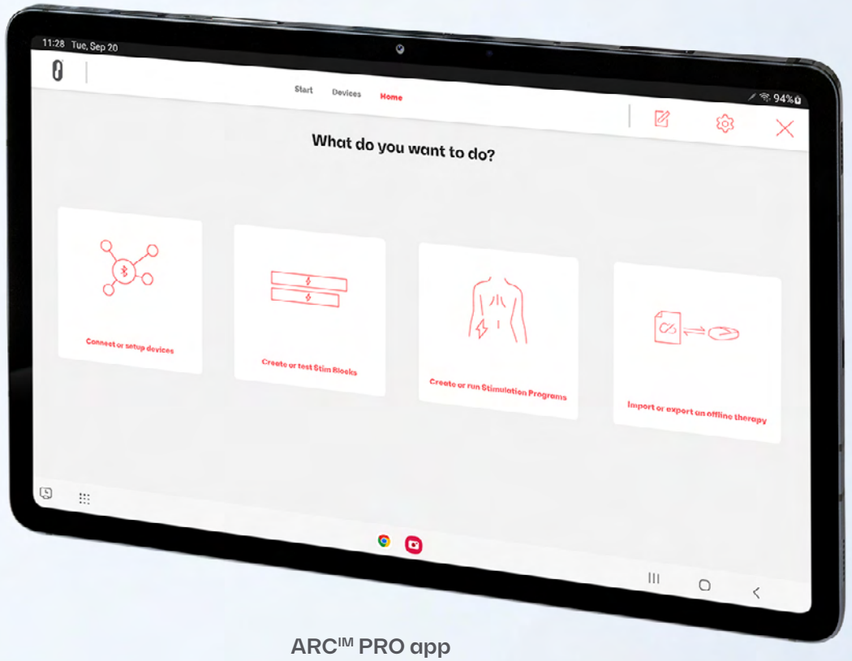
Implantable Platform

ARC[IM] Lead Family

ARC[IM] Neurostimulator (IPG)

ARC[IM] Hub

myARC[IM] App
Via ARC[IM] Controller



ARC[IM] PRO app
Via ARC[IM] Programmer

Note: For investigational use only; IPG = Implantable Pulse Generator

ARC IM

"I cannot live without it. It has enabled me to live a relatively normal life. I am fully able to take care of my children, thanks to this technology."

Nuno Abreu

Nuno Abreu, a general surgeon based in Lisbon, saw his career suddenly interrupted when he sustained a spinal cord injury in 2021.

Nuno Abreu

ARC IM

"I was bodyboarding and went to catch some waves," says Nuno. "I dove under, but there was an unexpected sandbar, and I slammed my head on the bottom. I fractured both my C7 and first dorsal vertebrae, causing paralysis and loss of sensation below the neck."

Since then, Nuno has worked to overcome health challenges related to his injury. However, SCI affects more than just movement. In addition to adjusting to life in a wheelchair, he faced another, invisible and debilitating challenge: blood pressure instability. Blood pressure instability and persistent low blood pressure can threaten neurological recovery and negatively impact cardiovascular health and overall quality of life.

"Blood pressure instability takes control of your life. In fact, most people don't realize how important blood pressure is until they lose control of it," he says. "If you want to talk, you feel breathless. If you change position when sitting, you feel like you are going to faint."

Treatment options may include dietary adjustments, medication, and compression garments to help prevent episodes of low blood pressure. These solutions are not truly effective and very time-consuming for him, Nuno explains.

Nuno joined our HemOn clinical feasibility study in 2022, to find a long-term solution for his blood pressure instability. The study evaluated our investigational ARC™ System, an implanted neuromodulation platform designed to deliver targeted and personalized spinal cord stimulation, in addressing blood pressure instability after SCI.

Since receiving the ARC™ System, Nuno has experienced vast improvements. The technology has helped him regain control of his health, return to work, and play an active part in his family's life.

The ARC^{BCI} System

The **ARC^{BCI} System** is an implantable system currently being investigated to enable thought-driven movement of the legs and upper extremities. It is the world's first and most advanced purpose-designed platform pairing a brain-computer interface with an implantable spinal cord stimulation system. Seven study participants have now received ARC^{BCI} Therapy to restore movement of their own paralyzed limbs, extending leadership in the development of BCI platforms to restore thought-driven movement for people living with paralysis.

ARC^{BCI} comprises an implant placed epidurally on the motor cortex, designed to record brain signals associated with movement intention. The system uses Artificial Intelligence (AI) to decode these signals and translate them into instructions that are wirelessly transmitted to an implanted neurostimulator, which precisely stimulates targeted regions of the spinal cord via purpose-designed leads. The Company's BCI is supported by more than eight years of human safety data. The ARC^{BCI} System was awarded Breakthrough Device Designation (BDD) by the US FDA in 2024. ARC^{BCI} is also included in the FDA's Total Product Life Cycle Advisory Program, which provides early regulatory guidance to support the development of innovative technologies.

Ongoing clinical feasibility studies supported by grants from the European Union's Horizon Europe research and innovation program through the European Innovation Council (EIC, under grant agreements Nos 101057450 and 101070891), the Christopher & Dana Reeve Foundation, and the Swiss State Secretariat for Education, Research and Innovation (SERI.

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Two Priority Indications to Improve Quality of Life after SCI

Hand strength and sensation (initial ARC^{EX} focus)

Since 2015, 60% of new SCIs in the US have resulted in some form of tetraplegia.[1] Injuries at the cervical level of the spine (C1-C7) can result in loss of sensory and motor connections to all areas below the neck, including the arms and legs. Without the use of our hands, most activities of daily life (such as grooming and eating) become extremely challenging. Better hand strength and sensation is therefore an important rehabilitation goal for a majority of people with SCI, consistently ranked ahead of walking or sexual function.[2]

Blood pressure instability (initial ARC^{IM} focus)

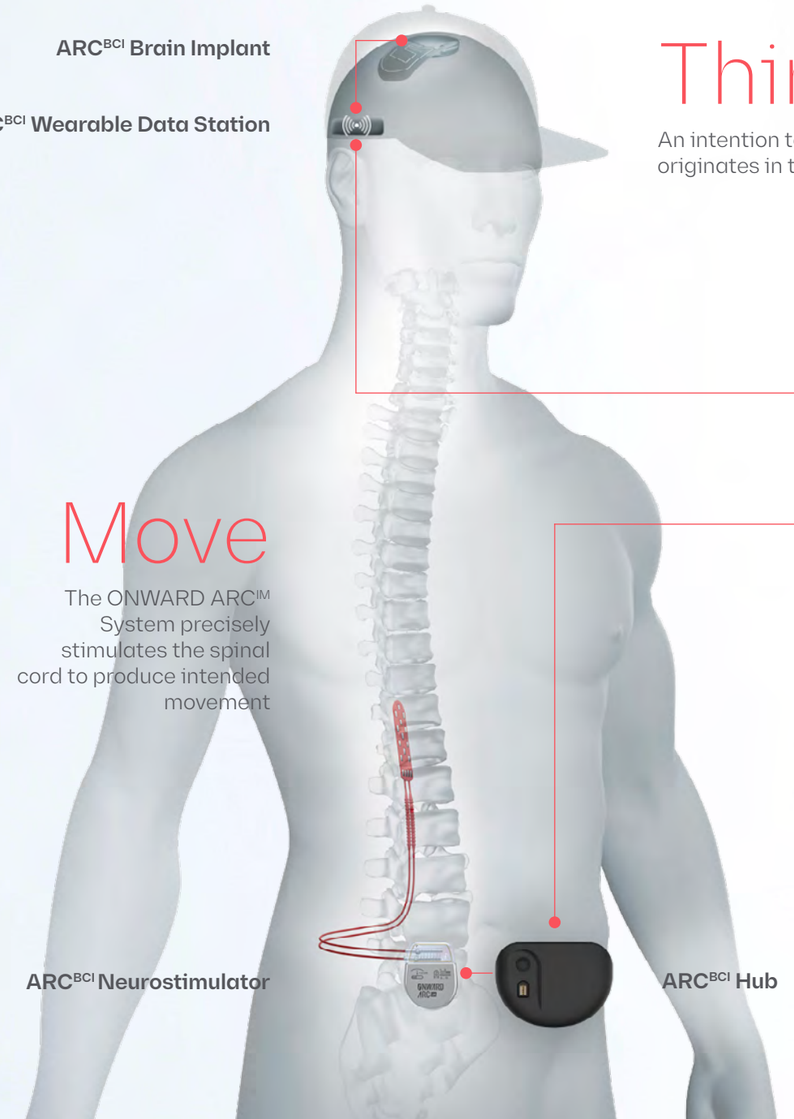
Hemodynamic instability, is a key unmet need after SCI, with a significant impact on cardiovascular health and quality of life. It is a silent yet debilitating complication of spinal cord injury characterized by chronic orthostatic hypotension and episodes of autonomic dysreflexia[1]. Among individuals with tetraplegia, 78% are diagnosed with orthostatic hypotension, yet only 28% receive treatment – and of those, 91% continue to experience symptoms including dizziness, lightheadedness, blurred vision, and fatigue. Over time, persistent low blood pressure can threaten neurological recovery and negatively impact cardiovascular health.[2,3]

Published in *Nature Medicine*, results from multi-year clinical feasibility studies show that participants who received ARC^{IM} Therapy saw immediate and robust increases in blood pressure, as well as reduced frequency and severity of hypotensive symptoms. The enhanced hemodynamic stability resulted in improved quality of life and greater engagement in rehabilitation and daily life activities. Benefits were observed for the duration of the studies, which lasted up to two years following implant.[4]

Brain and spinal cord are reconnected by ONWARD DigitalBridge™ to restore thought-driven movement

ARC BCI

AI-Powered Implantable Platform



Think

An intention to move originates in the brain

Decode

An AI algorithm translates that intention into instructions for the neurostimulator.

ARC^BCI Programmer

Move

The ONWARD ARC™ System precisely stimulates the spinal cord to produce intended movement

ARC BCI®

"It's like gaining some superpower that I did not have before. Now with these implants, I'm a real *iron woman.*"

Marta Carsteanu-Dombi

Marta Carsteanu-Dombi was a new mom working at a German tech company and an aspiring Ironman athlete when her life changed in an instant. During the cycling portion of a 2018 Ironman race, Marta suffered an accident that left her with a devastating spinal cord injury.

Marta Carsteanu-Dombi

ARC BCI

"We're still hypothesizing what happened, because nobody saw me," Marta told CBS' *60 Minutes* broadcast. "I must have had a pretty tough collision. My spine basically broke in two dimensions, and there was no sign of nerve connection left to my lower body."

Today, Marta is helping to push the boundaries of what SCI recovery can look like. She is one of seven people participating in the groundbreaking trial of ARC[BCI], our investigational technology pairing the implantable ARC[IM] System with a braincomputer interface. This system is designed to enable thought-driven movement for people living with paralysis.

When using it, Marta only needs to think about moving her legs for the electrodes to record brain activity associated with movement intention. AI then decodes these signals and translates them into instructions that are wirelessly transmitted to the implanted neurostimulator, which precisely stimulates targeted regions of the spinal cord via purpose-designed leads, ultimately activating the muscles in her legs.

Within two days of training with the device, Marta was able to take her first steps again, supported by a harness and physical therapists guiding her movements. However, the improvements didn't stop there. After six more months of hard work and determination, she was able to walk without the harness.

Being able to stand up and look people in the eye again is also giving Marta her perspective back. But her greatest motivation for all the hard work is simple: to go to the park with her family, stand beside them, and take a few steps together.

"It's not a stroll in the park like how it would look for most people, but for me, it's just good enough to make me happy."

Additional Indications with Significant Potential

ONWARD ARC™ Therapy to restore mobility in people after SCI

We plan to further investigate the use of ARC™ to restore the ability to stand and/or walk after SCI by restoring movement in the lower limbs. This will build on the success of STIMO, a clinical feasibility study that determined the preliminary feasibility of ARC Therapy to restore walking in individuals with chronic SCI resulting in complete or partial paraplegia.

Starting in 2016, the nine participants in this study received high-intensity neurorehabilitation that combined precisely timed epidural stimulation with over-ground, robot-assisted rehabilitation training. After completing the STIMO program, all participants reported improvements in mobility and substantial neurological recovery. Several were able to walk on a treadmill without using their hands for support and to stand and walk at will, even while the stimulation was inactive.

While walking may seem like an ambitious goal for many people with SCI, even modest gains in lower limb function can make a big difference. Incorporating ARC™ Therapy in post-acute clinical rehabilitation programs has the potential to vastly improve long-term outcomes for the recently injured by promoting neurological recovery. Additionally, we envision that ARC™ stimulation may someday be used "on the go" to enable a variety of everyday movements, including standing and movement of the lower limbs, as part of a person's therapy and daily activities.

ONWARD ARC™ Therapy paired with brain-computer interface (BCI) to restore augmented mobility after SCI

In May 2024, an article in *Nature Medicine* reported that a wireless BCI can record a person's intention to move to control ARC™ Therapy.[1] Researchers reported that when paired with ARC™ Therapy, an implanted BCI allowed an individual to gain augmented control over when and how he moved his paralyzed legs. The published data are part of ongoing clinical feasibility studies investigating the safety and preliminary effectiveness of brain-controlled spinal cord stimulation after SCI. Seven study participants have now received ARC^BCI Therapy to restore movement of their own paralyzed limbs.

ONWARD ARC™ Therapy to restore mobility in people with Parkinson's disease

In November 2023, an article in *Nature Medicine* highlighted the potential for ONWARD ARC Therapy to address gait challenges related to Parkinson's disease.[2] The study participant described in the article has been living with Parkinson's disease for nearly three decades. He has a severe gait disorder that has not responded to conventional therapies. After the introduction of ARC Therapy, followed by several weeks of rehabilitation, the participant was able to walk without the previously noticeable gait interruptions.

The Company's research partner was awarded a USD 1 million grant from The Michael J. Fox Foundation for Parkinson's Research (MJFF) to implant the ARC™ System in six additional participants with Parkinson's disease to investigate the effect of ARC Therapy. This study will assist ONWARD in determining whether to conduct additional clinical trials with a view to commercialize ARC Therapy in the future for those living with Parkinson's disease. The study is underway with the first participant implanted in late 2024.

[1] *Non-invasive spinal cord electrical stimulation for arm and hand function in chronic tetraplegia: a safety and efficacy trial | Nature Medicine*
[2] *A spinal cord neuroprosthesis for locomotor deficits due to Parkinson's disease | Nature Medicine*

Pipeline Overview

Various indications under clinical and pre-clinical evaluation, offering opportunities for future label, population, and platform expansion

Platform	Indication	FDA BDD[1]	Current stage	Eligible population in US & Europe[2]
ARC EX®	Bladder/bowel	✓	Investigator initiated studies	~310,000
	Stroke upper limb			~680,000
ARC IM® *Grant funded studies*	Mobility	✓	●●●○○ Clinical feasibility	~240,000
	Parkinson's – Mobility		●●●○○ Clinical feasibility	~1,100,000
	Parkinson's – Blood pressure[3]		●●○○○ Human PoC	~830,000
	Bladder	✓	●○○○○ Human PoC expected 2026	~450,000
ARC BCI™ *Grant funded studies*	Mobility	✓	●●●○○ Clinical feasibility	~420,000
	Upper Limb		●●●○○ Clinical feasibility	~280,000
	Stroke – Upper limb		●○○○○ Human PoC expected 2026	~680,000

Note: The company may modify the pipeline based on clinical progress and marketplace considerations
[1]BDD = FDA Breakthrough Device Designation; [2]Includes rest of world sales for SCI indications; [3]Assumes PMA supplement regulatory pathway leveraging efficacy data from Parkinson's feasibility studies and safety data from ARC™ SCI studies

Clinical Trials & Regulatory Activity

The development, manufacture, and marketing of ONWARD's ARC Therapies and associated technologies are subject to government regulation in the US, the European Union, the UK, and other countries. To apply for regulatory clearance or approval to market our new devices in any of these jurisdictions, we must complete extensive human clinical trials that demonstrate their safety and effectiveness.

Medical devices are regulated according to their risk level and require extensive supporting safety and effectiveness data to demonstrate their risk to benefit ratio for global regulatory authority consideration prior to market approval. ARC^{EX} is generally designated as a lower risk device (Class II) and ARC^{IM} is expected to be designated a higher risk device (Class III), requiring different levels of supporting clinical evidence. ONWARD continues to partner with regulatory authorities globally to ensure that clinical trials are designed and executed in accordance with the requirements for these different medical device classifications.

Commercialization

The Company's commercialization strategy is focused on delivering on its mission to restore movement, function, and independence in people living with spinal cord injury and other movement disabilities. We focus on the development of a USD 17 billion market opportunity by addressing the significant unmet needs of the SCI population. The key tenets of the company's commercial strategy that will drive success are as follows:

- Deliver differentiated technology platforms backed by compelling evidence and clinical science
- Develop multiple technology platforms that address the spectrum of challenges faced by people living with SCI
- Ensure access in key global markets, with an initial focus on the United States and Europe
- Partner closely with rehabilitation clinics and the healthcare community that serves SCI patients to grow adoption of novel ONWARD stimulation therapies

2025 saw tremendous commercial progress as the company launched our first platform, built significant commercial capability and infrastructure, and began to realize our promise of improving independence for people living with spinal cord injury by putting new technology solutions in the hands of clinicians and the homes of people with SCI.

ARC^{EX} System

In December 2024, the Company received FDA clearance for the ARC^{EX} System, marking a significant regulatory milestone and enabling the commercial launch of ARC^{EX} in US clinics. By year-end 2025, the Company had established a presence in more than 80 rehabilitation clinics across the United States, reflecting strong early adoption. In November 2025, the Company received US FDA clearance for use of the ARC^{EX} System in the home, expanding the addressable market and supporting future growth. During the year, the Company built a dedicated US sales and support organization made up exclusively of physical and occupational therapists, to support effective adoption and high-quality clinical engagement.

Looking ahead, the Company plans to continue expanding our rehabilitation clinic footprint, which is a critical driver of therapy adoption and expansion. Specialty rehabilitation clinics serve as the primary users of the Company's technology and play a central role in prescribing and enabling home use. Continued growth of this clinic footprint is expected to support broader patient access, accelerate adoption of the therapy, and drive sustained growth over time.

Outside the United States, the Company made meaningful progress advancing our international expansion strategy. The Company obtained CE Mark approval for both clinic and home use in September 2025, completed additional regulatory registrations in Switzerland and the United Kingdom, and launched its first European clinics in December 2025 in Germany, the Netherlands, and Switzerland. The Company commenced the building of a European sales and support organization, which will be a combination of direct sales and distributors in key markets. Building on these foundational milestones, the Company plans to continue expanding our European footprint in 2026, increasing global access to the technology.

ARC^{IM} System

ARC^{IM} is the second technology platform that the Company intends to bring to market, further enhancing solutions for people living with SCI. The first target indication for ARC^{IM} is addressing blood pressure instability after SCI. We expect to commercialize ARC^{IM} after the successful completion of the Empower BP pivotal trial and subsequent regulatory approvals. Commercial efforts for ARC^{IM} are expected to build off the foundational relationships established by the adoption of ARC^{EX} System in rehabilitation clinics, as specialty rehabilitation clinics will be critical in building therapy awareness and referrals for implants.

Reimbursement & Market Access Strategy

ONWARD is executing a region-specific reimbursement strategy to ensure sustainable market access for ARC Therapies across the United States and key international markets. Our approach targets all relevant payer channels – public and private – while also leveraging partnerships and alternative funding opportunities to ensure broad patient access.

United States

Upon clearance in December 2024, ARC^{EX} was immediately available for purchase by US clinics and for use during in-clinic rehabilitation sessions leveraging existing rehabilitation billing codes. Reimbursement for home-use devices, however, requires benefit category and code assignment, as well as the development of coverage mechanisms, and is a key focus of the Company's long-term strategy. This strategy includes:

- Early engagement with the US Department of Veterans Affairs (VA), where coverage is available without additional reimbursement determinations
- Collaboration with the Centers for Medicare & Medicaid Services (CMS) to establish an appropriate benefit category and HCPCS code
- Proactive engagement with private insurers to support favorable coverage decisions and inclusion in private plans

ONWARD has taken significant steps to establish early market access for ARC^{EX} in the VA following its FDA clearance in December 2024. Through our strategic partnership with Lovell Government Services, a service-disabled veteran-owned small business (SDVOSB), ARC^{EX} was successfully added to the VA Federal Supply Schedule (FSS) and GSA Advantage — two key procurement platforms for federal healthcare providers. These listings enable streamlined purchasing by VA hospitals, Department of Defense (DoD) facilities, and other federal buyers. Upon clearance of the device for home-use, the home use version of the device was also added to the FSS and GSA Advantage, enabling access for veterans. Engagement with the VA will grant early access to a large population of individuals living with SCI and will generate early invoicing and usage data that will be instrumental in broader reimbursement activities.

The company plans to begin formal engagement with CMS in early 2026 to obtain a benefit category and code recommendation for ARC^{EX}. In parallel, the company will begin structured engagement with payers on case-by-case patient access and will continue to build payer-relevant clinical and economic evidence.

The Company's reimbursement strategy for ARC^{IM} remains under development, but is expected to include a category III CPT code application to enable early access following US FDA approval and exploration of programs like the New Technology Add-On Payment (NTAP) and Transitional Pass Through (TPT) to bridge reimbursement gaps in both inpatient and outpatient settings.

Germany

Germany is expected to be a prominent market for ARC^{EX} and ARC^{IM}, given its advanced SCI rehabilitation infrastructure and comprehensive reimbursement framework. Similar to the United States, ARC^{EX} was immediately available upon CE marking for clinics to purchase for use with patients during in-clinic sessions, leveraging existing reimbursement schemes. For home use, ARC^{EX} will require additional coverage determinations under both public and private insurance. ONWARD is preparing for registration in the Hilfsmittelverzeichnis (HMV),the official list of durable medical equipment reimbursable by public insurers,and anticipates a multi-year pathway that may require evaluation by the G-BA (Gemeinsamer Bundesausschuss). During this process, the Company plans to pursue case-by-case patient access and also plans to partner with entities that specialize in spinal trauma and rehabilitation (BG Clinics, Worker's Compensation) that have experience negotiating reimbursement and access for advanced technologies.

ARC^{IM} is expected to be reimbursed under Germany's DRG-based inpatient payment system, with the potential for supplemental payments (Zusatzentgelte) to reflect the cost and complexity of the implant procedure. These pathways are well established, and we will continue to monitor hospital reform in Germany and will adjust our reimbursement strategy accordingly.

Other markets

Across other major European markets, ONWARD is pursuing country-specific reimbursement strategies based on the respective national frameworks. While Europe lacks a unified reimbursement model, we are building targeted access plans that focus on:

- Public health insurers
- Private payers
- Workplace and accident insurance funds
- Disability and long-term care insurers
- Military and veteran health systems
- Charities and SCI foundations that provide financial assistance

These efforts began in 2022 and will continue through 2026 and beyond, with each market approached based on its readiness and strategic alignment with ONWARD's commercial goals.

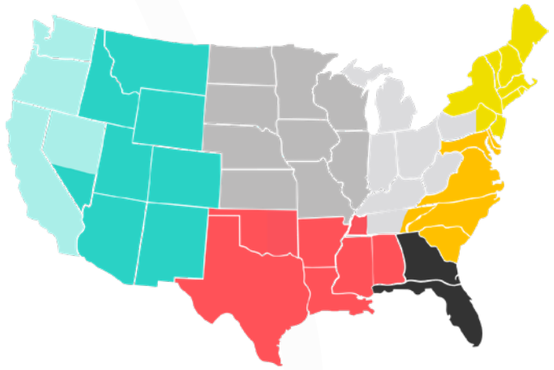
Targeting & Channel Strategy

Customer concentration allows us to build direct sales channel and establish enduring and valuable relationships

Call Points

~530

US



Europe

Geographical Focus

US and select European markets with sophisticated neurorehabilitation infrastructure, clinical partnerships, and/or favorable reimbursement for medical innovation

~450
Specialist SCI and general rehab clinics

~80
Specialist rehab centers

Source: Company estimates

ONWARD MEDICAL

Culture

Culture

At ONWARD, we aim to attract talented and ambitious individuals who bring creativity to everything they do by offering a compelling vision, groundbreaking technology, and competitive rewards. Our team reflects a rich diversity, with 23 nationalities represented, strengthening our perspectives and reinforcing our commitment to innovation.

We strive to position ONWARD as an employer of choice by cultivating a positive, purpose-driven culture anchored in our ONWARD Commitments. Building on the foundation of the original ONWARD Code, these Commitments represent a clearer, more action-oriented expression of who we are and how we work, aligning our behaviors with the needs of the spinal cord injury community and the expectations of a commercial-stage, growth-oriented organization.

Our ONWARD Commitments – We Serve with Purpose; We Act with Integrity; We Lead with Courage; and We Grow through Collaboration – guide how every employee contributes to our mission. They define what it means to work ethically, boldly, and collaboratively, while remaining deeply connected to the communities we serve. Together, they clarify not only what we aim to achieve, but how we achieve it, collectively and responsibly.

The ONWARD Commitments are embedded throughout the employee lifecycle. They are incorporated into our hiring and promotion processes, ensuring alignment between our values and the people who join and advance within the organization. Introduced during onboarding, the Commitments are continually reinforced through company-wide forums, team discussions, and performance conversations. They form the foundation of an open, transparent, and psychologically safe workplace, one in which employees are encouraged to raise concerns in good faith, with the assurance that issues will be handled confidentially, thoughtfully, and without retaliation.

Expectations tied to the ONWARD Commitments evolve as individuals grow within the organization. We recognize three progressive levels of behavioral application, from individual contributors and people managers to senior leaders, reflecting increasing scope, influence, and accountability. At each level, employees are expected not only to demonstrate the Commitments personally, but, as responsibility grows, to model, enable, and embed them across teams and the broader organization.

The Commitments also underpin our performance philosophy. Purpose-driven service, ethical decision-making, courageous leadership, and cross-functional collaboration are integrated into our performance management and development frameworks at every career stage. This alignment ensures that how we work is valued, measured, and developed with the same rigor as what we deliver.

Ultimately, the ONWARD Commitments shape a culture where individuals feel valued, supported, and empowered to grow. By living these Commitments each day, we strengthen our collective performance and ensure our work delivers meaningful and lasting impact for the people and communities we serve.

The Culture Club, an employee-driven initiative, reinforces our cultural values, fosters collaboration, and strengthens shared understanding.

Competitive hiring

ONWARD recruits from a global talent pool and seeks to attract high-caliber individuals inspired by our mission and motivated by the opportunity to deliver meaningful breakthroughs. Our approach to hiring is aligned with the Company's strategic evolution and long-term growth objectives.

As ONWARD has transitioned into a commercial-stage organization, our recruiting function has evolved to support this shift across key functions, including commercial, operational, and corporate capabilities. In 2025, this evolution included a focused effort to strengthen our US sales organization and related commercial roles, supporting market expansion and execution readiness.

We maintain strong oversight of the hiring process, leveraging professional networks, partnerships with leading academic institutions, and an employee referral program that encourages recommendations aligned with our culture and values.

To attract and retain exceptional talent, ONWARD offers competitive compensation and benefits. Our remuneration philosophy includes short-term incentives, as well as an employee stock-option plan that promotes share ownership and alignment with long-term value creation. Awards under this program are subject to continued employment through vesting, reinforcing a shared commitment to sustained success.

A great place to work

ONWARD places a strong emphasis on employee engagement and the continuous improvement of the employee experience. Our established engagement framework enables regular listening, meaningful dialogue, and action-oriented follow-through across the organization.

Employee feedback is gathered through a structured, two-tiered approach: an annual comprehensive engagement survey and a shorter bi-annual survey designed to take the organizational pulse. Insights from these surveys are reviewed across the organization to inform priorities, guide decision-making, and support continuous improvement. This approach represents an evolution from 2024, strengthening our ability to monitor trends while enabling more focused and timely action.

The annual comprehensive survey was refined to provide greater granularity across key drivers of engagement, enabling deeper insight into employee experience trends and more targeted, data-driven actions at both the organizational and team levels.

These surveys are complemented by an anonymous platform that allows employees to freely share ideas, suggestions, and concerns.

Our engagement efforts are supported by ongoing improvements across the employee lifecycle. We conduct structured check-in surveys for new hires at key milestones, at the end of the first week, after one month, and after three months, alongside employee journey interviews and comprehensive offboarding interviews.

Together, these mechanisms ensure feedback is captured consistently at every stage of employment, allowing us to continuously refine our practices, strengthen engagement, and enhance overall organizational performance.

Employee well-being

In 2025, we continued to focus on supporting the well-being of our employees through initiatives that promote balance, engagement, and a positive workplace culture.

This year's programs included an Appreciation Week, a Well-being Month, and a Step Challenge, all designed to encourage connection, healthy habits, and recognition across the organization. We also highlighted key awareness days to encourage reflection and conversation around well-being.

Flexible hybrid working arrangements remained in place, enabling employees to manage their professional and personal commitments effectively.

These efforts demonstrate our ongoing dedication to creating a positive and supportive work environment for all team members.

ONWARD MEDICAL

Privacy & Data Governance

Privacy & Data Governance

ONWARD is committed to ensuring that cybersecurity and privacy are built into our products, services and business processes throughout their lifecycle. As a commercial-stage medical technology company, we process personal data in the course of our research, development, manufacturing, commercialization, and post-market activities. When we collect patient health data, we do so only for clearly defined and legitimate purposes, including the assessment, delivery, monitoring, and continual improvement of the safety, performance, and effectiveness of our approved and investigational therapies, as well as to meet regulatory, quality, vigilance, and post-market surveillance requirements. We apply appropriate technical and organizational safeguards to protect personal data and comply with applicable data protection and cybersecurity laws in all jurisdictions in which we operate.

We are subject to various regional, national, and state laws that protect the confidentiality and security of patient health information, including patient medical records and other forms of personal information. We are committed to applying the two most rigorous privacy regulations to our global operations, namely the United States' Health Insurance Portability and Accountability Act (HIPAA) and the European Union's General Data Protection Regulation ((EU) 2016/679; GDPR). This legislation includes the data subject's right to access or amend certain records containing protected health information or to request that their use or disclosure be restricted.

We have appointed an external Data Protection Officer. This service is provided by DPO Consulting, a firm with extensive experience in Data Protection Regulations. In addition, we have established a Data Privacy Committee and a Global Data Protection Policy complemented through a series of implementing procedures, mechanisms and employee training to ensure compliance with GDPR and HIPAA, as applicable.

Through the position of VP of Legal and Chief Compliance Officer, we have strengthened the integration of legal and privacy assessments across the organization in collaboration with the Data Protection Officer.

We have also strengthened the compliance of our products with cybersecurity and data protection requirements under GDPR and HIPAA. We have established traceability in accordance with relevant standards and built evidence that our products are compliant with the regulations. We continue to strengthen and mature our data protection and cybersecurity processes to ensure compliance with applicable privacy and health data regulations, including GDPR in the European Union and HIPAA in the United States. These efforts are focused on building a robust, scalable data privacy and security framework supporting the commercial launch of ARC^{EX} in the United States, including use in clinical settings and in patients' homes, as well as commercialization and deployment across the European Union. We regularly train our staff on security and privacy issues and employ best practices for the administration of our systems and infrastructure.

ONWARD MEDICAL

Sustainability

Sustainability

Additional details regarding ONWARD's sustainability priorities, approach, and performance can be found in a separate sustainability summary available on ONWARD's investor website.

ONWARD is committed to being a responsible organization that creates sustainable long-term value for all stakeholders. Sustainability principles are integral to how we do business. They are captured in the ONWARD Commitments, Articles of Association (AOA), Code of Conduct (COC), and the Company's culture, business practices, operations, and supplier agreements.

Sustainability principles

ONWARD's sustainability strategy rests on five core principles:

- **Innovating for the underserved.** There is no cure for SCI. ONWARD therapies are among the first to offer the potential to help people with SCI regain movement and other functions, improving quality of life for a large group of underserved people. The Company's products also have the potential to benefit large populations of stroke sufferers and Parkinson's disease patients. Underscoring the innovative nature of its work, ONWARD has been granted 10 Breakthrough Device Designations (BDD) by the US FDA and has issued nearly 290+ patents worldwide (including EP validations). The Company continuously innovates and strives to get such designations for other indications to make a difference in the lives of even more people.
- **Partnering with patient groups.** ONWARD enjoys excellent relationships with the world's leading patient advocacy groups for people with SCI. The Christopher & Dana Reeve Foundation, the world's largest such organization, is an investor in ONWARD. The Company also collaborates with Wings for Life in Europe, the Praxis Foundation in Canada, and the International Spinal Research Trust in the UK. By collaborating with these groups, ONWARD is able to innovate in ways that make the greatest difference for people with SCI.

- **Attracting and retaining the best talent.** To deliver on its vision, ONWARD is committed to creating an unrivaled environment for its employees. The Company cares deeply about the well-being and continuous development of its staff, as evidenced by the various programs put in place, such as its well-being program. Having a highly motivated and engaged workforce enables the Company to retain and attract top talent. It also engages with people with SCI as consultants, enabling staff to have a better understanding of the challenges that they face.
- **Minimizing our environmental footprint.** In its operations, the Company strives to reduce its carbon footprint by replacing air travel with videoconferencing, except for the most pressing business needs, and by encouraging a hybrid workplace, thus reducing employees' commute. Additionally, ONWARD works with suppliers to minimize waste in the manufacturing process, consume electricity generated almost exclusively from renewable sources, and implement recycling programs in its offices.
- **Maintaining high ethical and quality standards.** ONWARD strives to act with openness and integrity. The Company is committed to high ethical standards in dealing with business partners, as outlined in the Code of Conduct, which covers anti-bribery and anti-money laundering, government relations and political affairs, and international business practices. The Code of Conduct ensures that employees understand what is expected of them when acting on behalf of the Company. ONWARD aims to comply with all applicable anti-bribery laws, including the US Foreign Corrupt Practices Act. The highest quality and safety standards are applied to all of ONWARD's activities, and the Company ensures strong labor practices in its supply chain. ONWARD also works hard to secure key personal data and comply with GDPR and HIPAA, uphold human rights, and operate in geographies with a strong track record in this area. Additionally, ONWARD maintains high quality standards – details can be found in the "Quality" section of the Annual Report.

In 2024, ONWARD Medical was awarded a silver medal by EcoVadis, the world's largest provider of business sustainability ratings. The award placed the Company in the top 15% globally of companies assessed by EcoVadis in the past 12 months. The EcoVadis assessment evaluates 20+ sustainability criteria across four core themes: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. More than 130,000 companies globally have been rated by EcoVadis.

ONWARD MEDICAL

Operational Review

Operational Review

Science and intellectual property

As the pioneer in its space, ONWARD has forged relationships and exclusively licensed important intellectual property from many of the world's leading neuroscience research laboratories, such as: .NeuroRestore, Switzerland; Caltech, US; University of California at Los Angeles, US; University of Louisville, US; University of British Columbia, Canada; and CEA, France.

The Company's primary research partnership is with .NeuroRestore, a joint research initiative of the Federal School of Technology in Lausanne (EPFL) and the Lausanne University Hospital (CHUV), Switzerland. In 2021, the Company signed a framework agreement with .NeuroRestore governing future research initiatives, as well as contracts covering existing and ongoing research on blood pressure, mobility, brain-computer interfaces (BCI) and brain-controlled spinal cord stimulation. In addition, ONWARD supported .NeuroRestore research on upper limb mobility and incontinence.

Benefitting from these research collaborations, and combined with its own innovations, the Company's formidable IP portfolio totals 290+ issued patents, including European Patent (EP) country validations, further reinforcing the Company's pioneering science and first-mover advantage.

Research and development

In 2025, ONWARD's product development team made advancements across several development initiatives:

- ARC^{EX} System: Product improvements related to human factors engineering were implemented to comply with home-use requirements and were successfully cleared by the US FDA, thereby opening the home-use market in the United States. In parallel, additional product adaptations were completed to comply with the European Medical Device Regulation (MDR), leading to successful approval for use in both rehabilitation centers and home-use settings in Europe. Furthermore, design-robustness enhancements and manufacturing process improvements were implemented, strengthening product quality and supporting scalable production. Additionally, development of a first-generation digital platform advanced in 2025, enabling remote servicing and usage insights, and will continue into 2026.
- ARC^{IM} System development: The ARC^{IM} platform has continued to evolve and mature with the completion of several technological updates, including enhancements supporting clinical research activities, user experience, and system performance, as well as the incorporation of features informed by insights gained from field use. The platform successfully received investigational device exemption (IDE) approval to initiate the Empower BP pivotal study and has begun preparations for the Premarket Approval Application (PMA) milestone.
- ARC^{BCI} development: The company signed an exclusive agreement with CEA in 2024 to further develop the investigational WIMAGINE® BCI technology. Technology transfer was completed in 2025, followed by continued development activities throughout the year in support of ongoing research activities.
- Engineering operations: The R&D department continued to mature in 2025 and was able to advance multiple projects across the ARC^{EX}, ARC^{IM}, and ARC^{BCI} platforms, while also progressing several research initiatives. A matrix approach combining functional and program responsibilities, complemented by operating mechanisms and KPIs, has helped drive improvements and continues into 2026.

ONWARD is also engaged in several joint research activities, with significant milestones achieved throughout 2025:

- Brain-controlled locomotion: The second and third study participants were successfully implanted in the Think2Go clinical feasibility trial, evaluating the potential of ARC^{BCI} Therapy to restore thought-driven lower limb function in individuals with SCI.
- Brain-controlled upper limbs: The second and third study participants were successfully implanted in the UP2 clinical feasibility trial evaluating the potential of ARC^{BCI} Therapy to restore upper limb function in individuals with SCI.
- Spinal cord stimulation to facilitate locomotion in individuals living with Parkinson's disease and partnership with the Michael J. Fox Foundation: The second, third and fourth study participants were successfully implanted in the SPARKL study, a clinical feasibility study which aims to test the effectiveness of ARC^{IM} Therapy in addressing locomotor deficits in individuals with Parkinson's disease.
- Spinal cord stimulation for blood pressure regulation in individuals living with Parkinson's disease: The first study participant was successfully implanted in the PD-HemON clinical feasibility trial, evaluating the effectiveness of ARC^{IM} Therapy to address blood pressure instability in individuals living with Parkinson's disease, reflecting the potential of our therapies to address a range of critical health challenges.
- Brain-controlled spinal cord stimulation after stroke: The Company, together with research partners, submitted a request to Swiss competent authorities to conduct the Stroke-BSI clinical feasibility trial to evaluate the use of ARC^{BCI} Therapy for improving upper and lower limb functions in individuals living with subcortical stroke.

Clinical and Regulatory

ONWARD's clinical and regulatory team had a productive 2025, advancing their regulatory position by receiving market authorization in Europe for ARC^{EX} and FDA approval for ARC^{EX} Home Use aligning indications globally. This expansion allows greater market access and supports broader patient adoption for both in-clinic and home use.

Additionally, ONWARD received US FDA IDE approval for its pivotal clinical trial in August and ended the year by activating three clinical sites in the United States to begin study enrollment. The Company is engaging in discussions with national competent authorities in preparation for a series of 2026 submissions pertaining to the Empower BP study allowing more countries to participate in the pivotal trial.

Quality

The Company operates a global quality management system (QMS) covering activities in the United States, the Netherlands, and Switzerland. This QMS complies with applicable medical device regulations and standards, including the EU Medical Device Regulation (MDR 2017/745) and the US Quality System Regulation (21 CFR Part 820).

The Company obtained ISO 13485 certification for design and development in 2018. In 2022, the scope of certification was expanded to include the clinical applications targeted by ARC^{EX} Therapy, as well as additional activities supporting the manufacturing and distribution of ARC^{EX} devices.

The most recent QMS audits were successfully completed in September 2025 by TÜV SÜD, a globally recognized notified body with extensive experience in neuromodulation devices. The audit scope included a surveillance assessment for ISO 13485 certification and conformity assessment under the EU MDR, resulting in the issuance of an EU Quality Management System Certificate in accordance with Annex IX, Chapter I.

Commercial operations

Following US FDA market authorization, the Company initiated the commercialization of the ARC^{EX} System in US clinics. As part of the initial limited phase of the commercial launch, the Company deployed a US field organization, established a sales and service process, and built a roster of reference clinics.

In the second half of the year, the Company received CE Mark certification for its ARC^{EX} System under the EU MDR, enabling commercialization in the European Union and certain other countries, and US FDA 510(k) clearance to expand the ARC^{EX} System indication for home use in the US. The Company demonstrated strong commercial traction throughout the year and sold 117 ARC^{EX} Systems.

Assuming positive clinical results from our Empower BP global pivotal trial and subsequent regulatory approvals, ONWARD aims to launch ARC[IM] commercially in the US and select European markets thereafter to restore hemodynamic stability after SCI. Additionally, the Company will continue to investigate the use of ARC[IM] and ARC[BCI] for additional indications, for instance, to improve mobility by restoring movement in the legs and feet, with the goal of bringing these therapies to market in the near future.

The Company has deployed its own direct sales and service organization in the United States and select European markets and plans to use distribution partners in most other geographies.

Supply Chain / Manufacturing

The Company has forged relationships with leading, MedTech-focused contract manufacturing organizations (CMOs) to assist with the manufacture of products and product components. Selected CMOs undergo a rigorous screening and selection process and are subject to robust quality and performance monitoring. ONWARD conducts regular supplier audits and will continue its supplier vigilance programs in 2026. The Company maintains market surveillance of components and raw materials to monitor quality and supply issues, and explores alternative sourcing options, paying particular attention to costs and delivery timelines.

Financing

To execute its strategy and operational priorities, ONWARD continues to invest in research and development, advance its clinical programs, and support the commercialization of the ARC[EX] system. During 2025, the Company completed equity financing activities generating EUR 50.8M, further strengthening the Company's balance sheet and enhancing financial flexibility to support ongoing operations, strategic investments, and continued execution of its clinical and commercial roadmap. Net cash on the balance sheet at year-end 2025 amounted to EUR 68M (please refer to the Non-IFRS financial measures included in Other Information for the definition of net cash), positioning the Company to continue executing on its clinical and commercial strategy. Ottobock SE & Co. KGaA remains a strategic investor, supporting the Company's long-term ambitions.

ONWARD MEDICAL

Financial Review

Financial Review

This financial review should be read with the operational review and the Company's consolidated financial statements in this Annual Report, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board and as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

EUR' Million	2025	2024
Total Revenues & Other Income	**5.4**	**1.7**
Total Operating Expenses	**(45.3)**	**(36.6)**
Research & Development Expenses	(12.3)	(13.8)
Clinical & Regulatory Expenses	(5.7)	(4.8)
Marketing & Market Access Expenses	(8.1)	(3.4)
Quality Assurance Expenses	(2.4)	(2.0)
General & Administrative Expenses	(16.8)	(12.6)
Operating Loss for the Period	**(40.9)**	**(34.9)**
Net Finance Expense	(0.6)	(0.9)
Income Tax	(0.3)	0.0
Net Loss for the Period	**(41.8)**	**(35.7)**

At EUR' Million	31 December 2025	31 December 2024
Net Cash Position at the end of the Period	**68.1**	**60.0**
Interest-bearing Loans	**(13.0)**	**(14.0)**
Equity	**55.3**	**48.1**

Total Revenues & Other Income

Revenue increased significantly in 2025 compared to 2024, primarily driven by the commercialization of the ARC^{EX} system following FDA clearance obtained on 19 December 2024. Revenue from the sale of ARC^{EX} devices grew from € 77 thousand in 2024 to € 3.7 million in 2025, reflecting the Company's transition into its early commercial phase.

Other income of € 1.7 million, consisting primarily of grant funding, remained consistent year over year (2024: € 1.7 million). During 2025, the Company successfully negotiated an amendment with the European Innovation Council to align the grant with the geographic origin of the activities performed and secured replacement funding from the Swiss State Agency for Education, Research and Innovation (SERI) for the NEMO BMI grant activities conducted in Switzerland. As a result, grant income has been recognized in 2025 to reflect progress on the NEMO BMI grant from inception through the end of 2025. This represents approximately € 1 million of the 2025 income.

Research & Development Expenses

Research and development ("R&D") expenses decreased by approximately 11%, from €13.9 million in 2024 to €12.3 million in 2025. The decrease was primarily driven by lower external development costs and reduced employee-related expenses, reflecting the timing of development activities and a lower level of overall R&D spending during the year.

R&D expenses consist primarily of product development activities, engineering efforts to advance and support the Company's technology platforms, testing, consulting services and other costs directly attributable to the development of its therapies. These expenses mainly include personnel-related costs for R&D employees, share-based compensation and outsourced development services.

In 2025, patent and related intellectual property costs are presented within R&D expenses, reflecting management's view that these expenditures are directly linked to and support

the Company's ongoing development activities. These costs primarily relate to securing, maintaining and expanding the Company's intellectual property portfolio. Such expenses are recognized as incurred, as they do not meet the criteria for capitalization under applicable accounting standards. The updated presentation aligns the classification of intellectual property protection costs with the underlying research and development activities and enhances comparability with industry practice within the sector.

R&D expenses also include the costs of sponsored research activities undertaken by universities with which ONWARD collaborates. This includes the close working relationship with one of the founders, Grégoire Courtine, Scientific Advisor, Director at .NeuroRestore and Professor at EPFL.

Clinical & Regulatory Expenses

Clinical expenses increased by 21%, from €4.8 million in 2024 to €5.7 million in 2025. In 2025, clinical expenses were primarily driven by activities supporting the FDA submission for ARC^{EX} Home Use clearance, regulatory efforts related to obtaining the CE mark in Europe, and continued preparations for the pivotal Empower BP study. These initiatives reflect the Company's focus on expanding regulatory approvals and advancing key clinical programs to support future commercialization. Clinical expenses include employee salaries and related costs, including share-based compensation, clinical trial management and monitoring, payments to clinical investigators, data management, consulting services, and travel associated with clinical trial activities.

Marketing & Market Access Expenses

Marketing and market access expenses increased by 142%, from € 3.4 million in 2024 to € 8.1 million in 2025, primarily reflecting investments in personnel to establish the commercial infrastructure required to support ARC^{EX} commercialization across the United States, Europe, and other international markets.

Quality Assurance Expenses

Quality assurance expenses increased by 17% from € 2.0 million in 2024 to € 2.3 million in 2025. Quality assurance expenses relate to activities undertaken to maintain and enhance ONWARD's quality systems and regulatory compliance capabilities in support of ongoing regulatory initiatives, manufacturing readiness, and commercial activities. During 2025, efforts were primarily focused on supporting regulatory submissions, including FDA clearance for ARC^{EX} home use, CE mark activities in Europe, and broader quality oversight as the Company continues to scale its operations. These expenses include employee salaries and related costs, including share-based compensation, as well as consulting, testing, and travel associated with quality management and risk assurance activities.

General & Administrative Expenses

General and administrative expenses increased by 33%, from € 12.6 million in 2024 to € 16.8 million in 2025. General and administrative expenses increased in 2025 compared to the prior year, reflecting the continued scaling and maturation of the Company's operating infrastructure as it advances its commercial activities. The increase was primarily driven by higher personnel-related costs, investments in operational capabilities, and expanded corporate support functions required for a growing listed organization. Expenses also include professional services associated with strategic financing activities, governance, and other corporate matters supporting the Company's evolving operational and regulatory environment. Board-related costs increased modestly during the year following the strengthening of the Board, in line with ongoing governance needs.

Net Finance Expense

The net financial expense decreased by 38%, from € 0.9 million in 2024 to € 0.6 million in 2025. Interest expense relates to the interest on the debt facility from Runway Growth. The Company continued to invest excess cash in short-term deposits with reputable banks yielding interest income. Interest income decreased in 2025 as lower central-bank interest rates led to reduced returns on short-term EUR and CHF deposits. The foreign exchange loss recognized in 2025 primarily reflects the remeasurement of the USD-denominated term loan at the reporting date exchange rate, with smaller impacts from operational foreign-currency transactions.

Income Tax

In 2025, the Company recorded a modest tax expense, resulting in an effective tax rate of approximately 0.75%. The effective tax rate primarily reflects the limited recognition of

deferred tax assets on losses generated in certain jurisdictions, as the recoverability of these losses is not yet considered sufficiently probable.

The tax expense for the year was also impacted by non-deductible expenses, including share-based payments, and certain permanent differences related to financing arrangements within the Group. These effects were partially offset by the utilization of tax losses in the United States and the benefit arising from the Foreign-Derived Intangible Income (FDII) deduction.

Overall, the Company's tax position reflects its current stage of development, with taxable income generated in certain jurisdictions while losses in others do not yet result in recognized deferred tax assets. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the losses can be utilized.

Cash Position

The Company ended the year with a positive net cash balance of € 68 million (2024: € 60 million). The full amount comprises cash and cash equivalents since none of the short-term fixed deposits exceeds a period of 3 months.

The table below summarizes the Company's cash flows for the years 2025 and 2024.

EUR' Million	2025	2024
Net cash generated / (used) from operating activities	(39.1)	(31.8)
Net cash (used) / generated from investing activities	(0.4)	(0.2)
Net cash generated / (used) from financing activities	47.3	62.6
Effect of exchange rates on cash and cash equivalents	–	(0.4)

Cash outflow from operating activities increased from € 31.8M in 2024 to € 39.1M in 2025. The increase in operating cash outflows primarily reflects continued investment in personnel and infrastructure to support the commercialization of ARC^{EX} and the scaling of the Company's operational capabilities. Changes in working capital also contributed to the movement, including modest increases in trade and other receivables and trade and other payables.

Cash flow from investing activities in 2025 reflects the acquisition of property, plant, and equipment.

The cash inflow in 2025 is attributable to the equity financing raised net of transaction costs in October 2025.

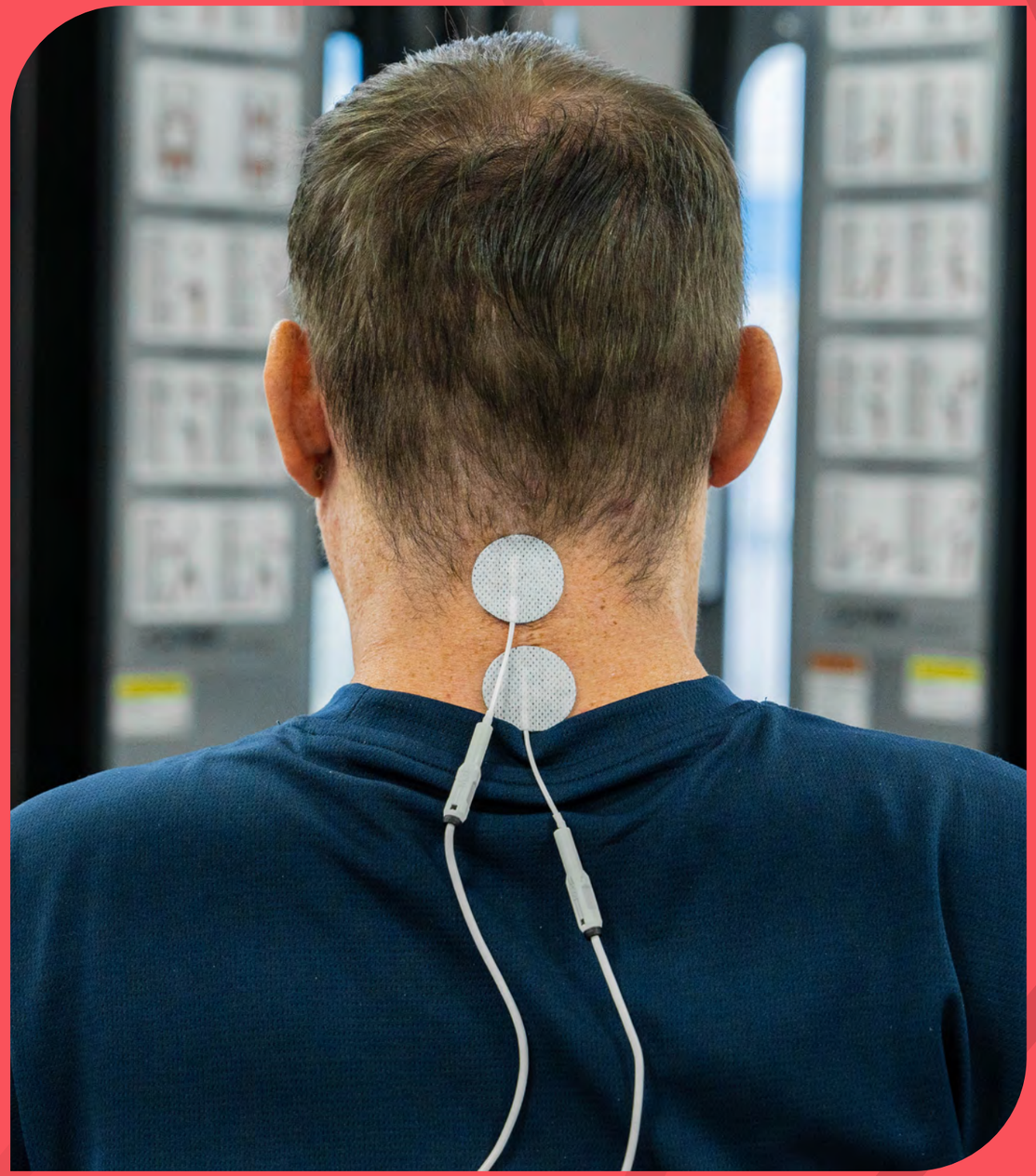
The impact of exchange rates primarily relates to the remeasurement of the Company's USD-denominated loan balance. As this represents a non-cash accounting adjustment recognized in profit or loss under IFRS, it does not result in a corresponding cash flow.

Interest-bearing Loans

Interest-bearing loans decreased from €14.0 million in 2024 to €13.0 million in 2025. The movement primarily reflects non-cash accounting adjustments associated with the Company's debt facility, including the amortization of transaction costs, the application of the effective interest method, and foreign exchange effects arising from the remeasurement of the loan balance at the year-end exchange rate. No additional tranches were drawn under the Runway Growth facility during 2025. Warrants issued in connection with the facility were recognized as a reduction of the loan balance upon initial recognition, consistent with prior-year treatment.

Equity

Equity increased by €7 million during 2025, resulting in a closing balance of €55 million and further strengthening the Company's capital base and financial flexibility. The increase was primarily driven by proceeds from equity financing activities, which generated €47.6 million net of transaction costs and supported the Company's strategic and operational objectives. This was partially offset by the net loss for the period of €41.8 million. Non-cash items, including share-based compensation of €2.6 million, also contributed to the increase in equity, while the remeasurement of post-employment benefit obligations and currency translation differences resulted in a net decrease of €1.6 million.



ONWARD MEDICAL

Governance

Governance

General

ONWARD is a public limited liability company established under the laws of the Netherlands, with common shares listed on Euronext Brussels, Amsterdam and Paris. The Group is composed of ONWARD Medical N.V. (incorporated as a private limited liability company (B.V.) on 20 November 2015) and its wholly owned subsidiaries:

- ONWARD Medical S.A. (Swiss subsidiary established on 12 December 2014)
- ONWARD Medical Inc. (US subsidiary established on 13 September 2013)

The Company and its subsidiaries act as one company.

ONWARD's corporate governance is guided by the rules and principles set out in the Dutch Corporate Governance Code (the DCGC), the requirements of the Dutch Civil Code, the Company's Articles of Association (AOA) and any other applicable laws and regulations, including securities laws. The AOA are available on the ONWARD website **(onwd.com)** under the Investors/Governance tab

ONWARD maintains a Code of Conduct in order to promote a culture of good governance, excellence, and consistency that applies to all directors, officers, and employees. A copy of the Code of Conduct is available on the ONWARD website (onwd.com) under the Investors/Governance tab. The Code of Conduct outlines our commitment to be a responsible social partner and the way in which we attempt to interact with our stakeholders, including shareholders, suppliers, customers, employees, and SCI community. The Code of Conduct expresses our dedication to an economically, socially, and ethically sustainable way of working. The Board has received no indications that the Code is not effective or of any non-compliance.

Governance Framework

The Company's overall governance framework and key governance elements at each level are the following:

- For shareholders: the Articles of Association and Shareholder Dialogue Policy
- For the Board: the Board Rules, the Charter of the Audit Committee, the Charter of the Compensation Committee, and the Charter of the Nomination Committee

Board of Directors

ONWARD has a one-tier board consisting of one or more Executive Directors (uitvoerend bestuurders) and one or more Non-Executive Directors (niet-uitvoerend bestuurders), all of whom are individuals. Our CEO, as Executive Director, with the support of the Management Team, is charged primarily with the Company's day-to-day business and operations and the implementation of the Company's strategy. The non-executive Directors are primarily responsible for supervising the performance of the Executive Director.

In a one-tier governance structure such as that adopted by ONWARD, Non-Executive Directors and Executive Directors share responsibility for managing the company for those tasks and duties that are not delegated to one or more other specific Directors by virtue of Dutch law, the Articles of Association, or any other arrangement catered for therein (e.g., the Rules of the Board). It is therefore important that the Board ensure sufficient independent supervision by Non-Executive Directors.

In accordance with the DCGC, the Board's role is to provide leadership and supervision to the Company on matters of strategy, risk management, and policies. It has overall responsibility

for the management and control of the Company and is authorized to take all actions it deems necessary to achieve the Company's purpose.

In performing their duties, Directors must be guided by the best interests of the Company and its stakeholders, including business partners, employees, and shareholders. The Board has drawn up Rules concerning its organization, decision-making, and other internal matters. These Rules are available on the ONWARD website (onwd.com) under the Investors/ Governance tab.

The composition of the Board aims to ensure a broad diversity of experience, knowledge, and skills. The directors are appointed by the Company's Annual General Meeting of shareholders upon nomination by the Board. The general meeting may dismiss a Director at any time by a two-thirds majority vote if less than half of the issued share capital is represented at the General Meeting, unless the resolution for dismissal is passed at the Board's proposal.

Dutch law does not set a limit on the maximum number of consecutive terms that a Director may serve. According to the DCGC, Non-Executive Directors may be elected for a maximum of two consecutive four-year terms and, subsequently, for a maximum of two consecutive two-year terms. Mr. de Koning has served as a Non-Executive Director since 2016 and brings extensive experience in the life sciences sector through his role at EQT Life Sciences, as well as prior and current board positions. He was re-appointed in 2024 for a period of four years, ending at the annual general meeting of shareholders to be held in 2028. In accordance with best practice provision 2.2.2 of the Dutch Corporate Governance Code, the Board considered his continued tenure beyond eight years and concluded that his strong knowledge of the Company, continued contribution and relevant experience support his reappointment and the effective functioning and continuity of the Board.

The Board meets as often as any Director considers necessary or appropriate. Resolutions are passed by a simple majority of votes cast. In the case of a tie in the vote of the Board, the resolution is not passed. Any resolutions concerning a material change to the character or identity of the Company or its business must be submitted to the Annual General Meeting for approval.

Composition of the Board of Directors

The Company has a one-tier Board consisting of 8 members.

Name	Year of Birth	Nationality	Gender	Position	Year of First Appointed	End of Term
Rob ten Hoedt	1960	Dutch	Male	Independent Non-Executive Director & Chairperson	2025	Annual General Meeting in 2029
Dave Marver	1968	American	Male	Executive Director & CEO	2020	Annual General Meeting of 2029
Ian Curtis	1968	British	Male	Independent Non-Executive Director & Vice-Chair	2019	Annual General Meeting of 2029
John de Koning	1968	Dutch	Male	Non-Executive Director	2016	Annual General Meeting of 2028
Kristina Dziekan	1968	German, Swiss	Female	Independent Non-Executive Director	2022	Annual General Meeting of 2026
Vivian Riefberg	1960	American	Female	Independent Non-Executive Director	2023	Annual General Meeting of 2027
Rahma Samoa	1979	German	Female	Independent Non-Executive Director	2025	Annual General Meeting in 2029
Tim Denison	1970	American	Male	Independent Non-Executive Director	a	a
Lucas Buchanan	1977	American	Male	Independent Non-Executive Director	a	a

a: Interim Director (expected to be nominated for appointment at our Annual General Meeting to be held in 2026).

Board Members' Biographies

Rob ten Hoedt as a former Executive Committee Member at Medtronic, Rob brings an impressive track record in technology development and business-model innovation. He was previously Executive Vice President & President of Global Regions at Medtronic, overseeing the Americas, EMEA, and Asia Pacific. Rob was Chairman of the Board of MedTech Europe, the industry association for medical technology in Europe; he is the current Chairman of Medmix in Switzerland, and serves on the boards of Fagron International and NLC Health. Rob holds a degree in Commercial Economy from H.E.A.O., and a Master's in Marketing from NIMA Business School in the Netherlands. Rob is the Board Chair, a Member of the Compensation Committee and the Nomination and Corporate Governance Committee.

Dave Marver (CEO) is an accomplished chief executive and director with 30 years' international experience in public, private, and emerging companies. He combines expertise in medical and consumer technology, wearables, and health monitoring. Previously, Dave spent almost 15 years with Medtronic, holding a variety of leadership positions in the US and Europe, including vice-president roles in sales, marketing, strategy, and business development. He then joined Nasdaq-listed Cardiac Science Corporation as CEO before co-founding two startups. He holds a BA in psychology from Duke University and an MBA from University of California, Los Angeles.

Ian Curtis is a director of SCI Ventures, a venture capital firm that invests in companies focused on treatments for paralysis. He is a member of the board of the Christopher & Dana Reeve Foundation and the International Spinal Research Trust. Ian is also the chairman of HPC plc, a UK-based engineering company. He is a graduate of Durham University, a fellow of the Institute of Chartered Accountants in England and Wales, and a former partner with PwC. Ian is the Board Vice-Chair and Chair of the Audit Committee.

John de Koning is a General Partner at EQT Life Sciences (formerly LSP), one of the largest European investment firms providing financing for life sciences and healthcare companies. Since joining EQT in 2006, John has led some of its most successful investments and served on the board of several companies, including argenx, Merus, and Prosensa. He holds an MSc in medical biology from the University of Utrecht and a PhD in oncology from the Erasmus University Rotterdam.

Kristina Dziekan is Head of Global Access, Value and Economics, Europe at Intuitive and has been a senior advisor in market access, market development, and policy for life sciences companies. She previously served in leadership roles as Head of Market Access, Government Affairs, and Tendering for Alcon's Surgical Division in Europe,Senior Global Reimbursement and Health Economics Director for Medtronic Neuromodulation, and Health Outcomes Manager for GlaxoSmithKline in the UK and parts of Asia. She earned an MSc in Health Policy, Planning, and Financing from the London School of Economics, an MA in International Economics and European Studies from Johns Hopkins University, a BA in Philosophy, Politics, and Economics from Oxford University. Kristina is a Member of the Audit Committee.

Vivian Riefberg is currently the David C. Walentas Jefferson Scholars Chair Professor of Practice at the Darden School of Business at the University of Virginia and serves on the boards Waystar (WAY:Nasdaq), K Health, Accompany Health and Lightrock, an impact investing firm, as well as the boards of the Public Broadcasting System (PBS), Johns Hopkins Medicine, and the National Education Equity Lab. She is also an advisory board member for the Smithsonian's planned American Women's History Museum. She retired from McKinsey & Company in 2020 after 31 years, having served as co-leader of the US healthcare practice, leader of the public sector practice in the Americas, and on McKinsey's global board of directors. She previously served on the US National Institutes of Health (NIH) Clinical Center Board of Governors and the NIH Advisory Board for Clinical Research. She holds a BA, magna cum laude in history from Harvard-Radcliffe College and an MBA with distinction from Harvard Business School. Vivian is Chair of the Compensation Committee and Chair of the Nomination and Corporate Governance Committee.

Rahma Samow is currently President and CEO of ClearChoice Dental Implant Centers, a US-based provider of dental implant therapy and tooth replacement services with over 2,000 employees. Prior to ClearChoice, she served on the Executive Management Board of the Swiss-based Straumann Group. She also had a 15-year career with Siemens Healthineers, where she held various roles in sales, marketing, and communications in their digital health business, with geographic responsibilities spanning the US, Germany, Middle East, and Africa. Ms. Samow holds a Diploma in Medical Radiology, Radiation Therapy, and Nuclear Medicine Technology from the Medical University of Bonn, Germany. Rahma was a Member of the Audit Committee until Q3 of 2025.

Professor Tim Denison holds a Chair in Emerging Technologies by the Royal Academy of Engineering at the University of Oxford, where he is Professor of Engineering Science and Clinical Neurosciences. Denison was formerly Vice President of Research & Core Technology for the Restorative Therapies Group at Medtronic, where he helped oversee the design of next-generation neural interface and algorithm technologies for the treatment of neurological disorders. Denison is a Fellow of both the American Institute of Medical and Biological Engineering and the Royal Academy of Engineering. He is also Co-Founder and Chief Engineer at Amber Therapeutics, a neurotechnology company pursuing solutions for urinary incontinence. Denison received an AB in Physics from the University of Chicago, and an MS and PhD in Electrical Engineering from MIT. He also completed an MBA as a Wallman Scholar at the University of Chicago.

Lucas Buchanan brings over 25 years of expertise in commercialization, operations, business development, investing, and finance. As the CCO and CFO at Silk Road Medical, he helped lead the company from its founding through to its IPO in 2019 and ultimate sale to Boston Scientific in 2024. Lucas previously held roles at The Vertical Group, Impax Laboratories, Warburg Pincus, Medtronic, and Ernst & Young. Lucas is an active investor who currently serves on the Boards of Directors for several medical technology companies. He holds a BA in Economics from Duke University and an MBA in Health Care Management from The Wharton School at the University of Pennsylvania. Lucas joined as a Member of the Audit Committee in Q3 2025.

Director independence

In accordance with best practice provision 2.1.7 of the DCGC, the majority of the Non-Executive Directors must be independent; at most, one Non-Executive Director does not have to meet the independence criteria. A Board member is considered "not independent" if he or she, a spouse, partner, or close family member (related by blood or marriage up to the second degree) meet any of the conditions listed below:

- Has been an employee or member of the management board of the Company, including associated companies (as referred to in Section 5:48 of the Financial Supervision Act *Wet op het financieel toezicht/ Wft*) in the five years prior to their appointment.
- Receives personal financial compensation from the Company, or an associated company, other than the compensation received for the work performed as a Board member.
- Has had an important business relationship with the Company or an associated company in the year prior to the appointment.
- Is an executive of a company in which a member of the management board of the company which he supervises is a non-executive Board member.
- Has temporarily performed management duties during the previous twelve months in the absence or incapacity of a member of the management board.
- Has a shareholding in the Company of at least 10%.
- Is a member of the management board or supervisory board, or a representative in some other way, of a legal entity that holds at least 10% of the shares in the company, unless the entity is a group company.

At the date of this Annual Report, the Board consists of nine members, of whom eight are Non-Executive Directors. Only one Non-Executive Director is deemed "not independent" based on meeting certain of the conditions above. John de Koning is considered "not independent" as he is a representative of a major shareholder in the Company (EQT Group (formerly LSP)). The requirements for independence as per best practice provision 2.1.7 of the DCGC are met.

Committees within the Board of Directors

The Board has established the following three committees:

- the Audit Committee
- the Compensation Committee
- the Nomination and Corporate Governance Committee

Non-Executive Directors are appointed to committees by the Board. The committees report their findings to the Board, which is ultimately responsible for all decision-making. The role, responsibility, and functioning of each committee is summarized below.

Audit Committee

The Audit Committee comprises three members: Ian Curtis (Chair), Kristina Dziekan, Rahma Samow (up to Q3 2025) and Lucas Buchanan (since Q3 2025).

In accordance with its charter, the Audit Committee is charged with the following matters:

a. Monitoring the Board with respect to:
   - relations with the internal audit function and the external auditor, as well as compliance with recommendations and follow-up of comments
   - the Company's funding
   - the application of information and communication technology by the Company, including risks relating to cybersecurity
   - the Company's tax policy

b. Issuing recommendations concerning the appointment and the dismissal of the head of the internal audit function, as relevant, and reviewing and discussing the performance of the internal audit function.

   ONWARD has not yet established a separate internal audit function and the related responsibilities as per the charter do not apply.

c. Reviewing and discussing the Company's audit plan, including with the internal audit function and the external auditor.

d. Reviewing and discussing the essence of the audit results, also with the internal audit function, including:
   - flaws in the effectiveness of the Company's internal risk management and control systems ("Internal Controls")
   - findings and observations with a material impact on the Company's risk profile
   - failings in the follow-up of recommendations made previously by the internal audit function

e. Monitoring the audit of the Company's annual accounts, annual report, and financial reporting processes, and making proposals to safeguard the integrity of these processes.

f. Reviewing and discussing the effectiveness of the design and operation of the Internal Controls with the Board, the CEO, and the CFO, including identified material failings in the Internal Controls and material changes made to, and material improvements planned for, the Internal Controls.

g. Reviewing and monitoring the independence of the external auditor, also considering any non-audit services rendered by the external auditor.

h. Submitting proposals to the Board concerning the external auditor's engagement to audit the Company's financial statements, including the scope of the audit, the materiality standard to be applied, and the external auditor's fees.

The members of the Audit Committee are appointed and dismissed by the Board. More than half of all its members, including the chairperson, must be independent within the meaning of the DCGC and at least one committee member must have competence in accounting and/or auditing.

The Audit Committee shall meet as often as it determines is appropriate to carry out its responsibilities and each meeting shall be presided over by the chairperson and, in the absence of the chairperson, one of the other members shall be designated as the acting chairperson of the meeting.

Compensation Committee

The Compensation Committee comprises three members: Vivian Riefberg (Chair), Ian Curtis, and Rob Ten Hoedt. .

In accordance with its charter, the Compensation Committee is charged with the following matters:

a. Submitting proposals to the Board concerning changes to the Company's compensation policy.

b. Submitting proposals to the Board concerning the compensation of individual Directors, covering:
   - compensation structure
   - amount of the fixed and variable compensation components
   - applicable performance criteria
   - scenario analyses that have been carried out
   - pay ratios within the Company's group
   - views of the Director concerned regarding the amount and structure of his or her own compensation

c. The preparation of the Company's compensation report for the Board.

Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee comprises three directors: Vivian Riefberg (Chair), Ian Curtis, and Rob Ten Hoedt.

In accordance with its charter, the Nomination and Governance Committee is charged with the following matters:

a. Drawing up selection criteria and appointment procedures for the Directors.

b. Reviewing the size and composition of the Board and submitting proposals for the composition profile of the Board.

c. Reviewing the functioning of individual directors and reporting on such reviews to the Board.

d. Drawing up a plan for the succession of directors.

e. Submitting proposals for (re)appointment of directors.

f. Supervising the policy of the Board regarding the selection criteria and appointment procedures for the Company's senior management and executive officers

Management Team

The Management Team is responsible for running the Company in accordance with the strategies, policies, and budgets determined by the Board. It has all powers except for those reserved for the Board and the General Meeting of shareholders by law and by the Company's Articles of Association.

The members of the Management Team commit to carrying out their duties in accordance with the highest business, ethical, moral, and legal standards laid out in the Company's Code of Business Conduct and Ethics (see onwd.com, Investors/Governance). They strive to lead by example by embodying the ONWARD code of values in everything they do. The Management Team meets at least once a week.

Name	Position	Member Since
Dave Marver	Chief Executive Officer	2020
Ali Kiboro	Chief Financial Officer	2026
Shari O'Quinn	Chief Clinical, Regulatory & Quality Officer	2025*
Sean Sciara	Chief Commercial Officer	2025
Robert Odell	VP Operations	2023
Julien Camisani	VP Engineering	2024
Lorenzo Fanti	VP Legal	2024
Sébastien Cros	VP Communications	2025

Amori Fraser	Finance Director	2024
Julie Crom	Director: People & Culture	2024
Alexandre Casteau	Head of Strategy & Corporate Development	2024

Biographies of the Management Team

Dave Marver (see biography **p. 125**).

Ali Kiboro joined ONWARD as Chief Financial Officer in January 2026 and brings over 25 years of experience across MedTech, global healthcare, diagnostics and industrial organizations. Ali previously served as the Chief Financial Officer at AliveDx where he led financial strategy, capital markets and operational transformation. He raised over $200 million across public and private markets and worked closely with boards, investors, and lenders to drive long term value creation. Prior to AliveDx, Ali served in a variety of senior finance leadership roles at Quest Diagnostics and General Motors. Ali holds an MBA in Finance from The Wharton School of the University of Pennsylvania and a BSc. in Finance, summa cum laude, from Duquesne University.

Shari O'Quinn is an accomplished executive with more than 25 years of leadership experience building and scaling Clinical, Regulatory, Quality, Medical Affairs, and Health Economics functions into strategic drivers of innovation and business growth. She brings deep expertise in Class II and Class III medical devices, global approval pathways, and evidence-based commercialization across all major regions. Shari has held senior roles at W.L. Gore, TriVascular, Endologix, and C.R. Bard. She holds a B.A. from the University of Virginia.

Sean Sciara is a seasoned global executive with over 25 years of experience in commercial and general management roles in the medical device industry. He brings deep expertise across global product launches, product management, sales management, and portfolio planning and has successfully launched over 40 products in his career spanning single use devices, active implantable devices, capital equipment, and software. Prior to joining ONWARD, Sean held senior marketing and sales leadership positions at Guidant, Greatbatch Medical (now part of Integer Holdings), and most recently Boston Scientific where he held several VP level roles including Vice President of Global Marketing for one of the company's fast growing strategic divisions. Sean holds a Bachelor of Science in Electrical Engineering from Carnegie Mellon University and an MBA from the University of Minnesota.

Robert Odell brings to ONWARD decades of technology and leadership experience in the medical device industry. Prior to joining ONWARD, Robert was President and Chief Operating Officer of Cardiac Insight, Inc., a successful startup that created and introduced disruptive cardiac monitoring technology. Prior to Cardiac Insight, he served as COO for Cardiac Science, a publicly traded manufacturer of Class II and Class III devices. Robert has held executive assignments in Operations, Engineering, Marketing, Business Development, Information Technology, and QA/RA with such notables as GE Healthcare, Siemens Medical Solutions, Philips Medical Systems, Medtronic, and Analogic. The foundation for his career is a degree in electrical engineering from Syracuse University.

Julien Camisani brings more than twenty years of experience, fifteen of which are in the life sciences industry, where he has been instrumental in inventing, developing, marketing, and sustaining advanced laboratory, medical and bio-manufacturing technologies. Prior to joining ONWARD® Medical, Julien led diverse and global teams, and managed large-scale projects with proven leadership across research and development, manufacturing, intellectual property and product management for companies like Cytiva, GE Healthcare and Biosafe. He holds dual master's degrees in Embedded Systems from the University of Lugano, collaborating with ETH Zurich and Politecnico di Milano, complemented by an MBA from the University of Cumbria and a professional certificate in Technology Road mapping and Strategic Innovation from MIT.

Lorenzo Fanti is a dual-qualified US and English attorney with 15 years of experience specializing in pharmaceuticals and medtech. Prior to joining ONWARD Medical, Lorenzo served as worldwide Legal Head, Ophthalmology ad interim at Novartis Pharmaceuticals, and, prior to that, he was Country Legal Head for Chile ad interim for the Novartis group of companies. He has held various roles with increasing responsibility at Novartis, including

in the Neuroscience franchise, where he contributed to the launch of innovative migraine treatments. Early in his career, he was a Trademark Paralegal with Sandoz, and he trained with Allen & Overy LLP in London. He holds an LL.B. from the University of Wales.

Sébastien Cros brings extensive experience in global communications across both private and public healthcare companies. Prior to joining ONWARD Medical in May 2025, Sébastien served as Global Head of Corporate Communications at Galderma, the dermatology category leader that went public in 2024. Over the course of 15 years, he held roles of increasing responsibility at Galderma and Nestlé's skin health division, where he successively led global teams in media relations, public affairs, financial communications, transformation and employee engagement, issues and crisis management, global congresses and events, and digital. Earlier in his career, he served as digital marketing and economic intelligence project lead at Servier International. Sébastien holds a Doctor of Pharmacy (PharmD) degree from the University of Montpellier, France, and an LLM in Intellectual Property.

Amori Fraser serves as the Finance Director at ONWARD Medical, leveraging over 20 years of experience in both finance and auditing. Prior to her current role, she worked as a Senior Manager at EY, specializing in financial reporting, regulatory compliance, financial analysis and internal controls serving multi-national listed groups. Amori's experience in auditing and finance enables her to drive efficient financial operations and support the company's growth initiatives. Amori holds a BComHons degree in Accounting Sciences from the University of Pretoria and is a qualified Chartered Accountant (CA) with the South African Institute of Chartered Accountants (SAICA).

Julie Crom has more than 10 years of experience in Human Resources in the medical devices industry. Prior to joining ONWARD Medical, Julie served as Healthcare & Life Sciences Practice Lead at Michael Page, a leading recruitment company in Europe. In her role, she supported middle-to-large medical device companies in recruitment and organizational strategy. Julie holds an MSc in International Business Management from INSEEC business school.

Alexandre Casteau brings extensive healthcare corporate strategy expertise. A former management consultant with McKinsey & Company, Alexandre spent several years advising global life science businesses on growth strategy and large-scale transformations. He also launched and led the McKinsey Switzerland startup/scaleup service line, providing a differentiated strategy consulting offering to help early-stage, fast-growing companies scale. Earlier in his career, Alexandre held a variety of roles at Endeavor, Rocket Internet SE and Société Générale Corporate & Investment Banking. He holds an MBA from INSEAD and an MSc. from MIT.

Uniqueness & Opportunity

ONWARD believes that diverse perspectives, backgrounds, and life experiences contribute to stronger decision-making and better governance. The Company is committed to fostering, valuing and benefiting from fair opportunity principles. The Company endeavors to act in line with the spirit and objectives of best practice provisions 2.1.5 and 2.1.6 of the Dutch Corporate Governance Code. Diversity and inclusion principles are embedded in the Company's governance practices, leadership approach, recruitment processes, and Code of Conduct, which promotes professionalism, respect, fairness, and a socially safe working environment.

Although no formal numerical targets have been adopted, ONWARD's ambition remains for both the Supervisory Board and the Management Team to include at least one-third female representation, alongside a balanced mix of professional expertise, international experience, age profiles, and perspectives relevant to the Company's stage of development and strategy. The Company promotes fair opportunity across the full employment lifecycle, including recruitment, compensation, career progression, leadership representation, working conditions, retention and access to development opportunities.

As at year-end 2025, ONWARD's Board comprised nine members, including six male directors (one executive director) and three female directors (all non-executive). The Management Team consisted of eleven members, of whom eight were male and three female. ONWARD's ongoing recruitment and succession efforts for both Board and management roles continue to emphasize independence, diversity of background, and broad representation.

Stakeholder dialogue

The Company has drawn up an outline policy for effective dialogue with stakeholders. The company is prepared to engage in a dialogue and will facilitate this dialogue unless, in the opinion of the Board and Management Team, this is not in the interests of the Company and its affiliated enterprise. This policy is available on our **website**.[1]

Conflicts of Interest

According to principle 2.7.4 of the DCGC, the Company must report on directors' conflicts of interest in transactions in its management report where the conflict of interest is of material significance to the Company or to the relevant director. Directors and members of management are expected to arrange their personal affairs so as to avoid conflict of interest. Any potential conflict of interest must be brought to the attention of the Board.

Certain directors and members of the Management Team have a direct or indirect beneficial interest in ONWARD's share capital or serve as a representative of a legal entity that is a major shareholder. In their capacity as non-executive directors, their primary duty is to supervise the performance of the executive directors and the management of the Company and its business. A conflict of interest may arise if a decision aimed at contributing to the Company's long-term and sustainable success negatively impacts its share price in the short term, thereby reducing the value of the shareholding of which the non-executive director is a representative.

As of 31 December 2025, the potential conflicts of interests between the duties to the Company of each of the directors and members of the Management Team and their private interests or other professional duties were as follows:

a. John de Koning represents EQT, a major shareholder of the Company and Non-Executive Director of the Company.

No transactions that would result in a conflict of interest were reported to the Board in 2025.

[1] *https://ir.onwd.com/corporate-governance*

Related Party Transactions

ONWARD's policy on related party transactions is designed to comply with the applicable provisions of the Dutch Civil Code (DCC) and the recommendations of the Dutch Corporate Governance Code. The Dutch act implementing the EU Shareholder Rights Directive II (Bevordering van de langetermijnbetrokkenheid van aandeelhouders, the "Dutch SRD Act"), which entered into force on 1 December 2019, introduced additional requirements in the DCC relating to related party transactions. Under these provisions, material transactions with related parties that are not entered into in the ordinary course of business or not concluded on arm's length terms require prior approval by the Board and must be publicly disclosed at or before the time the transaction is entered into.

In accordance with these requirements, the Board has established internal procedures to periodically assess whether transactions with related parties are conducted in the ordinary course of business and on normal market terms. In particular, transactions between ONWARD and shareholders holding 10% or more of the issued share capital are required to be entered into on customary terms. Any transaction of material significance to the Company and/or the relevant shareholder would require Board approval and disclosure in the Company's management report, together with a statement confirming compliance with the applicable governance requirements.

No related party transactions meeting the criteria for disclosure under the DCC or the Dutch SRD Act occurred or were reported to the Board during the 2025 financial year.

General Meeting

The main powers of the General Meeting relate to:

- the issuance of shares or rights to shares, restriction, or exclusion of pre-emptive rights of shareholders, repurchase of shares, and reduction of the issued share capital
- the amendment of the Articles of Association
- the appointment, suspension, and dismissal of members of the Board

- decisions of the Board involving a significant change in the Company's identity of character
- the approval of the remuneration policy of the Board
- the adoption of the financial statements and declaration of dividends
- the appointment of the Company's external auditor

The Annual General Meeting is held within six months after the end of the financial year to discuss and, if applicable, approve, the Annual Report, the Annual Accounts, and any of the other topics mentioned above.

The Annual General Meeting and, if necessary, other General Meetings, are convened by the Board. The agenda and explanatory notes are published on the Company website.

The last Annual General Meeting was held on 11 June 2025. The agenda, explanatory notes and minutes are published on the Company website. The date of the next Annual General Meeting will be announced after publication.

Deviations from the Best Practices Provisions of the Dutch Corporate Governance Code

ONWARD acknowledges the importance of good governance and is committed to adhering to the best practices of the DCGC as much as possible. As of the date of this Annual Report, we report the following deviations from the DCGC:

- **Best practice provision 2.1.5. and 2.1.6** In deviation from best practice provisions 2.1.5 and 2.1.6 of the DCGC, ONWARD has not yet formalized its diversity and inclusion ambitions, objectives, and implementation plan in a dedicated policy, nor has it established specific, measurable targets across all organizational layers. This reflects the Company's current scale, international footprint, and focus on operational execution during a period of transition to commercialization. Notwithstanding the absence of a formal policy, ONWARD believes it is substantively meeting the intent of the Code through its governance practices, leadership culture, recruitment decisions, and commitment to fairness. The Company continues to periodically assess whether and when further formalization of its framework would be appropriate and value-adding, taking into account its evolving organizational needs and regulatory environment.
- **Best practice provision 3.1.2 v** The DCGC recommends that variable remuneration should be linked to measurable performance criteria determined in advance. To align the employees' interest with the interests of the shareholders and to allow the participation in the long-term growth of the Company, options were granted to the Management Team (including the Executive Director). There is no specific performance conditions associated to these options, only a service condition. However, considering that the value of the option is linked to the share price of ONWARD, it includes an inherent performance criterion. Furthermore, the size of the stock option is linked to the position and job grade of the individual and is contingent on the performance of the individual. We will consider if more clear measurable performance criteria should be added to future grants.
- **Best practice provision 3.3.3.** The DCGC recommends that shares held by a non-executive director in the company on whose Board of Directors they serve should be held as a long-term investment. The Company's Compensation Policy does not include such a requirement.
- **Best practice provision 4.3.3.** The DCGC recommends that the General Meeting should be capable of passing a resolution cancelling the binding nature of a nomination or dismissal by simple majority, representing no more than one-third of the issued share capital. Under the Articles of Association, directors can only be appointed or dismissed by the General Meeting by simple majority of votes cast, provided that the Board proposes the appointment or dismissal. In other cases, the General Meeting can only pass a resolution to appoint or dismiss a director by a two-thirds majority representing more than half of the issued share capital. The Company deems this appropriate considering the remaining shareholdings and involvement of the Company's current significant shareholders.

ONWARD MEDICAL

Risk Management & Control

Risk Management & Control

Effectively identifying, assessing, and managing internal and external risks is critical to achieving our strategic objectives, ensuring the reliability of our financial reporting, and maintaining compliance with all applicable laws and regulations. Our primary risk areas remain focused on the research and development of ARC Therapies, securing regulatory approvals for future indications, protecting intellectual property, and ensuring the Company's financial stability in the mid- to long-term. In addition, management periodically assesses risks related to fraud and misconduct, including risks that could impact the integrity of financial reporting.

The Management Team is responsible for developing, implementing, and maintaining robust risk-management and internal control systems, while the Board provides oversight of these processes. These systems are continuously reviewed, expanded and refined based on the stage and growth of the Company, internal evaluations, discussions with the Board and Audit Committee, and external audits. Fraud risk considerations form part of these evaluations and are discussed with the Board and Audit Committee as appropriate.

The findings from our 2025 annual risk review are reflected in this report. During 2025, management continued to operate and further embed the Company's internal control framework, which is designed to provide reasonable assurance over the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management performed a self-assessment of the system of internal control with reference to the key components of internal control, taking into account the Company's current stage of development and increasing commercial activities. As part of this process, management also performed an annual fraud risk assessment to identify and evaluate potential fraud risks relevant to the Company's operations and financial reporting.

The assessment confirmed that the framework remains appropriate and proportionate, while also identifying areas for ongoing enhancement as the business evolves, including in response to increased transaction volumes, inventory levels, and revenue arrangements following FDA clearance and initial commercialization. Management continues to refine controls and documentation where needed and to address identified financial statement and fraud risks through targeted mitigating actions, supported by Board and Audit Committee oversight. Key areas considered in the fraud risk assessment included revenue recognition, inventory existence, and management override of controls, which are addressed through documented policies, review procedures, and oversight controls.

As ONWARD progresses further into its commercial phase, the internal control framework will continue to be reviewed and updated to reflect changes in processes, systems, and risk profile, with a focus on maintaining robust governance while scaling efficiently. The Company is in the early stages of developing processes related to sustainability information.

Since ONWARD does not have a dedicated internal audit function, the Board conducts an annual review to determine whether alternative measures are sufficient. Based on the Audit Committee's recommendation, Directors may evaluate the necessity of establishing an internal audit function. In 2025, no deficiencies in our risk-management and control systems were identified that would result in a material misstatement in the financial statements.

While these systems strengthen our ability to achieve strategic goals and regulatory compliance, they cannot provide absolute assurance against all risks, misstatements, or instances of non-compliance. This includes the risk of fraud or management override of controls. We remain committed to continuously enhancing our approach to risk management and internal controls to support the long-term success of the Company.

Risk Control Matters

The Company has implemented a risk detection, evaluation, and management system tailored to its size, operations, and growth stage. The Board and Management Team continuously assess potential risks, evaluate their financial impact and likelihood, and take proactive measures to mitigate them. Risk assessments are updated in response to evolving internal and external conditions. This includes an annual fraud risk assessment process through which identified risks and mitigating actions are documented in the Company's risk register.

The Board and Management Team meet regularly to review developments, set strategic objectives, and track progress toward key milestones. These meetings also include assessments of ONWARD's financial position, as well as the presentation and review of budgets and cash flow forecasts, which are continuously monitored and adjusted as needed. The Management Team remains vigilant in identifying and addressing emerging risks, adapting strategies, and implementing necessary countermeasures as required.

To effectively manage business risks, we leverage a combination of highly experienced internal experts and external consultants for research and clinical studies. Study results are closely and systematically monitored, allowing for timely responses to new findings and adjustments to preclinical and clinical activities as needed. Regular internal budgeting and financial monitoring enable early detection of deviations from financial plans, allowing for swift corrective actions.

Given our reliance on third parties to meet regulatory requirements and uphold quality standards, we apply a rigorous selection process when engaging contractors. The Management Team carefully evaluates and selects major clinical trial and component service providers based on their quality and expertise. We continuously review the performance of these partners to ensure alignment with our operational and compliance expectations.

To protect and monitor our intellectual property (IP), we collaborate exclusively with highly specialized consultants and legal experts. The Management Team also conducts ongoing reviews of patent protections and potential conflicts to safeguard our innovations.

In our financial reporting process, our risk-management and internal control systems are designed to ensure the accuracy and integrity of our financial data. These systems provide reasonable assurance that transactions are recorded correctly, financial reporting complies with legal and regulatory standards, and published financial statements are free from material misstatements. Additionally, controls are in place to ensure that receipts and expenditures are authorized and that assets are adequately safeguarded.

To manage risks related to valuation uncertainties, we engage specialists with the necessary expertise to support financial reporting valuations, including the assessment of defined benefit obligations and the fair value of options granted.

As part of our internal control framework, we have adopted various policies and procedures, including standard operating procedures, a dual-control principle, spot checks, automated expense reimbursement tools, internal contract approval processes, and clearly defined signatory rules. Together with management review controls and procedures for reporting concerns, these measures support the prevention and detection of fraud and other irregularities and help ensure compliance with governance standards. The Board and management periodically review the design and effectiveness of these controls. Where the size of the organisation limits full segregation of duties, compensating oversight and governance measures are applied.

Risk Appetite

Our risk appetite differs according to the various risk categories ONWARD is exposed to, namely:

- **Risks related to our business, strategy and industry** include adverse, unexpected developments resulting from internal processes, people, and systems or from our external research partners and external events, which are linked to the operation of the business. We are prepared to take moderate risks to achieve our ambitions and to balance risk and long-term reward.
- **Risks related to legal and government regulation** relate to unanticipated failures to comply with applicable laws and regulations. We aim to minimize these risks by aiming to comply fully with these laws and regulations.
- **Risks related to intellectual property.** We aim to minimize these risks, only accepting a low level, to ensure that intellectual property is protected.
- **Risks related to our financial position, need for additional capital, and taxation** occur in connection with funding, treasury, tax, accounting, and reporting. ONWARD is prudent with respect to these financial risks, with the aim of maintaining long-term solvency. We are committed to transparent and truthful accounting and reporting that allow users of financial statements to make decisions considering these risks. We currently do not engage in any hedging activities. Our financial risk management is set out in note 4.3 of our consolidated financial statements.

Description of the Principal Risks Associated with the Company's Activities

A key risk for the Company remains the ability to obtain and maintain regulatory approvals across relevant jurisdictions and indications. While FDA clearance and CE mark have been achieved for one product, regulatory requirements continue to apply to additional indications, markets, and lifecycle changes, and delays or changes in regulatory expectations could affect timelines or costs. As the Company has entered its initial commercial phase, its risk profile has evolved to include risks associated with market adoption, reimbursement dynamics, and the execution of commercialization activities. The success of these efforts depends on the acceptance of the Company's products by clinicians and patients, the availability of appropriate reimbursement pathways, and the Company's ability to scale manufacturing and supply chain operations in a controlled and compliant manner while maintaining quality and performance standards.

To proactively manage regulatory risks, ONWARD relies on a dedicated and skilled regulatory team, maintains continuous engagement with regulatory bodies, and works closely with third-party suppliers to mitigate potential quality issues.

The following section outlines the primary risks and uncertainties that we consider significant threats to achieving our objectives. These risks may impact the Company's future operational and financial performance, as well as the value of an investment in the Company's securities. Additional risks and uncertainties, including those not currently known or considered immaterial at this time, could also adversely affect our business, financial condition, results of operations, and growth prospects. If any of these risks materialize, the price of the Company's securities may decline, potentially resulting in partial or total investment loss.

While this list highlights key risk factors, it is not exhaustive, as unforeseen contingencies may arise that could further impact our business.

Risks related to the Company's business, strategy & industry

The Company partially depends on the success of two investigational devices, the ARC^{IM} and ARC^{BCI} platforms. Even if the Company completes clinical development and obtains favorable clinical results for the initial indications it is pursuing, it may not be able to obtain regulatory clearance or approval for, or successfully commercialize, its ARC^{IM} and ARC^{BCI} platforms.

ONWARD currently has two investigational devices in clinical development — the ARC^{IM} and ARC^{BCI} platforms — and our business depends almost entirely on the successful clinical development, regulatory clearance or approval, and commercialization of these investigational devices, which may never occur. We currently have one product available for sale, that will generate revenues from sales of products, but this is our first product to commercialize and subject to risks of market acceptance, manufacturing as included in this report.

Our ARC^{IM} platform will require substantial additional clinical development, testing, manufacturing process development, and regulatory clearance or approval before we are permitted to commence their commercialization. For example, before obtaining Premarket Approval (PMA) approval from the FDA for our ARC^{IM} platform, we must show, among other things, that the product is safe and effective for use in each target indication, a process that can take many years.

Of the substantial number of medical devices in development in the US, only a small percentage successfully complete the regulatory clearance or approval process required by the FDA and become commercialized. Similarly, many medical devices currently in development will ultimately not obtain the certificate of conformity required for commercialization in the European Economic Area (EEA). Therefore, even if we obtain the requisite capital to continue funding our development and clinical programs, we may be unable to successfully develop or commercialize our ARC^{IM} and ARC^{BCI} platforms or any other product candidate.

Enrollment and retention of patients in clinical trials is an expensive and time-consuming process and could be made more difficult, or rendered impossible, by multiple factors outside the Company's control. This could significantly delay the completion of such trials or may cause the Company to abandon one or more clinical trials.

ONWARD may encounter delays or difficulties in enrolling — or may be unable to enroll — a sufficient number of patients to complete any of its clinical trials on its current timelines, or at all. Even once candidates are enrolled, the Company may be unable to retain a sufficient number of patients to complete any of its trials.

Patient enrollment in clinical trials, and completion of patient follow-up, depend on many factors, including the size of the patient population, the nature of the trial protocol, the proximity of patients to clinical sites, eligibility criteria for the clinical trial, patient compliance, competing clinical trials, and clinicians' and patients' perceptions as to the potential advantages of the product being studied in relation to other available therapies, including any new treatments that may be cleared or approved for the indications we are investigating.

Patients may be discouraged from enrolling in ONWARD's clinical trials if the trial protocol requires them to undergo extensive post-treatment procedures or follow-up to assess the safety and effectiveness of a product candidate, or they may be persuaded to participate in contemporaneous clinical trials of a competitor's product candidate. Patients participating in our clinical trials may drop out before completion of the trial or experience adverse medical events unrelated to the products. Delays in patient enrollment, or failure of patients to continue participating in a clinical trial, may delay commencement or completion of the clinical trial, increase in the costs of the clinical trial, or result in failure of the clinical trial.

Since some of the indications that our investigational devices are intended to treat are limited, ONWARD expects only a subset of patients with spinal cord injury (SCI) to be eligible for its clinical trials. The protocols for our clinical trials generally mandate that a patient cannot be involved in more than one clinical trial for the same indication. Therefore, subjects who participate in ongoing clinical trials for products that compete with our investigational devices are not eligible to participate in our clinical trials. ONWARD cannot guarantee that any of its programs will identify a sufficient number of patients to complete clinical development, pursue regulatory clearance or approval, or market its investigational devices, if cleared or approved.

An inability to recruit and enroll a sufficient number of patients for any of its current or future clinical trials would result in significant project delays, or may require us to abandon one or more clinical trials altogether, which could impact ONWARD's ability to develop its investigational devices and may have a material adverse effect on its business, results of operations, and financial condition.

The ARC^{EX} system and, if approved, the ARC^{IM} and ARC^{BCI} systems, will require market acceptance to be successful. Failure to gain market acceptance would impact the Company's revenues and may materially impair its ability to continue its business.

Even after receiving regulatory clearances or approvals (like for ARC^{EX}), the commercial success of our products will depend in part on their acceptance by critical stakeholders as a therapeutic and cost-effective alternative to competing products and treatments for people with SCI. Critical stakeholder to adopt our therapies include medical professionals working in the rehabilitation clinic setting (such as physicians, physical therapies, occupational therapies, neurologists, and physiatrists), functional neurosurgeons, patients, third-party payors such as health insurance companies, and other members of the medical community. There can be no assurance that medical professionals, hospitals, and rehabilitation clinics will adopt the use of ARC^{EX} and ARC^{IM} and establish training and procedures to implement them. Market acceptance of, and demand for, any product we may develop and commercialize will depend on many factors, both within and outside of our control. Payors may view new or recently launched products, or products where limited clinical data is available, as investigational, unproven, or experimental, and on that basis may deny coverage of procedures involving use of these products or require additional clinical trials and data before providing coverage. If our investigational devices fail to gain market acceptance, ONWARD may be unable to earn sufficient revenue to continue our business.

Despite the Company obtaining clearance or approval for its products, the commercial success will depend in part on the level of reimbursement it receives from third parties for the cost of its products to users.

In most markets, third parties such as health insurers, government-managed healthcare schemes, or managed care organizations decide which treatments they will cover and how much of the cost they will reimburse. These reimbursement systems vary widely, meaning that approval for reimbursement must be obtained on a country-by-country basis. ONWARD's business could be adversely affected if hospitals or other users are not able to obtain and maintain coverage and adequate reimbursement for procedures using our devices.

Additionally, third-party payors, especially in the US, are increasingly examining not only product safety and effectiveness but also their cost-effectiveness when making coverage and payment decisions. It is uncertain whether ONWARD's current products, or any planned or future products, will be viewed as sufficiently cost-effective to warrant coverage and adequate reimbursement levels in any given jurisdiction.

Post-approval, the Company's ability to achieve commercial success will depend on securing access to hospitals, clinics, and other healthcare facilities. Failure to obtain such access could negatively affect sales and operating results.

If the Company's investigational devices obtain regulatory clearance or approval, the Company's ability to achieve commercial success will depend on securing access to hospitals, clinics, and other healthcare facilities. Failure to obtain such access could materially adversely affect sales and operating results.

In the United States, physicians and clinicians typically require their hospitals or clinics to enter into purchasing agreements or add the Company's products to approved vendor lists or formularies before they can be used. These processes often involve lengthy evaluations, extensive negotiations, credentialing requirements, value analysis committee reviews, and significant management time. There can be no assurance that the Company will successfully navigate these processes or secure favorable terms.

In Europe and other international markets, certain healthcare institutions, particularly public or government-funded entities, may require the Company to participate in formal tender or procurement processes for purchases exceeding specified thresholds (which vary by jurisdiction). These tenders are typically competitive, time-limited, and subject to strict procedural and pricing requirements. The Company may not qualify to participate, submit winning bids, or secure contracts.

Even where formal tenders are not required, private institutions may impose similar contracting or approval hurdles. If the Company is unable to obtain access to healthcare facilities through these processes, or if it expends substantial resources without success, commercial adoption could be delayed or limited, resulting in lower-than-expected revenue and harm to the Company's business, financial condition, and results of operations.

The Company relies on a limited number of third-party suppliers and contract manufacturers to produce and assemble its products. Loss or degradation in performance of these suppliers and contract manufacturers could have a material adverse effect on the Company's business, financial condition, and results of operations. Reliance on a limited number of third-party suppliers and in some cases single-source suppliers, makes

the Company vulnerable to supply shortages and problems and price fluctuations, which could further harm our business.

We rely on a limited number of third parties, some of whom are sole suppliers, to purchase materials and components, and/or to manufacture and assemble our ARC^{EX} and ARC^{IM} platforms. Our ability to supply our products for clinical trials and, ultimately, to market them and to develop future products, depends on the availability of sufficient quantities of materials, components, and manufacturing services that meet regulatory requirements. While we seek to maintain sufficient levels of inventory at all times, this may not fully protect us from supply interruptions.

Our suppliers and contract manufacturers have generally met our demand for their products and services on a timely basis. However, relationships with suppliers may be disrupted due to a number of factors, such as unforeseen events that delay production or a decision by either party to terminate the relationship.

If that occurs, we are confident that we will find alternative suppliers to meet all our needs. However, due to the relatively low volume of orders and the bespoke nature of our requirements, establishing new relationships would be a time-consuming and expensive process. We would need to verify that the new supplier or third-party manufacturer maintains their facilities, procedures, and operations in accordance with ONWARD's quality standards and all applicable regulatory requirements. In addition, our contract manufacturers could require that we move production to a different facility or use alternative materials or components. Any of these events could require us to modify the designs or specifications of our products, and to secure new regulatory approval before implementing the change, which could result in further delay or a refusal to grant clearance.

The Company may face challenges in manufacturing or outsourcing the production of the ARC^{EX} system at scale, within required timelines, or at a sustainable cost.

The Company's revenue and operating results depend, in part, on its ability to manufacture and supply the ARC^{EX} system in sufficient quantities and quality, on a timely basis, and at a cost that supports its commercial objectives. As the Company advances its clinical activities and expands commercialization, it expects that manufacturing volumes will need to increase over time.

The ARC^{EX} system incorporates components and processes that are produced both internally and through third-party manufacturing partners. To support future demand, the Company may need to expand manufacturing capacity, modify production processes, or increase reliance on external manufacturing partners. Such changes may require additional investment, operational adjustments, and the recruitment or training of personnel. In addition, changes to manufacturing facilities or processes are subject to applicable regulatory requirements, including notification to, and in certain cases approval by, relevant regulatory authorities. There can be no assurance that such approvals will be obtained on a timely basis, or at all.

The Company expects that manufacturing efficiency and unit costs may improve over time as production volumes increase and operational experience grows. However, there can be no assurance that anticipated efficiencies will be realized or that manufacturing costs will decline. Manufacturing yields, input costs, supplier performance, or regulatory requirements could adversely affect production costs, which may impact margins and the Company's ability to achieve or maintain profitability..

The Company's operations and reputation may be impaired if its information technology systems fail to perform adequately or if it is the subject of a data breach or cyberattack.

Our information technology (IT) systems are essential to the successful operation of our business. We seek to allocate and manage the necessary resources to build, maintain, and protect our IT systems and infrastructure, as well as oversee third-party service providers. Any failure of our IT systems to perform as anticipated could disrupt our operations and result in transaction or reporting errors that could harm our business.

Our IT systems may be vulnerable to cyberattacks or other security incidents, service disruptions, or other system or process failures. Such incidents could result in unauthorized access to vendor, consumer, or other types of confidential data, as well as disruptions to operations. While we have experienced such incidents in the past, none have been material to date.

We rely on third-party vendors for some of our IT processes and data management needs, which makes our operations vulnerable to a failure by any one of these vendors to perform adequately or to maintain effective internal controls.

To address these risks, we maintain an information security program that includes updating technology, developing security policies and procedures, implementing and assessing the effectiveness of controls, conducting risk assessments of third-party service providers, and adopting business processes designed to mitigate the risk of security breaches. However, there can be no assurance that these measures will prevent or limit the negative impact of a future incident on our operations or business reputation.

A pandemic, epidemic, or outbreak of an infectious disease in Europe, the US, or worldwide, including the outbreak of the novel strain of coronavirus disease (COVID-19), could adversely affect the Company's business.

A future wide-scale outbreak of infectious disease similar to COVID-19 could negatively affect our business in numerous ways. Our sales representatives, clinical specialists, and other personnel may be unable to travel and access customers for training and case support. Our production schedule may be affected if suppliers cannot manufacture or deliver parts and components on time. Pandemic-related restrictions could lead to, inventory shortages or obsolescence; delays in approval of our devices by regulatory authorities; delays in decisions by insurance companies regarding coverage of our products; delays in clinical trials; delays in growing our sales organization; adjustments or disruptions to the business of third parties we work with, including suppliers, medical institutions, and clinical investigators; decreases in collectability of our account receivables due to the adverse impact of the pandemic on our clients' cash flows; and reduced capacity of our suppliers to advance our investigational devices through clinical trials.

While it is difficult to predict the potential economic impact and duration of a future outbreak, the current pandemic has resulted in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction could have an adverse effect on our long-term business as hospitals reduce capital spending.

To the extent that a pandemic adversely affects our business and financial results, it may also heighten many other risks described in this section, including those relating to incurring future operating losses, advance of the ARC^{EX} and ARC^{IM} platforms through regulatory pathways, and, if cleared or approved, successful commercialization, supply chain, and distribution channels.

The Company's success depends on its ability to retain its management, consultants and other key personnel.

ONWARD depends on its senior management as well as key scientific personnel. In 2020, Dave Marver was appointed as Chief Executive Officer. ONWARD's Scientific Advisor, Prof. Courtine, has been consulting since inception, in 2015, and currently serves as a consultant. The loss of any members of senior management or key scientific personnel could harm our business and significantly delay or prevent the achievement of research, development, or business objectives.

Our future success also depends on our ability to attract, hire, train, and retain other highly skilled scientific, technical, marketing, managerial, and financial personnel, as well as sales personnel once commercialization begins. Although we will make every effort to hire and retain qualified employees whose experience and abilities meet our needs, there is no assurance that we will succeed. Competition for personnel in the medical technology industry is intense, and any failure to attract and retain the necessary personnel would have a material adverse effect on our business.

The Company may face substantial competition, which may result in others discovering, developing, or commercializing products before or more successfully than it does.

The medical device industry is highly competitive and characterized by rapid technological change. ONWARD faces competition from a range of organizations, including established medical technology companies, biotechnology firms, academic institutions, government agencies, and public and private research organizations. Many of these competitors may have significantly greater financial, technical, and operational resources, as well as more extensive experience in research and development, clinical trials, regulatory approval processes, manufacturing, and commercialization.

Competitors may develop alternative therapeutic approaches or technologies that address similar patient needs or indications, including both device-based and non-device-based solutions. In addition, smaller or early-stage companies may become significant competitors, particularly where they collaborate with larger or more established industry participants. If competitors are able to develop or commercialize products more rapidly or more effectively

than ONWARD, the Company's competitive position and long-term prospects could be adversely affected.

The Company also relies on intellectual property rights to protect its technologies and competitive position. While ONWARD believes that its intellectual property provides meaningful protection, there can be no assurance that such rights can be effectively enforced or that competitors will not challenge, invalidate, or design around them. The outcome of any intellectual property dispute is inherently uncertain, and an adverse outcome could negatively impact the Company's ability to compete. Competitive actions and market developments may adversely affect the Company's commercial strategy, market adoption, and financial forecasts.

ONWARD operates in markets that are influenced not only by technological innovation but also by competitive commercial behavior and evolving market dynamics. Existing or emerging competitors may make strategic decisions relating to pricing, reimbursement, market access, clinical positioning, or commercialization timing that could affect ONWARD's anticipated sales ramp, pricing assumptions, and market share.

In addition, the publication of clinical data, whether favorable or unfavorable, by competitors or third parties may influence physician adoption, patient demand, payer decisions, and overall market perception of the relevant therapeutic category. Such developments could positively or negatively affect market growth and competitive dynamics, independent of ONWARD's own clinical or commercial performance.

If ONWARD is unable to anticipate, respond to, or adapt its strategy to competitive actions or changes in market conditions, its business, financial condition, results of operations, and prospects could be adversely affected.

The Company's business involves the use of hazardous materials such as lithium batteries and the Company and its third-party manufacturers must comply with environmental laws and regulations, which may be expensive and restrict how it does business.

ONWARD's activities and those of our third-party manufacturers' may involve the controlled storage, use, and disposal of hazardous materials. For example, our ARC™ (investigational device) and ARC^EX we use lithium batteries. ONWARD and our third-party manufacturers are subject to federal, state, local, and foreign laws and regulations governing the use, generation, manufacture, storage, handling, and disposal of these hazardous materials. The Company currently carries no insurance specifically covering environmental claims relating to the use of hazardous materials. Despite the safety procedures put in place by ONWARD and its manufacturers for handling and disposing of these materials and waste, we cannot eliminate the risk of accidental injury or contamination from the use, storage, handling, or disposal of hazardous materials. In the event of an accident, state or federal or other competent authorities may curtail ONWARD's or its manufacturers' use of these materials and interrupt their business operations, which could adversely affect our business.

Healthcare reform initiatives and other administrative and legislative proposals in the United States may adversely affect the Company's business, financial condition, results of operations and cash flows in one of its key markets.

There have been and continue to be proposals by the federal government, state governments, regulators and third-party payors to control or manage the increased costs of healthcare and, more generally, to reform the US healthcare system. Certain proposals could limit the prices we are able to charge for our products, or the coverage and reimbursement available for our products, and could limit the acceptance and availability of our product candidates. The adoption of proposals to control costs, such as the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "Affordable Care Act"), could have a material adverse effect on ONWARD's business, financial condition, and results of operations. There is no certainty that the Affordable Care Act, as currently enacted or as amended in the future, will not harm our business and financial results, and it is not possible to predict how future federal or state legislative or administrative changes relating to healthcare reform will affect our business.

There likely will continue to be legislative and regulatory proposals at the federal and state levels directed at containing or lowering the cost of healthcare. It is not possible to predict the initiatives that may be adopted in the future or their full impact. The continuing efforts of the government, insurance companies, managed care organizations, and other payors of healthcare services to contain or reduce costs of healthcare may harm:

- ONWARD's ability to set a price that it believes is fair for its products
- ONWARD's ability to generate revenue and achieve or maintain profitability
- The availability of capital

Further, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several US Congressional inquiries, as well as proposed and enacted federal legislation designed to bring transparency to product pricing and reduce the cost of products and services under government healthcare programs. Adoption of price controls and other cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, may prevent or limit the ONWARD's ability to generate revenue and attain profitability.

In the European Union, there are currently no concrete legislative proposals in this regard. However, the cost-effectiveness of healthcare is part of the EU agenda on effective, accessible, and resilient health systems. This does not exclude that legislation on maximum pricing for medical devices (e.g., in terms of their reimbursement) may be applied or developed at the national level.

Interruption or distress in the supply chain due to geopolitical, environmental-related, and other uncertainties beyond the Company's control.

Geopolitical uncertainties and other business threats could damage or disrupt ONWARD's operations and those of our suppliers, partners, or collaborators. Interruptions to our operations could adversely affect the anticipated timing, completion, and/or results of clinical trials, and potential future commercialization efforts. Geopolitical tensions could lead to sharply rising energy prices, which would have a negative impact on raw materials of our products. Uncertainty in global markets may have a wide impact on the availability and price of various materials and services and may also sustainably affect global financial markets. Cost inflation may negatively impact our cash reach, while capital markets disruptions may adversely affect our future financing possibilities. All these changes may materially affect ONWARD'S business and negatively affect its liquidity and financial position. Environmental factors presents risks to our operations, including the potential for additional regulatory requirements and associated costs. The potential for more frequent and severe weather events and water availability challenges could impact our facilities and those of our suppliers. We cannot provide assurance that physical risks to our facilities or supply chain due to such factors will not occur in the future. We have assessed the impact of climate-related risks on our Financial Statements and conclude that the effects of climate-related risks do not have a material impact on accounts and disclosures, including judgements and estimates in the Financial Statements.

Failures by third parties may lead to higher development costs, delays in obtaining regulatory approvals or certifications, and setbacks or obstacles in commercialization.

We rely—and may continue to rely—on third parties for critical aspects of our business, including conducting clinical trials, data collection and analysis, marketing, manufacturing, regulatory support, and other essential services. The success of our ARC Therapies depends on these partnerships, and any failure by third parties to meet their contractual obligations or regulatory requirements could lead to delays, suspensions, or even terminations of development activities or clinical trials.

Potential risks include insufficient time or effort dedicated to our projects, failure to adhere to clinical protocols or regulatory standards, compromised data quality or loss, financial instability of the third party, or the need to replace a provider. While we strive to ensure strong partnerships, we do not always have direct control over third-party performance, and our agreements often allow them to terminate their commitments with notice. If a third party fails to fulfill its obligations or if an agreement is terminated, finding a suitable replacement on commercially acceptable terms may prove difficult, potentially leading to increased costs, regulatory delays, and setbacks in the commercialization of ARC Therapies.

Additionally, many of our third-party agreements include limitations on liability, which may restrict our ability to recover losses resulting from their performance failures. These factors could adversely impact our development timelines, regulatory approvals, and overall business operations.

Our results of operations could be materially harmed if we are unable to accurately forecast customer demand for our ARC^{EX} system and manage our inventory.

To ensure adequate inventory supply of the ARC^{EX} system in general and its components, we must forecast inventory needs and place orders with our suppliers based on our estimates of future demand for the ARC^{EX} system and its components. Our ability to accurately forecast demand for our ARC^{EX} system could be negatively affected by many factors, including failure to accurately manage our commercialization strategy, an increase or decrease in customer demand for the ARC^{EX} system, failure to accurately predict customer acceptance of new products, unanticipated changes in general market conditions or regulatory matters, and weakening of economic conditions or consumer confidence in future economic conditions. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, which would cause our gross margin to be adversely affected and could impair the strength of the ARC Therapy brand. Conversely, if we underestimate customer demand for the ARC^{EX} system, our third-party contract manufacturers may not be able to deliver products to meet our requirements, and this could result in damage to our reputation and customer relationships. In addition, if we experience a significant increase in demand, additional supplies of raw materials or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, or suppliers or third-party manufacturers might not be able to allocate sufficient capacity in order to meet our increased requirements, which could have an adverse effect on our ability to meet customer demand for the ARC^{EX} system.

We intend to maintain sufficient levels of inventory in order to protect ourselves from supply interruptions. As a result, we will be subject to the risk that a portion of our inventory may become obsolete or expire, which could affect our earnings and cash flows due to the resulting costs associated with the inventory impairment charges and costs required to replace such inventory.

Non-Compliance with Manufacturing Regulations Could Disrupt Our Business and Impact Product Availability

We rely on third-party suppliers for the manufacturing and supply of the ARC^{EX} system, and both our own and our suppliers' manufacturing practices are subject to extensive regulatory oversight. In the United States, medical device manufacturing must comply with the FDA's Quality System Regulation (QSR), a stringent framework governing design, testing, production, quality assurance, labeling, packaging, storage, and distribution. Additionally, we must ensure that our suppliers maintain operations that meet both our internal quality standards and applicable regulatory requirements. The FDA enforces compliance through periodic inspections, which may be announced or unannounced, including audits of subcontractor facilities. Similar regulatory requirements exist in other jurisdictions, adding further complexity to compliance obligations.

Failure by us or our third-party suppliers to adhere to these regulations—including maintaining an adequate, up-to-date quality management system—could result in delays in the commercial availability of the ARC^{EX} system, interruptions to clinical trials, or setbacks in obtaining or maintaining regulatory approvals. Non-compliance could also lead to regulatory actions, product supply disruptions, increased costs, loss of customer trust, and exposure to potential product liability claims, ultimately impacting sales and overall business performance.

Dependence on suppliers for ARC^{EX} system components and services poses operational and financial risks

The ARC^{EX} system relies on specialized components and services, many of which are sourced from a limited number of suppliers. Any disruption in the supply of these critical elements—whether due to supplier decisions, capacity constraints, quality issues, or regulatory challenges—could negatively impact our business, financial condition, and operational results.

A number of ARC^{EX} system components are currently sourced from single suppliers, and while we are working to qualify additional vendors, transitioning to new suppliers requires extensive evaluation, testing, and regulatory approval. This process can be time-consuming and costly, making it difficult to mitigate risks associated with supplier dependency. If a supplier is unable or unwilling to meet our demand, investigator-initiated studies, clinical trials for future indications, or commercialization efforts could be delayed or halted.

If we need to switch to an alternative supplier, we may face challenges such as extended lead times, higher costs, or regulatory requirements that delay market availability. Changes in supplier manufacturing processes or product design modifications may require new regulatory approvals or certifications, further complicating supply continuity. Additionally, suppliers may discontinue key components or services before the ARC^{EX} system reaches the end of its product life cycle, potentially forcing us to secure costly last-time buys, source alternatives at premium prices, or even halt product availability temporarily.

Any of these supply chain disruptions could result in production delays, increased costs, and reduced inventory availability, ultimately affecting our ability to meet market demand and achieve profitability.

Interim, "topline," and preliminary data from its clinical trials that the Company announces or publishes from time to time may change as more patient data become available and are subject to confirmation, regulatory audit, and verification procedures that could result in material changes in the final data.

From time to time, ONWARD may disclose interim, preliminary, or topline data from its clinical studies and trials. Such disclosures are based on analyses of data available at the time and are inherently subject to change as additional patient data are collected, verified, and reviewed. Interim and preliminary results may also be subject to audit, validation, and regulatory review procedures, which could result in differences between previously disclosed data and final study results.

Clinical trials are complex and evolve over time. As enrollment progresses, patient follow-up continues, or data are further analyzed, outcomes and conclusions may differ from earlier assessments. In addition, assumptions, estimates, and methodologies applied in interim analyses may be refined or adjusted as more comprehensive data become available. As a result, interim or preliminary findings should not be viewed as definitive and may not be indicative of final outcomes.

Regulatory authorities, healthcare professionals, or other stakeholders may interpret clinical data differently or may not agree with the Company's analyses or conclusions. Such differences in interpretation could affect regulatory review, clinical positioning, or the perceived value of the Company's technologies. Moreover, selective or evolving disclosure of clinical information, whether by the Company or third parties, may result in increased volatility in the Company's share price.

If interim, preliminary, or topline data differ materially from final results, or if conclusions are revised following further analysis or regulatory review, the Company's development programs, commercialization prospects, business, financial condition, and results of operations could be adversely affected.

Global: Geopolitical and macroeconomic challenges

The Company is also exposed to global economic and political risks, including U.S. – EU trade relations, geopolitical instability, and foreign exchange fluctuations.

- Geopolitical uncertainty: : Conflicts and diplomatic tensions may disrupt global markets and supply chains. The Company remains flexible in sourcing and prepared to adapt procurement strategies if needed.
- U.S.-EU trade relations: Deteriorating diplomatic relations could lead to economic policies that impact operations. While no immediate disruptions are expected, the Company is evaluating diversification strategies to reduce reliance on any single market.

The Company closely monitors these evolving risks and engages with relevant stakeholders to anticipate impacts and adjust strategies, aiming to preserve stability and support continued growth.

Risks related to legal & government regulation

The Company must obtain FDA clearance or approval before it can sell any of its products in the US, and CE Certification before it can sell any of its products in the European Union (EU). Approval of similar regulatory authorities in countries outside the US and the EU is required before it can sell its products in countries that do not accept FDA clearance or approval or CE Certification. The Company may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of its products if such clearance or approval is denied or delayed.

ONWARD received De Novo classification clearance from the FDA to market ARC^{EX} for use in clinics and home in the US and CE certification in Europe. We intend to pursue additional regulatory clearances for new indications. ARC^{IM} is a Class III device that will require PMA approval to be marketed in the US. In Europe, under the MDR, ARC^{IM} as Class III.

The development, manufacture, and commercialization of our products are subject to government regulation. In the US, Europe, and most other countries, ONWARD must complete rigorous pre-clinical testing and extensive clinical trials that exhibit the safety and effectiveness of our devices before we can apply for regulatory clearance or approval to

market them. Regulatory bodies such as the FDA may limit approval to specific indications, restrict the distribution of a device, or refuse to grant clearance for additional or expanded indications, which could limit our potential revenues.

The road to regulatory approval of a new medical device is long, expensive, and uncertain. The FDA and other regulatory authorities can delay, limit, or deny approval, grant of a De Novo classification, or clearance of a device for many reasons, including:

- Inability to show that the products are safe or effective for their intended uses (or, for a 510(k) device, that they are substantially equivalent to the predicate)
- Disagreement with the design or implementation of clinical trials or the interpretation of data
- Serious and unexpected adverse device effects experienced by participants in clinical trials
- Insufficiently supportive data from pre-clinical studies and clinical trials
- Inability to show that the clinical and other benefits of the device outweigh the risks
- Failure of manufacturing process or facilities in meeting applicable requirements
- Changes in policies or regulations that increase cost of compliance or render clinical data and filings insufficient for approval or clearance

Despite the time, effort, and cost invested, our investigational devices may not pass these stringent regulatory hurdles, which could harm our business. In addition, regulatory authorities may place restrictions on the indicated uses of the device, limiting its market size. If the FDA requires us to go through a longer, more rigorous process than expected for future products, or for modifications to existing products, their introduction could be delayed or cancelled, which could adversely affect our ability to grow our business.

In the EEA, compliance with the requirements of the Council Directive 93/42/EEC (EU Medical Devices Directive) is a prerequisite to be able to affix the Conformité Européenne (CE) mark to our products, without which they cannot be sold or marketed in the EEA. The EU Medical Devices Directive is being replaced by a new Medical Devices Regulation (MDR) in the EEA (Regulation (EU) 2017/745). The MDR, which became fully applicable on 26 May 2021, imposes the same basic requirements as the EU Medical Devices Directive (MDD), but is generally more stringent, especially in terms of risk classes and the oversight provided by notified bodies that perform conformity assessments of devices.

Following its departure from the EU, on 31 January 2020, the UK continued to follow the same regulations as the EU during a transitional period, which ended on 31 December 2020. Since then, all medical devices must be registered with the Medicines and Healthcare products Regulatory Agency (MHRA) before being sold on the UK market.

European CE marks continued to be recognized in UK until 30 June 2023, after which a UK Conformity Assessed (UKCA) mark has been required for a medical device to be marketed in the UK. Since the new MDR will not automatically apply in the UK, regulation of medical devices in the UK may diverge from EU regulations in the future. On 28 November, 2022, the Swiss Parliament reached a key decision by instructing the Swiss Federal Council to adapt national laws to enable Switzerland to accept medical devices with FDA approval.

In general, if ONWARD fails to remain compliant with all applicable European laws and regulations, we would be unable to continue to affix the CE mark to our products, which would prevent us from selling them within the EEA, adversely affecting our business. Similarly, our ability to market our products in the UK could be affected by any failure to maintain compliance with UK regulations.

The clinical development process required to obtain regulatory clearances or approvals is lengthy and expensive, with uncertain outcomes. Data generated in clinical trials is subject to interpretation by EU regulators, the FDA, and foreign regulatory authorities. If clinical trials of the current ARC^{IM} platform and future products (for ARC^{IM} and ARC^{EX}) do not produce the results necessary to support regulatory clearance or approval, De Novo classification, or clearance in the US or with respect to the Company's current or future products elsewhere, it will be unable to commercialize these products. It therefore may incur additional costs or experience delays in completing, or ultimately be unable to complete and commercialize those products.

Significant setbacks or failure can occur at any time during the clinical development process, adversely affecting the cost, timing, or successful completion of trials. The following circumstances could harm our ability to complete development or commercialize our products:

- The FDA may reject our investigational device exemption (IDE) application and notify us that we may not begin investigational human clinical trials
- Regulatory authorities may disagree as to the design or implementation of our clinical trials
- Regulators and/or institutional review boards (IRBs) may not authorize us or our research partners to begin or continue a clinical trial at a particular site
- We may be unable to agree on acceptable terms with prospective contract research organizations (CRO) and clinical trial sites, the terms of which can vary significantly and require long negotiations
- Clinical trials may produce negative or inconclusive results, or we may not agree with regulatory authorities on the interpretation of these results; consequently, we may decide, or be required by regulators, to conduct additional clinical trials or abandon the development of a product
- The number of subjects or patients required for clinical trials may be larger than we anticipated, enrollment in these trials may be insufficient or slow, and/or the number of trials being conducted at any given time may be high, resulting in fewer available patients for our clinical trial, or patients may drop out at a higher than expected rate
- Our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations in a timely manner, or at all
- We may have to suspend or terminate clinical trials for various reasons, including a finding that the subjects are being exposed to unacceptable health risks
- We may have to amend clinical trial protocols or conduct additional studies to reflect changes in regulatory requirements or guidance
- We may be required to terminate clinical research for various reasons, including safety issues or non-compliance with regulatory requirements
- The cost of clinical trials may be greater than anticipated
- Clinical sites may not adhere to the clinical protocol or may drop out of a trial
- We may be unable to recruit a sufficient number of trial sites or trial subjects
- Regulators, IRBs, or other reviewing bodies may fail to approve or subsequently find fault with our manufacturing processes; the supply of devices or other materials necessary to conduct clinical trials may be insufficient, inadequate, or not available at an acceptable cost
- Approval policies or regulations may change in a manner that renders our clinical data insufficient for approval
- Our current or future products may have undesirable side effects or other unexpected characteristics

We depend on CROs to conduct clinical trials in a timely manner and in compliance with good clinical practice (GCP) requirements. If a CRO fails to comply fully with GCP standards or experiences delays in conducting the trial, this could result in increased costs and/or program delays. In addition, conducting clinical trials in countries outside the US and Europe may entail additional delays, shipment costs, or regulatory requirements, as well as risks associated with clinical investigators who are unknown to the FDA, or with different standards of diagnosis, screening, and medical care. Any of these occurrences could adversely affect our business, financial condition, and results of operations.

We may from time to time publicly announce the date at which we expect to reach various clinical, regulatory, or product development milestones. These could include the submission of an IDE application to the FDA to begin a clinical trial, the enrollment of patients in a trial, or the release of data from clinical trials. However, the actual timing of these milestones may vary dramatically compared to our estimates, in some cases for reasons beyond our control, potentially delaying the commercialization of our products or causing our share price to decline.

Failure to comply with post-marketing regulatory requirements could subject the Company to enforcement actions, including substantial penalties, and might require the Company to recall or withdraw a product from the market.

If we receive regulatory clearance or approval for our investigational devices (like we have for ARC^{EX}), we will be subject to ongoing and pervasive regulatory requirements governing, among other things, their manufacture, marketing, labeling, packaging, advertising, medical device reporting, sale, promotion, registration, storage, distribution, and listing. For example, ONWARD must submit periodic reports to the FDA as a condition of PMA approval. These reports include safety and effectiveness information about the device after its approval. Failure to submit such reports or to do so in a timely manner could result in enforcement action by the FDA. Following its review of the periodic reports, the FDA might ask for additional information or initiate further investigation.

In addition, the PMA approval for ARC^{IM} Therapy may be subject to several conditions of approval, including a post-market extended follow-up of the premarket study cohort. Any failure to comply with the conditions of approval could result in the withdrawal of PMA approval and the inability to continue to market the device. Adverse outcomes in these studies could also be grounds for withdrawal of approval of the PMA.

The regulations to which ONWARD is subject are complex and have become more stringent over time. Regulatory changes could result in restrictions on our ability to continue or expand our operations, higher than anticipated costs, or lower than anticipated sales. Even after the proper regulatory authorization to market a device has been obtained, we have ongoing responsibilities under FDA and EU regulations and applicable laws and regulations of other countries.

Any failure to comply with applicable regulatory requirements could result in enforcement action by the FDA, state, EU or national regulatory authorities. Sanctions could include warning letters, fines, injunctions, consent decrees or civil penalties; recalls, termination of distribution, administrative detention, or seizure of products; suspension of one or more clinical studies; customer notifications, repair, replacement or refunds; restriction, partial suspension or total shutdown of production; delays in or refusal to grant requests for future regulatory approvals of new products, uses, or modifications to existing products; withdrawals or suspensions of current regulatory approvals; prohibitions on sales, imports, or exports of our products; FDA refusal to issue certificates to foreign governments needed to export our products for sale in other countries; and criminal prosecution.

Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and have a material adverse effect on our reputation, business, financial condition, and operating results.

Even if, and after being, cleared or approved by regulatory authorities, the Company's products may cause or contribute to adverse medical events or be subject to failures or malfunctions that the Company is required to report to the FDA. If it fails to do so, the Company would be subject to sanctions that could harm its reputation, business, financial condition, and results of operations. The discovery of serious safety issues with its products, or a recall of its products, either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on the Company. In the course of conducting our business, the Company must adequately address quality issues that may arise with the ARC^{EX} and ARC^{IM} systems, including defects in third-party components included in our products. Additionally, even if free of quality issues, our products may not meet the expectations of physicians or patients with respect to achieving desired results.

The internal procedures designed to minimize risks that may arise from quality issues may not sufficiently eliminate or mitigate occurrences of these issues and associated liabilities. Moreover, even in the absence of quality issues, we may be subject to claims and liability if our products' performance does not meet physicians' or patients' expectations.

In the event that we receive clearance or approval by regulatory authorities, we will be subject to the FDA's medical device reporting regulations and similar foreign regulations. This will require us to report to the FDA when we become aware of information that reasonably suggests that our products may have caused or contributed to a death or serious injury or malfunctioned in a way that, if it were to recur, could cause or contribute to a death or serious injury. The timing of this obligation to report is triggered by the date we become aware of the adverse event, as well as the nature of the event. We may inadvertently fail to report adverse events within the prescribed timeframe. We may also fail to recognize that we have become aware of a reportable adverse event, especially if it is not reported to us as such, or if the adverse event is unexpected or removed in time from the use of our products. If we fail to comply with our reporting obligations, the FDA could take action, including warning

letters, untitled letters, administrative actions, criminal prosecution, civil monetary penalties, revocation of device approvals, seizure of our products, or delay in clearance or approval of modifications to our products.

The FDA and foreign regulatory authorities have the power to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product, or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall of our products must be based on a finding that there is reasonable probability that they may cause serious injury or death. We may also choose to voluntarily recall products if any material deficiency is found. A government-mandated or voluntary recall could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing defects, labeling or design deficiencies, packaging defects, or other deficiencies or failures to comply with applicable regulations. Depending on the corrective action that we take to redress deficiencies or defects that may occur in the future, the FDA may require, or we may decide, that we need to obtain new approvals for our products before marketing or distributing the corrected device. Seeking such approvals may delay our ability to replace the recalled devices in a timely manner. Moreover, if we fail to adequately address problems associated with our products, we may face additional regulatory enforcement action.

Companies are required to maintain certain records of recalls and corrections, even if they are not reportable to the FDA. In the future, ONWARD may initiate voluntary withdrawals or corrections to our products that we may determine do not require notification of the FDA. If the FDA disagrees with our determinations, it could require us to report those actions as recalls and subject us to enforcement action. Such a recall announcement could harm our reputation with customers, potentially lead to product liability claims, and negatively affect sales. Any lawsuit or corrective action, whether voluntary or involuntary, would require the dedication of considerable time and capital, possibly impacting our financial results.

Additionally, the identification of undesirable side effects or other previously unknown problems caused by our products could lead to a number of negative consequences. Among others, regulatory authorities might withdraw approvals; impose product recalls; require us to add warnings, contraindications, or narrower indications in the product labeling, or to issue of field alerts to physicians and pharmacies; require us to create a guide outlining the risks of such side effects for distribution to patients; impose limitations on how we promote our products; require us to change the way the product is administered or modify the product; and/or require additional clinical trials or costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. Any of these requirements could prevent us from achieving or maintaining market acceptance of our products, substantially increase the costs of commercializing our products, or impacts our sales. The demand for our products could also be negatively impacted by any adverse effects of a competitor's product or treatment.

If the Company or its suppliers fail to comply with FDA regulatory requirements, or if it experiences unanticipated problems with any cleared or approved products, these products could be subject to restrictions or withdrawal from the market.

Any product for which we obtain regulatory clearance or approval, as well as the manufacturing processes, reporting requirements, post-approval clinical data, and promotional activities for such a product, will be subject to continued regulatory review and oversight by the FDA. In particular, ONWARD and its third-party suppliers will be required to comply with the FDA's Quality System Regulations (QSR). These FDA regulations cover the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage, and shipping of products. Compliance with applicable regulatory requirements is subject to continual review and is monitored rigorously through periodic inspections by the FDA. If we, or our manufacturers, fail to adhere to QSR requirements, this could delay production of our products and lead to fines, difficulties in obtaining regulatory clearances and approvals, recalls, enforcement actions, including injunctive relief or consent decrees, or other consequences, which could, in turn, have a material adverse effect on our financial condition and results of operations.

In addition, ONWARD and its suppliers are required to comply with Good Manufacturing Practices for the manufacture of our products, and other regulations which cover the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, storage, and shipping of any product for which we obtain clearance or approval.

The FDA audits compliance with the QSR and other similar regulatory requirements through periodic announced and unannounced inspections of manufacturing and other facilities.

If ONWARD or one of its suppliers fail to comply with applicable statutes and regulations administered by the FDA, or the fail to timely and adequately respond to any adverse inspectional observations or product safety issues, this could result in any of the following enforcement actions:

- Untitled letters, warning letters, fines, injunctions, consent decrees, and civil penalties
- Unanticipated expenditures to address or defend such actions
- Customer notifications or repair, replacement, refunds, recall, detention, or seizure of our products
- Operating restrictions or partial suspension or total shutdown of production
- Refusing or delaying our requests for premarket approval of new products or modified products
- Withdrawing PMAs that have already been granted
- Refusal to grant export approval for our products
- Criminal prosecution

Any of these sanctions could have a material adverse effect on our reputation, business, results of operations, and financial condition.

EU MDR Certification and Notified Body Capacity Risk

Seeking, obtaining, and maintaining certification in the European Union under the Medical Device Regulation (EU MDR) is a complex and evolving process that may be subject to uncertainty in timing and outcome. Medical devices placed on the EU market are required to comply with the MDR, including the transition and recertification of devices previously certified under earlier EU directives. In addition, certain modifications to existing CE-marked devices may require review and certification under the MDR prior to implementation.

Conformity assessments under the MDR must be performed by Notified Bodies designated by EU Member States. The MDR introduced more stringent requirements for the designation and oversight of Notified Bodies, including enhanced technical expertise and quality management standards. While the number of designated Notified Bodies has increased over time, capacity constraints, prioritization decisions, and review backlogs may still occur and could result in delays to certification or recertification activities.

The Company also relies on third parties within the EU supply and distribution chain that are required to comply with MDR obligations. If any such third party fails to meet applicable MDR requirements on a timely basis, the marketing or sale of the Company's products in the EU could be delayed, restricted, or suspended.

Any delay or failure to obtain, maintain, or renew required EU MDR certifications could adversely affect the Company's ability to commercialize products in EU Member States, implement product changes, or continue selling certified products, and could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

Product Liability and Insurance Risk

ONWARD's business involves the development, manufacture, and commercialization of medical devices, which exposes the Company to the risk of product liability claims that are inherent in the medical device industry. The ARC-EX system is designed to interact with the human body and, as with any complex medical device, there is a risk that product use, component failure, or associated medical procedures could result in adverse events.

Product liability claims may arise in connection with clinical use, commercial use, or surgical or therapeutic procedures involving the Company's products, including in key markets such as the United States and Europe. Such claims may be brought by patients, healthcare providers, distributors, or other parties and may occur regardless of whether the products are approved or cleared by regulatory authorities or manufactured in compliance with applicable regulatory standards. In addition, events caused by third parties within the Company's supply chain, including component suppliers or manufacturing partners, could also give rise to claims against the Company.

Product liability claims, whether or not ultimately successful, could result in significant costs, including legal expenses, potential damages, product recalls or withdrawals, delays or restrictions on commercialization, reputational harm, and diversion of management's

attention. Any of these outcomes could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

The Company maintains product liability and clinical trial liability insurance at levels it believes are appropriate for its stage of development and commercialization. However, such insurance is subject to deductibles, exclusions, and coverage limitations, and there can be no assurance that adequate coverage will remain available on acceptable terms, or at all. Insurance coverage may be insufficient to cover all potential liabilities, particularly in jurisdictions such as the United States, where product liability claims may involve substantial damages. As of the date of this Annual Report, no product liability claims have been brought against the Company.

U.S.: Regulatory, tariff, and economic uncertainty

The Company faces risks from evolving U.S. policies, including potential tariffs on European goods, reductions in federal healthcare and research funding, and economic uncertainties affecting market conditions.

- Tariff Risks: The Company believes that certain of its products may qualify for an exemption from U.S. import duties under the Nairobi Protocol and continues to seek clarification from U.S. Customs and Border Protection regarding eligibility. However, there can be no assurance that such an exemption will be granted or maintained. Currently, products imported from the Netherlands are subject to a 15% tariff. Products imported into the United States from Europe are currently subject to U.S. import tariffs, the level of which may change over time. Depending on the applicable tariff rate, including the possibility of increases, such duties could have a material impact on the Company's cost structure, pricing, margins, and competitiveness in the U.S. market. While the Company continues to assess mitigation options, including pricing, supply chain adjustments, and potential exemptions, there can be no assurance that such measures would fully offset the impact of tariffs.
- Federal spending cuts: Potential reductions in NIH and DoD funding could affect grants and clinical research. The Company is diversifying funding sources, including European grants, to mitigate this risk.
- U.S. regulatory environment: Recent developments, including policy discussions under Project 2025, may significantly alter the structure and functioning of U.S. federal agencies such as the FDA. This raises uncertainty around regulatory timelines, product clearances, and reimbursement. Potential federal budget constraints may also impact agency responsiveness, increasing risk for companies in the medtech sector. The Company continues proactive engagement with regulatory authorities to manage submission timelines effectively.

While these factors introduce uncertainty, the Company is actively mitigating risks through strategic planning, advocacy efforts, and financial diversification.

Risks related to the company's intellectual property (IP)

Patent terms may be inadequate to protect the Company's competitive position on its future products for an adequate amount of time.

In both the US and Europe, a patent's lifespan is generally 20 years from its earliest filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering the Company's future products are obtained, once the patent has expired, it may be open to competition.

ONWARD's current patent portfolio will begin to naturally expire in 2031. However, given the amount of time required for the development, testing, and regulatory review of new products, certain patents protecting our future products may expire before or shortly after commercialization begins. As a result, our patent portfolio may not provide the Company with sufficient rights to exclude others from commercializing similar or identical products for a sufficient amount of time.

The Company licenses certain technology underlying the development of its investigational devices and the loss of the license would result in a material adverse effect on its business, financial position, and operating results and cause the market value of its Ordinary Shares to decline.

The Company licenses technology from EPFL, UCLA, California Institute for Technology ("Caltech"), University of Louisville, University of Minnesota, University of Calgary and University of British Columbia that is integrated into its company portfolio under five licenses,

each exclusive in the Company's Field of Uses. Under the different license agreements, the Company has agreed to milestone payments and/or to meet certain reporting obligations. In the event that the Company were to breach any of the obligations under the agreement and fail to cure timely, EPFL, UCLA, Caltech, would have the right to terminate the agreement upon notice. In addition, EPFL, UCLA and Caltech have the right to terminate its license upon the bankruptcy or receivership of the Company. If the Company is unable to continue to use or license this technology on reasonable terms, or if this technology fails to operate properly, it may not be able to secure alternatives in a timely manner and its ability to develop its products could be harmed.

The Company may in the future become, involved in lawsuits to defend itself against intellectual property disputes, which could be expensive and time consuming, and ultimately unsuccessful, and could result in the diversion of significant resources, and hinder its ability to commercialize its existing or future products.

ONWARD operates in a technology- and patent-intensive industry and relies on intellectual property rights to protect its technologies and commercial activities. Despite the Company's efforts to build and maintain a robust intellectual property portfolio and to conduct freedom-to-operate analyses, there can be no assurance that third parties will not assert claims alleging infringement, misappropriation, or invalidity of intellectual property rights.

The medical device sector is characterized by a high volume of patents, rapid technological development, and increasing competition. As a result, intellectual property disputes, whether or not they have merit, may arise from time to time. Such disputes may involve allegations that the Company's products, technologies, or methods infringe third-party patents or other proprietary rights, or that intellectual property developed by the Company is subject to inventorship, ownership, or licensing challenges. Patent applications filed by third parties may also result in issued patents that could potentially be asserted against the Company, including patents of which the Company may not be aware at the time of product development.

Defending against intellectual property claims can be costly, time-consuming, and unpredictable, and may divert management attention and financial resources away from core business activities. In the event of an adverse outcome, the Company could be required to obtain licenses on unfavorable terms, pay damages or royalties, redesign products or processes, or, in some circumstances, cease the manufacture, sale, or use of certain products.

Any of these outcomes could delay commercialization efforts, increase costs, or adversely affect the Company's competitive position, financial condition, results of operations, and prospects.

In addition, the Company may be required under certain circumstances to indemnify customers or distribution partners against intellectual property claims relating to the use or sale of its products. Such claims, even if ultimately unsuccessful, could result in additional legal costs, operational disruption, and reputational harm.

Intellectual property litigation and related proceedings, whether initiated by or against the Company, are inherently uncertain and may also give rise to public disclosures that could contribute to volatility in the Company's share price. There can be no assurance that the Company will be able to successfully defend its intellectual property position in all cases or that such disputes, if they arise, will not have a material adverse effect on the Company.

Risks Related to the Company's financial position, need for additional capital & taxation

The Company has incurred significant operating losses since inception, expects to incur operating losses in future, and it may not be able to achieve or sustain profitability.

ONWARD is a medical technology company with limited commercial operating history. To date, we have substantially invested all of our efforts in the research and development of, and in seeking regulatory clearance or approval for, our ARC technology platforms. We are not profitable, have incurred losses each year since beginning operations in 2014, and have limited commercial operating history upon which to evaluate our business and prospects. Any predictions of future success, performance, or viability may not be as accurate as they could be if the Company had a longer operating history or commercial revenues.

Despite receiving FDA clearance to commercialise its first product (ARC^{EX} for clinical use), deriving sufficient revenues to support operations are not imminent, as our activities continue to consist of developing our technology, conducting pre-clinical studies and clinical trials. As of 31 December 2025, the loss for the period amounted to € 43.1M. These losses have primarily resulted from continued investment in product development activities, costs associated with regulatory approvals, including FDA clearance for home use and CE marking in Europe, preparations for and scaling of manufacturing activities following regulatory approvals, expenses related to the preparation of the ARC^{IM} blood pressure clinical trial, and

ongoing general and administrative costs required to support the Company's operations and commercialization efforts. The current or future clinical trials of any current or future investigational devices are, and the manufacturing and marketing of any such investigational devices will be, subject to extensive and rigorous review and regulation by the FDA and other government authorities in the US and in other countries where the Company intends to test and, if cleared or approved, market such investigational devices. We expect our operating expenses to continue to increase as we;

1. Continue research and development activities for our ARC^{EX}, ARC^{IM} and ARC^{BCI} technology platforms and related technologies
2. Seek FDA regulatory clearances and approvals for the ARC^{EX} (new indications), ARC^{IM} and ARC^{BCI} platforms or other future investigational devices in the US, regulatory approvals in Europe, and potentially other regulatory approvals in other jurisdictions
3. Build our commercial infrastructure

As a result, ONWARD expects to continue to incur operating losses for the foreseeable future. The expected future operating losses, combined with prior operating losses, may adversely affect the market price of our Ordinary Shares and our ability to raise capital and continue operations.

We expect sales of our ARC^{EX} and ARC^{IM} platforms to account for the majority of our future revenue. While ARC^{EX} has received regulatory clearance in the US and Europe, ,if ARC^{EX} sales do not generate sufficient revenue, or if the ARC^{IM} platform does not obtain clearance or approval, the Company may face challenges in achieving profitability.

Even if we do achieve profitability, we may not be able to sustain or increase profitability in subsequent periods or on an ongoing basis. In this case, it will be more difficult for us to finance our business and realize our strategic objectives, which would have a material and adverse effect on our business, financial condition, and results of operations and would cause the market price of our Ordinary Shares to decline.

The Company will require additional capital to finance its planned operations, which may not be available to it on acceptable terms or at all. Raising additional capital may cause dilution to our existing shareholders.

As of 31 December 2025, ONWARD had net cash of € 68 million. Based on cash flow forecasts for 2026, this will be sufficient to meet our capital requirements and fund our operations into 2027. We have based these estimates on assumptions that may prove to be incorrect and could spend our available financial resources much faster than currently expected.

As ONWARD advances the commercialization of ARC^{EX} in the United States and Europe, the Company expects its operating expenses to increase. These increases will primarily relate to the expansion of commercial, manufacturing, and operational capabilities, including investments in sales, service, supply chain, and supporting infrastructure. In addition, expenses are expected to increase in connection with the execution of pivotal clinical activities, including the Empower BP clinical trial evaluating ARC^{IM} for blood pressure stabilization. Additional expenditures will also reflect the ongoing costs of operating as a public company and supporting broader corporate functions. While management seeks to carefully manage costs, other unanticipated expenses may arise as the business continues to scale.

ONWARD's present and future funding requirements will depend on a number of factors, including:

- continuing research and development activities, including ongoing product enhancements and platform development;
- conducting ongoing and planned clinical studies, including the execution of pivotal clinical trials for additional indications;
- costs associated with commercialization activities, including manufacturing, supply chain management, sales, service, and market access efforts in the United States, Europe, and other jurisdictions;
- the Company's ability to attract, retain, and appropriately compensate highly qualified personnel across clinical, commercial, technical, and corporate functions;
- the ability to achieve market adoption, reimbursement coverage, and sustained demand for the Company's products;
- costs related to maintaining, expanding, and defending the Company's intellectual property portfolio, including licensing activities and potential enforcement actions;

- the emergence of competing technologies or adverse market developments, and the need to further enhance existing products or develop new solutions;
- the establishment and maintenance of strategic partnerships or licensing arrangements and the financial terms of such agreements; and
- continued investment in internal systems, processes, and controls to support growth, regulatory compliance, and public company reporting requirements.

ONWARD will likely need to raise additional capital. If we do so through public or private equity offerings, the ownership interest of existing shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect these shareholders' rights. If the Company raises additional capital through debt financing, we may have to provide new liens on our assets and be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt or liens, making capital expenditures, or declaring dividends. If we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our ARC^{EX} and ARC^{IM} platforms, technologies, future revenue streams, or research programs, or grant licenses on terms that may not be favorable to us. In addition, the exercise by our employees of stock options under stock option plans within the scope of existing and/or future management or employee participation would lead to a dilution of the shareholders.

If we are unable to obtain adequate financing when needed, and on terms that are acceptable to us, we may have to delay, reduce the scope of, or suspend the implementation of our sales and marketing plan and our ongoing research and development efforts, which would have a material adverse effect on our business, financial condition, and results of operations.

Part of the Company's assets, including intellectual property is pledged to Runway Growth Capital LLC, and the enforcement of such pledge could substantially harm the future development and operations of the Company.

The Company has secured a € 52.5 million loan from U.S.-based lender Runway Growth Capital LLC (Runway). 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 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 July 31, 2026, subject to the Company's achievement of certain milestones and conditions 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 (December 2025: 4.25% 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, 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 are secured by a security interest in substantially all of the assets of ONWARD.

Should the Company default on the loan covenants, Runway could enforce its pledge on these assets, which could substantially harm the future development and operations of the Company.

The Company's operating results may vary significantly from period to period, which may negatively impact the price of its Ordinary Shares in the future.

ONWARD's financial and operating results may fluctuate from period to period due to, among others:

- The cost of obtaining and maintaining FDA and other regulatory clearances or approvals for our ARC^{EX} and ARC^{IM} platforms, as well as any other future indication we may seek to develop our investigational devices to address
- Potential revenue generated by sales of our ARC^{EX} and ARC^{IM} platforms for cleared or approved indications, if any
- Expenses incurred in manufacturing and selling our ARC^{EX} and ARC^{IM} platforms, after cleared or approved
- Costs associated with scaling up and expanding our manufacturing capacity
- Costs associated with building and expanding our sales and marketing efforts in the US, Europe, and internationally

- Costs associated with conducting research and development efforts for future improvements to, or versions of, our ARC^{EX} and ARCIM platforms
- Cost of complying with regulatory requirements
- Costs associated with capital expenditures
- Costs associated with any future litigation
- Costs and timing of preparing, filing, and prosecuting patent applications, maintaining and enforcing our IP rights, and defending any IP-related claims
- The severity, duration, and impact of a pandemic similar to COVID-19, which may adversely impact our business and planned development and future commercialization of our ARC^{EX} and ARC^{IM} platforms

Due to these and other factors, it is likely that ONWARD will experience fluctuating revenues, operating results, and cash flows. In that case, period-to-period comparisons of financial results may not necessarily be meaningful, and results of operations in prior periods should not be relied upon as an indication of future performance, as this will not meet investor expectations or those of public market analysts. Unanticipated or new information may cause investors and analysts to revalue our business, which could cause a decline in the price of our Ordinary Shares.

The Company's ability to use its net operating losses and research and development credit carryforwards to offset future taxable income may be subject to certain US federal income tax and Dutch tax limitations.

In general, under Sections 382 and 383 of the US Internal Revenue Code of 1986, as amended, a corporation that undergoes an "ownership change" — generally defined as a greater than 50% change by value in its equity ownership over a three-year period — is subject to limitations on its ability to use its pre-change net operating losses (NOL) and its research and development credit carryforwards to offset future taxable income. The Company's existing NOLs and research and development credit carryforwards may be subject to limitations arising from previous ownership changes, and if it undergoes an ownership change, our ability to use NOLs and research and development credit carryforwards could be further limited by Sections 382 and 383 of the Internal Revenue Code.

In addition, our ability to deduct net interest expense may be limited if the Company has insufficient taxable income for the year during which the interest is incurred, and any carryovers of such disallowed interest would be subject to the limitation rules similar to those applicable to NOLs and other attributes. Future changes in share ownership, some of which might be beyond our control, could result in an ownership change under Section 382 of the Internal Revenue Code.

For these reasons, in the event that ONWARD experiences a change of control, we may not be able to use a material portion of the NOLs, research and development credit carryforwards, or disallowed interest expense carryovers, even if we attain profitability.

The Company's results may be impacted by changes in foreign currency exchange rates.

Since the clearance of ARC^{EX} by the FDA for use in clinics and home, we commenced commercial operations, we will enter into a number of transactions denominated in USD (initially) but also expanding to various currencies, which can expose the Company to changes in currency exchange rates. We do not currently engage in any hedging transactions. If we are unable to address these risks and challenges effectively, our international operations may not be successful and our business could be harmed.

If the Company or a Group Company breaches an obligation under the Group's existing loan agreement, the Group may be required to repay the loan before it would ordinarily become due and the administrative and collateral agent under the loan agreement may dispose of the significant collateral the Group furnished to secure the loan.

The Group is subject to financial and non-financial covenants under its existing loan agreement. A breach of any covenant or obligation could result in the lender exercising its rights under the loan agreement, including demanding immediate repayment of outstanding amounts before their scheduled maturity. In such a scenario, the Group may be required to secure alternative financing under potentially unfavorable terms or may face liquidity constraints that could impact its ability to fund operations and strategic initiatives.

Furthermore, the loan agreement is secured by significant collateral, and in the event of default, the administrative and collateral agent may exercise its rights to enforce security interests, which could materially impact the Group's financial position and operations. The Group actively monitors compliance with its loan covenants and engages with its lenders to mitigate the risk of default. However, there can be no assurance that a breach will not occur in the future, particularly in the context of evolving business conditions, financial performance, or changes in the regulatory environment.

Additionally, the Group recently launched ARC^{EX}, a novel product with no directly comparable market data to substantiate sales projections. While Management has developed revenue forecasts based on market research and initial customer interest, the absence of historical sales data introduces a significant degree of uncertainty regarding revenue generation. This uncertainty in cash flow forecasts is further compounded by the Group's financing obligations, relating to maintaining compliance with loan covenants.

While the Group has remained in compliance with its loan covenants to date, future financial performance may impact continued compliance. Although the Group believes it has the necessary resources to fund operations for the foreseeable future, the heightened uncertainty surrounding revenue projections and financing obligations indicates the existence of material uncertainties, which may also cast significant doubt on the Group's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, as outlined in the Accounting Policies section of the consolidated financial statements.

The Company does not currently have sufficient working capital to fund its operations for at least the next 12 months following the date of this report.

The Company does not currently have sufficient working capital to fund its operations for at least the twelve months following the date of this Annual Report. While ONWARD has successfully raised capital in recent periods and continues to actively manage its liquidity position, its ability to continue executing its strategy and meet operational, development, and commercialization objectives remains dependent on securing additional funding.

Future funding requirements may arise due to operating losses, the timing and scale of research and development activities, clinical programs, regulatory processes, commercialization efforts, or other strategic initiatives. There can be no assurance that additional financing will be available when required, or that it will be available on acceptable terms. Such financing may include equity, debt, or non-dilutive funding sources.

If the Company is unable to obtain additional funding in a timely manner or in sufficient amounts, it may be required to delay, scale back, or modify planned activities, which could have a material adverse effect on its business, financial condition, and prospects.

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Investor Relations

Investor Relations

We engage in and maintain open dialogue with investors and analysts through several communication channels, including the Annual General Meeting, roadshows, investor conferences, presentations, and webcasts.

Up-to-date financial information about ONWARD is published on our Investor Relations website **(ir.onwd.com)**. Investors and analysts are encouraged to visit the website regularly for detailed coverage of the share price, shareholder meetings, half-year and annual results, press releases, presentations, webcasts, and investor relations events. Closed periods are announced in line with publication dates as required.

Dividend Policy

ONWARD has not declared or paid dividends on its shares in the past and does not currently have the intention to pay dividends. Any declaration of dividends will be based on the Company's earnings, financial condition, capital requirements, and other factors considered important by the Board.

Dutch law and ONWARD's Articles of Association do not require the Company to declare dividends. Currently, the Board expects to retain all earnings, if any, generated by ONWARD's operations for the development and growth of the business and does not anticipate paying dividends to shareholders in the near future.

Capital Structure & Voting Rights

ONWARD's authorized share capital *(maatschappelijk kapitaal)* amounts to € 18,000,000 divided into 75,000,000 Ordinary Shares and 75,000,000 Preferred Shares with a nominal value of € 0.12 each. All of the issued Ordinary Shares are fully paid-up and represent capital in the Company. Each shareholder of the Company is entitled to one vote per share. No shareholders have any voting rights different from any other shareholder. At 31 December 2025, 56,008,257 (31 December 2024:44,628,834) Ordinary Shares represented all issued capital.

The Board is authorized by a resolution of the General Meeting to issue shares, or grant rights to subscribe for shares, limited to 10% of the issued share capital. A separate resolution of the General Meeting is not required for the issuance of shares under this authorization.

The Board remains of the view that it is in the company's best interests to be able to react promptly when business opportunities arise that require the issuance of Ordinary Shares. For this purpose the Board was also authorized to issue Ordinary Shares, or grant rights to

subscribe for shares, for an additional 50% of the Company's issued share capital in connection with one or more potential capital raises or for other strategic purposes. The authorization was partially utilized for the capital transaction in October 2025. A separate resolution of the General Meeting is not required for the issuance of shares under this authorization.

ONWARD is not aware of any agreements that may result in a limitation of the transferability of voting rights on shares in its capital.

Shareholder Structure

Pursuant to the Dutch Financial Supervision Act (Wet op het financieel toezicht), substantial holdings in the Company must be disclosed to the Netherlands Authority for Financial Markets (Stichting Autoriteit Financiële Markten, AFM). According to the register kept by the AFM, the following shareholders disclosed that they have a direct or indirect (potential) interest of between 3% and 25% in the Company's total issued share capital as of 31 December 2025:

- Ottobock SE & Co. KGaA (12.00%)
- LSP Advisory B.V. (6.70%)
- INKEF Capital B.V. (6.52%)
- Gimv (Private Equity) (4.31%)
- Invus Public Equities Advisors LLC (3.21%)
- AXA Investment Managers UK Ltd. (3.13%)

Listing

Shares of ONWARD Medical N.V. trade on Euronext in Brussels (primary listing), Euronext Amsterdam and Euronext Paris under the symbol "ONWD."

Share Price

Analyst Coverage

ONWARD was covered by five brokers at the end of 2025.

Broker	Analysts
Stifel	Ed Hall
KBC Securities	Jacob Mekhael
Degroof Petercam	David Seynnaeve, PhD
Kepler Cheuvreux	Christophe Dombu
Portzamparc – BNP Paribas Group	Clément Bassat

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Report of the Non-Executive Directors

Report of the Non-Executive Directors

Below is the report of the Non-Executive Directors of the Company for the financial year 2025, as referred to in best practice provision 5.1.5 of the Corporate Governance Code (CGC).

Supervision by the Non-Executive Directors

The Board is responsible for ensuring that the Executive Director and Management Team align their actions with the company's strategic priorities and core values. The Non-Executive Directors provide oversight of the policies implemented by leadership and monitor the overall direction of the Company and its affiliated entities.

The Board remained actively engaged in overseeing the Company's strategy throughout 2025 as ONWARD progressed further into its commercial phase and advanced key clinical and regulatory initiatives. The Non-Executive Directors regularly reviewed strategic priorities during Board meetings, with particular focus on commercial execution, regulatory developments, clinical progress, and capital planning.

The Board received periodic updates on the commercialization of the ARC^{EX} system, including market adoption, manufacturing readiness, and operational scaling. In addition, the Board was kept informed of regulatory milestones, including U.S. and European approvals, as well as preparations for and initiation of pivotal clinical activities for additional indications. Discussions also addressed the Company's funding position, liquidity planning, and potential financing options. Through these regular updates and discussions, the Board maintained effective oversight of key developments, challenges, and opportunities across the organization, supporting informed decision-making and continued alignment with the Company's long-term strategic objectives.

The Board has allocated certain specific responsibilities to the Audit Committee, Compensation Committee, and Nomination and Corporate Governance Committee. Further details on how these Committees have carried out their duties are set forth in the sections below pertaining to each committee. The Non-Executive Directors have been regularly informed by each committee of the results and recommendations of these meetings in accordance with best practice provision 2.3.5 of the CGC, and the conclusions of those committees were considered when drafting this report of the Non-Executive Directors. The Non-Executive Directors were able to review and evaluate the performance of each Committee. There is no need to amend the size or composition of any of the above committees.

Audit Committee

In 2025, the Audit Committee convened six times (see attendance details in the table below). Throughout these meetings, the Committee reviewed and discussed key financial and operational matters, including the financial reporting process, the full-year 2024 and half-year 2025 results, internal control processes and ongoing enhancements, and the Company's funding and financing needs. In this context, the Audit Committee oversaw the design, implementation and effectiveness of the Company's risk management and internal control systems, including those relating to financial reporting, operational and compliance risks.

The Audit Committee also evaluated the statements on internal control and risk management included in the Annual Report ,including management's assessment of the design and operation of key controls and the outcomes of the annual risk review, and reviewed the Company's collaboration with its external auditor. The external auditor attended all meetings, providing insights and presenting the audit plan for 2025.

Regular reports were provided to the Board of Directors, including recommendations and guidance for approval where necessary. The Committee supported the Board in its oversight of the Company's risk management and internal control systems and related disclosures. The Committee worked closely with the Management Team and finance department to ensure effective oversight and implementation of key financial and governance initiatives, including ongoing improvements to the internal control framework.

Compensation Committee

In 2025, the Compensation Committee met four times (see attendance details in the table below), the Committee reviewed and approved the achievement of the 2024 company goals and the corresponding variable remuneration for the Executive Director. It also oversaw the preparation of the Compensation Report, which was subsequently approved by the Board and included in the 2024 Annual Report. The Committee established the 2025 company goals and objectives, monitoring progress throughout the year. Additionally, it reviewed and discussed the remuneration policy, as well as the individual compensation arrangement. The Committee also provided recommendations to the Board regarding the annual bonus payout for the broader organization, the grant of long-term incentive plan (LTIP) options, and the proposed salary increase pool for the annual merit review cycle. The Compensation Committee provided regular reports to the Board of Directors, ensuring alignment and collaboration with the Board, Management Team, and the People & Culture team as needed.

Nomination & Corporate Governance Committee

In 2025, the Nomination and Corporate Governance Committee met four times (see attendance details in the table below). During the year, the Committee placed particular emphasis on strengthening the composition of the Board and senior leadership team, including overseeing the recruitment of new Board members and supporting the identification and appointment of C-suite candidates for key roles. These efforts were aimed at ensuring the Company has the appropriate skills, experience, and leadership capacity to support its strategic priorities and continued growth. In addition, the Committee reviewed the Company's human resources and organizational strategy, considered succession planning for senior roles, and supported the Board evaluation process, ensuring ongoing alignment with the Company's long-term objectives and governance standards.

The Nomination and Corporate Governance Committee provided regular updates to the Board of Directors and collaborated closely with the Board, Management Team, and People & Culture team as needed.

Evaluation

The Board is responsible for the quality of its own performance. Once per year, it discusses its own performance and the performance of its individual members and committees.

Adhering to good governance, the Non-Executive Directors performed a Board effectiveness assessment on a no-name basis in Q4 of 2025, based on a detailed questionnaire completed. The assessment was facilitated by an external party in 2024 and the intention is to have an external party facilitate once every 3 years.

The assessment focused on five categories of Board governance:

1. Information sharing between the Company and Board
2. Chairing of the Board and Board culture
3. Composition of the Board
4. Accountability
5. Standard of conduct

The Board evaluation reflects an overall positive view of Board effectiveness, with strong alignment, engagement, and governance practices. Opportunities for further enhancement were identified to support continued effectiveness and long-term value creation. The outcomes were reviewed at the subsequent Board meeting.

Overall, it was determined that both the Board and its committees function effectively and operate efficiently.

Internal Audit Function

Based on the recommendation of the Audit Committee, the Board determined that, given the Company's current size and stage of development, establishing a dedicated internal audit function is not yet necessary. In reaching this conclusion, the Board considered the Company's existing governance and management processes that support the identification, monitoring, and oversight of key risks and internal controls.

The Board is satisfied that these processes, together with regular reporting to and oversight by the Audit Committee, provide an appropriate framework for risk management and internal control at this stage. The Board will continue to periodically reassess the need for an internal audit function as the Company grows and its operations further expand.

Independence of the Non-Executive Directors

Each Non-Executive Director is responsible for fulfilling their assigned duties with diligence and acting in the best interests of the Company. In accordance with Dutch law, this corporate interest encompasses the broader interests of all stakeholders, including shareholders, creditors, and employees.

The Board confirms that the Non-Executive Directors meet the independence requirements of the CGC. For details, refer to Director Independence included in the Governance section.

2025

Meetings of the Board & Committees

		Board of Directors		Audit Committee		Compensation Committee		Nomination & Corporate Governance Committee
Member & Principal Position	**Independent according to DCGC**	**% of attendance at meetings**	**Member**	**Attendance % at meetings**	**Member**	**Attendance % at meetings**	**Member**	**Attendance % at meetings**
Dave Marver Executive Director & CEO	No	**100%**						
Rob Ten Hoedt Non-Executive Director & Chairperson	Yes	**100%**			X	**100%**	X	**100%**
Ian Curtis Non-Executive Director & Vice-Chairperson	Yes	**100%**	X	**100%**	X	**100%**	X	**100%**
John de Koning Non-Executive Director	No	**80%**						
Kristina Dziekan Non-Executive Director	Yes	**100%**	X	**100%**				
Vivian Riefberg Non-Executive Director	Yes	**100%**			X	**100%**	X	**100%**
Rahma Samow[c] Non-Executive Director	Yes	**100%**	X	**100%**				
Tim Denison[a] Non-Executive Director	Yes	**100%**						
Lucas Buchanan[b] Non-Executive Director	Yes	**100%**	X	**100%**				
Number of Meetings Held:		**5**		**6**		**4**		**4**

a: As Interim Director (expected to be nominated for appointment at our Annual General Meeting to be held in 2026), Tim has attended all Board meetings since July 2025.
b: As Interim Director (expected to be nominated for appointment at our Annual General Meeting to be held in 2026), Lucas has attended all Board and committee meetings since August 2025.
c: Rahma stepped down as member of the Audit Committee in Q3 2025 and was succeeded by Lucas.

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Board of Directors' Statements

Board of Directors' Statements

The management report (Bestuursverslag), as defined in Article 2:391 of the Dutch Civil Code, comprises the sections of this Annual Report designated as the management report, together with those parts of the financial statements referred to therein.

This Annual Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, the statutory provisions of Part 9, Book 2 of the Dutch Civil Code, and applicable Dutch disclosure requirements.

To the best of our knowledge:

- The consolidated and separate financial statements included in this Annual Report give a true and fair view of the assets, liabilities, financial position and result of ONWARD Medical N.V. and its consolidated subsidiaries;
- The management report provides a true and fair view of the Company's position at year-end and of the development and performance of the business during the financial year.

The management team is responsible for establishing, implementing and maintaining adequate risk management and internal control systems. The Board, through the Audit Committee, oversees the design, implementation and effectiveness of these systems. These systems are embedded in the Company's business planning and review processes and are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The Company's system of internal control is structured with reference to the components of the COSO Internal Control – Integrated Framework and also supports the identification and management of operational and compliance risks.

During 2025, management further embedded the Company's internal control framework and assessed the design and operation of key controls, taking into account the Company's stage of development and the increasing scale of its commercial activities. The results of this assessment and the annual risk review were discussed with the Audit Committee and the Board and included financial reporting risks (including fraud and management override) as well as operational and compliance risks.

Based on this assessment and the oversight performed, the Board considers the Company's risk management and internal control framework to be appropriate and proportionate to its size, complexity and stage of development and notes that no deficiencies were identified that would reasonably be expected to result in a material misstatement of the financial statements.

With reference to best practice provision 1.4.3 of the Dutch Corporate Governance Code, the Board states that, to the best of its knowledge:

- This report provides sufficient insight into the effectiveness of the internal risk management and control systems in relation to the risks referred to in best practice provision 1.2.1, and no material deficiencies have been identified.
- That the internal risk management and control systems provides reasonable assurance that the financial reporting does not contain material inaccuracies;
- With respect to sustainability reporting, while the Company is currently not subject to mandatory requirements, initial processes and controls are being developed and provide limited assurance that sustainability information, where reported, is free from material misstatements;

- As at 31 December 2025, it is not aware that the internal risk management and control systems do not provide sufficient comfort that operational and compliance risks are effectively managed, taking into account the Company's size, stage of development and risk appetite. In this context, "effectively managed" means that key risks are identified, assessed and subject to mitigating measures, and that material adverse impacts are reduced to an acceptable level, although not eliminated;
- Based on the current state of affairs, it is justified that the financial statements are prepared on a going concern basis;
- This report includes the material risks and uncertainties relevant to the Company's expected continuity for a period of at least twelve months after the preparation of this report.

The Company does not currently maintain a dedicated internal audit function. The Board annually assesses whether alternative measures provide sufficient assurance over the effectiveness of the Company's risk management and internal control systems.

The Board recognizes that risk management and internal control systems cannot provide absolute assurance and therefore provide reasonable, but not absolute, assurance. The inherent limitations of these systems are considered in the Board's oversight of their effectiveness.

The Board, supported by the Audit Committee, oversees the continued development of the Company's risk management and internal control framework as the business evolves.

Amsterdam, 30 March 2026
Board of Directors

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Remuneration Report

Remuneration Report

This report provides an overview of the remuneration of the Board in 2025 and explains how this relates to the Company's policy regarding the remuneration of its Non-Executive and Executive Directors (the Compensation Policy), which was previously adopted at the Company's 2024 Annual General Meeting (AGM). The adoption of the 2024 compensation policy and report was through an advisory vote with 81% of voting in favor of adoption.

The 2025 Remuneration Report has been prepared in line with Section 2:135b of the Dutch Civil Code (DCC) and best practice provision 3.4.1 of the Corporate Governance Code (CGC). This report will be submitted to the AGM to be held in 2026 for an advisory vote. The Company's 2026 AGM date will be announced after publication.

The Compensation Policy is available on the ONWARD website **(onwd.com)** under the Investors/Governance tab.

Executive Director Remuneration

The annual remuneration of the Executive Director comprises the following two components:

- Fixed remuneration, comprising an annual base salary and optional benefits, such as medical insurance, life insurance, retirement benefits, travel expenses, and/or representation allowances
- Variable remuneration, comprising an annual performance-based compensation (depending on the individual's achievement and corporate objectives as defined on an annual basis) and share-based remuneration

Fixed Remuneration

The amount of the fixed remuneration depends on the Executive Director's function and responsibilities and on typical compensation levels in the industry and the market, especially in comparison to similar listed companies in the medical technology sector. The fixed remuneration is paid out as a monthly salary.

Variable Remuneration

Short-term variable remuneration consists of annual performance-based compensation (a bonus) defined on a yearly basis. The Company currently only considers corporate objectives.. Corporate objectives are focused on delivering commercial success in our first year of product launch, alongside advancing key clinical, regulatory, and development milestones. These objectives are measured via a set of specific targets to track progress and ensure alignment with long-term growth.

Long-term variable remuneration consists of periodic grants of stock options that vest monthly over a four-year vesting period. For more details, refer to Note 2.9 in the Consolidated Financial Statements. Stock options create an ownership opportunity for executives linked to the long-term performance of the Company's share price, aligning their interests with those of shareholders over the options' 10-year term. If the share price does not increase from the date of grant, no value is realized under the scheme.

Stock options are commonly leveraged as the primary equity vehicle among our industry peer group in Europe and the US. Award sizes are determined at the point of grant in relation to competitive award values and percentage of ownership delivered within our peer group.

The Company has implemented share-based remuneration as follows:

- Share-based remuneration takes the form of options for shares
- These options may not be transferred, pledged, or otherwise encumbered; subject to, among others, the applicable yearly exercise periods, they may be exercised for up to 10 years after the grant date once vested
- In cases of termination of an Executive Director's management agreement (other than termination by the Executive Director for good cause) who holds share options, or if that Executive Director is dismissed, such options are subject to reverse vesting (and as such will be forfeited) over a period of 36 months after their grant
- This plan is not based on the achievement of specific performance-related Key Performance Indicators (KPI's); however, the size of the stock option grant is linked to the position's job grade and is contingent on an individual's performance in the previous calendar year
- The plan is based on the premise that stock options contain an inherent performance criterion for the recipient, who is invested in the successful performance of the Company, thereby leading to an increase in the share price

There are no specific performance conditions associated with this plan, only a service condition. This deviates from the requirements of best practice provision 3.1.2 v of the CGC. In addition, refer to the section "Deviations from the Best Practices Provisions of the Dutch Corporate Governance Code" of the Governance section for further information.

The following awards have been granted to the Company's Executive Director. The main conditions for exercising these options are described above.

Executive Director	Financial Year	Grant Date	Type of Security	Options Vested / Unvested	Exercise Price	Expiration Date
Dave Marver	2021	15/12/2021	Stock Options	Vested: 188,000 Unvested: –	€ 9.70	15/12/2031
Dave Marver	2023	03/01/2023	Stock Options	Vested: 288,215 Unvested: 96,785	€ 6.12	03/01/2033
Dave Marver	2024	15/01/2024	Stock Options	Vested: 147,083 Unvested: 152,917	€ 2.94	15/01/2034
Dave Marver	2024	05/12/2024	Stock Options	Vested: 88,458 Unvested: 241,542	€ 4.77	05/12/2034
Dave Marver	2026	05/01/2026	Stock Options	Vested: 0 Unvested: 630,000	€ 4.37	05/01/2036

Reduction or claw-back of variable remuneration

Pursuant to Dutch law, the variable remuneration of the Executive Director may be reduced, or the Executive Director may be obliged to pay part of their variable remuneration to the Company, if certain circumstances apply as follows:

- Test of reasonableness and fairness: According to Dutch law, the Board may adjust any variable remuneration payable to an Executive Director to an appropriate level if payment of the variable remuneration is deemed unacceptable according to the criteria of reasonableness and fairness
- Claw-back: Under Dutch law, the Board has the authority to recover from an Executive Director any variable remuneration paid based on incorrect financial or other data

Contribution to long-term performance & value creation

Remuneration of the Executive Director is consistent with and supports ONWARD's strategy. It also supports our ongoing efforts to improve our overall performance, facilitate growth and sustainable success, and enhance our long-term value and interests.

As a result, our compensation packages are designed to enable us to compete in a global market, including the challenging US labor market. We aim to attract top talent to execute our long-term strategy and create sustainable value and growth in the best interest of the Company and stakeholders. Executive compensation packages are reviewed annually in Q4, based on benchmarks provided by AON, an independent third party. No adjustment was made to the executive compensation package for 2024.

Executive Director's Remuneration

A detailed breakdown of the Executive Director's remuneration is presented in the table below:

EUR'000	Dave Marver CEO	
	2025	2024
Base salary	440	425
Pension benefits	117	72
Other benefits	31	47
Total fixed compensation	588	544
	31%	27%
Annual performance-based compensation	466	489
Exceptional bonus	–	250
Share-based remuneration / stock options	824	757
Total variable compensation	1,290	1,496
	69%	73%
Total compensation	1,878	2,040

Scenario Analyses

A scenario analysis of the possible outcomes of the variable components and the impact on the annual performance-based compensation was discussed by the Compensation Committee in 2024 to assess if there are any risks that the performance criteria could lead to inappropriate outcomes. The Compensation Committee concluded that the range of potential remuneration outcomes were reasonable considering the current maturity and activities. The Compensation Committee makes recommendations to the Board, however, the final decision regarding percentages based on achievements relating to executive compensation will remain up to the discretion of the Board.

Performance assessment

The Board determines the Executive Director's variable remuneration (whereby the Executive Director has not taken part in the discussions and decision-making by the Board) based on an annual performance assessment and professional judgment. Variable remuneration is linked to the individual's performance against a set of financial and non-financial goals that supports and is consistent with the Company's strategy and long-term interests.

These goals include, among other topics, performance, business development, strategy, investor relations, and general management. Risk alignment is considered in target setting to promote sound and effective risk management. Variable remuneration is paid out according to how the Company's business develops, the scope of the Executive Director's achievement, and the realization of the Company's general objectives.

In 2025, the Board approved a set of company goals for our Executive Director, containing both financial and non-financial KPIs:

Commercialization

Drive ARC^{EX} Commercial Success and expand venues offering regulatory authorizations.

Advancing pipeline

Advance the Empower BP pivotal clinical trial by completing technical documentation, securing regulatory approval, and enrolling the first study participant, while simultaneously establishing a strategic roadmap for ARC^{BCI} technology development.

Corporate

Extending cash runway through successful funding initiatives, ensuring financial stability and operational continuity.

Performance criteria functional area	Criteria weight	On-target performance	Actual performance	Measured performance
Commercialization	50%	100%	115%	58%
Advancing pipeline	35%	100%	74%	26%
Corporate	15%	100%	150%	23%
Total				**106%**
Corresponding amount (EUR'000)				**466**

After the conclusion of the financial year, the Board assesses to what extent the performance criteria have been met and determines the measured performance percentage and corresponding amount for the Executive Director. Bonus compensation is at the discretion of the Compensation Committee and, ultimately, the Board.

Evaluating the Executive Director's performance against the performance criteria set forth at the beginning of 2025, the Remuneration Committee recommended, and the Board granted the CEO a variable compensation payout of 106% of target for 2025.

Non-Executive Director Remuneration

It should be in the Non-Executive Directors' interest to focus on the Company's sustainable and long-term successful development. As such, the Company believes that fixed remuneration for the Non-Executive Directors is effective. Regardless of their remuneration, all Non-Executive Directors are entitled to reimbursement for their travel expenses.

The fees are as follows:

EUR'000	Chairman	Member
Board of Directors	90	55
Audit Committee	15	7.5
Compensation Committee	12	6
Nomination and Corporate Governance Committee	9	4.5

There were no changes to the fees for 2024.

Determination of Non-Executive Directors' Remuneration

Non-Executive Director remuneration amounted to:

In EUR

Name	2025	2024	2023	2022	2021
Jan Øhrstrøm[a]	–	130,765	160,889	208,134	533,577
Gregoire Courtine[b]	304,081	661,177	512,297	300,725	980,918
Fred Colen[c]	25,111	73,210	66,149	59,839	96,820
Kristina Dziekan	62,822	51,000	51,000	26,538	–
Vivian Riefberg[d]	101,777	92,910	95,414	25,275	–
Rob Ten Hoedt[e]	111,343	18,024	–	–	–
Rahma Samow[e]	90,041	16,068	–	–	–
Tim Denison[f]	28,161	–	–	–	–
Lucas Buchanan[f,g]	37,441	–	–	–	–

Compensation includes the reimbursement of travel expenses.
a: Compensation includes cost of stock options EUR - (2024: EUR 26,421). Jan resigned from the board effective 6 December 2024.
b: Compensation includes the remuneration paid in relation to his role as Science Advisor EUR 93,521 (2024: EUR 347,430), as well as the vesting of stock options under the long-term incentive plan EUR 205,858 (2024: EUR 313,747). Gregoire resigned from the board effective 4 July 2025.
c: Fred resigned from the Board effective 6 December 2024. Contractual remuneration following his departure was paid in 2025.
d: Compensation includes cost of stock options EUR 6,333 (2024: EUR 12,157).
e: Compensation includes cost of stock options EUR 7,529 (2024: EUR -).
f: Interim Director (expected to be nominated for appointment as Director at our Annual General Meeting to be held in 2026).
g: Compensation includes cost of stock options EUR 7,529 (2024: EUR -).

The following awards have been granted to the Company's Non- Executive Director

Non-Executive Director	Financial Year	Grant Date	Type of Security	Options Vested / Unvested	Exercise Price	Expiration Date
Grégoire Courtine	2021	15/12/2021	Stock Options	Vested: 62,000 Unvested: –	€ 9.70	15/12/2031
Grégoire Courtine	2023	03/01/2023	Stock Options	Vested: 123,521 Unvested: 41,479	€ 6.12	03/01/2033
Grégoire Courtine	2024	15/01/2024	Stock Options	Vested: 61,285 Unvested: 63,715	€ 2.94	15/01/2034
Grégoire Courtine	2024	05/12/2024	Stock Options	Vested: 50,931 Unvested: 139,069	€ 4.77	05/12/2034
Vivian Riefberg	2022	27/09/2022	Stock Options	Vested: 13,044 Unvested: 2,956	€ 5.70	27/09/2032
Rahma Samow	2025	12/08/2025	Stock Options	Vested: – Unvested: 16,000	€ 4.11	12/08/2035
Lucas Buchanan	2025	12/08/2025	Stock Options	Vested: – Unvested: 16,000	€ 4.11	12/08/2035

Liability Insurance (D&O) and Indemnity

The Company maintains D&O insurance covering the Executive Directors and all Non-Executive Directors.

Pursuant to Article 23 of the Articles of Association, the Directors are indemnified, held harmless, and reimbursed by the Company for all expenses, financial effects of judgments, fines, and amounts paid in settlement actually and reasonably incurred by them in connection with an action, suit, proceeding, or investigation against them in their capacity as Executive or Non-Executive Director.

Historical Development

The table below provides an overview of the annual compensation of the Executive Director and full-time equivalent (FTE) employees for the financial years 2021 to 2025. The amounts mentioned in the table are gross amounts before the impact of social-security or income-tax deductions.

EUR'000	2025	2024	2023	2022	2021	2020
Net loss of the period	41,787	35,725	36,181	32,772	34,314	20,014
Executive Director	1,878	2,040	1,683	1,430	3,331	1,008[a]
Annual change	*-8%*	*21%*	*18%*	*-57%*	*230%*[a]	
Average FTEs	122.05	99.36	104.5	86.6	76,7	55
Annual change	*23%*	*-5%*	*21%*	*13%*	*-11%*	
Remuneration of FTEs	26,640	23,315	21,498	18,282	15,519	8,534
Annual change	*14%*	*6%*	*23%*	*18%*	*82%*	
Average remuneration per FTE	218	235	206	212	202	155
Annual change	*-7%*	*12%*	*-3%*	*4%*	*104%*	
Pay Ratio	9	9	8	7	16	13[b]
Annual change	*-1%*	*5%*	*21%*	*-59%*	*62%*	
Non-Executive Directors	761	948	886	621	1,616	959
Annual change	*-20%*	*7%*	*43%*	*-62%*	*69%*	

a: The CEO was appointed on 1 July 2020.
b: For a meaningful comparison, as the CEO was appointed on 1 July 2020, the 2020 pay ratio was calculated by extrapolating the CEO remuneration in 2020 for 12 months (EUR 2,016 thousand).

Pay Ratio

Based on best practice provision 3.4.1 of the DCGC, the Company shall disclose the pay ratio between the remuneration of the Executive Directors and that of a representative reference group of Company employees and, if applicable, comment on any important variation in pay ratios compared to the previous financial year.

The reference group includes the Company's entire workforce expressed in the form of full-time equivalent (FTE) employees. The FTE of each employee is calculated based on the number of hours an employee works in each period, compared to the maximum number of hours/periods allowed, as per the local law prevalent in the country of operation. As of 31 December 2025, there were 137.3 FTEs (2024: 102.55).

Pay ratios are calculated based on the average remuneration received by employees of the reference group. The remuneration taken into account is the amount received during the year concerned. If all or part of the remuneration was paid in a foreign currency, the exchange rate used was the average exchange rate of the relevant currency into euros for the year ending 31 December 2025.

The Company used both fixed and variable remuneration components in determining the pay ratio for a given year. The pay ratio disclosed by the Company reflects the previous financial year. The average Executive Director-to-employee pay ratio stands at 9 in 2025, similar to 2024 with no variance. The variance from 2023 to 2024 is due to an increase in the cost per FTE, and the exceptional bonus approved by the Board for the CEO following the successful fundraising in October 2024.The variance from 2022 to 2023 is driven by the cost of stock options awarded on 3 January 2023, this is a non-cash component of the CEO's variable compensation. The variance from 2020 to 2021 and 2021 to 2022 is due to the successful IPO in October 2021 that positively impacted the performance-based remuneration and triggered the accelerated vesting of the Employee Investment Plan.

Financials

Consolidated Statement of Profit & Loss

		For the Year Ended 31 December	
All amounts in EUR '000	**Notes**	**2025**	**2024**
Revenue	2.1	**3,740**	**77**
Grants & Other Income	2.1	**1,674**	**1,662**
		5,414	**1,739**
Cost of goods sold		**(1,039)**	**(22)**
Gross Profit		**4,375**	**1,717**
Research & Development Expenses	2.2,2.7	(12,318)	(13,883)
Clinical & Regulatory Expenses	2.3,2.7	(5,730)	(4,754)
Marketing & Market Access Expenses	2.4,2.7	(8,118)	(3,350)
Quality Assurance Expenses	2.5,2.7	(2,362)	(2,016)
General & Administrative Expenses	2.6,2.7	(16,763)	(12,576)
Total Operating Expenses		**(45,291)**	**(36,579)**

Operating Loss for the Period		**(40,916)**	**(34,862)**
Financial Income	4.5	1,691	1,165
Financial Expense	4.5	(2,251)	(2,068)
Net Finance Expense		**(560)**	**(903)**
Loss for the Period Before Taxes		**(41,476)**	**(35,765)**
Income Tax	2.9	(311)	40
Net Loss for the Period		**(41,787)**	**(35,725)**
Attributable to:			
Equity holders of the parent		**(41,787)**	**(35,725)**
		(41,787)	**(35,725)**
Earnings Per Share (EUR):			
Basic earnings per share:	4.1	(0.90)	(0.80)
Diluted earnings per share:	4.1	(0.90)	(0.80)

Consolidated Statement of Comprehensive Income

		For the Year Ended 31 December	
All amounts in EUR '000	**Notes**	**2025**	**2024**
Net Loss for the Period		**(41,787)**	**(35,725)**
Remeasurement of post-employment benefits	5.0,2.9	(491)	(1,565)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)		**(491)**	**(1,565)**
Currency translation differences		(1,045)	434
Other comprehensive income that will be reclassified to profit or loss in subsequent periods (net of tax)		**(1,045)**	**434**
Total Comprehensive Result for the Year, Net of Tax		**(43,323)**	**(36,856)**
Attributable to:			
Equity holders of the parent		**(43,323)**	**(36,856)**

Consolidated Statement of Financial Position

For the Year Ended 31 December

All amounts in EUR '000	Notes	2025	2024
Assets			
Non-Current Assets			
Intangible assets	3.0	8,733	10,425
Property, plant & equipment	3.1	534	471
Right of use assets	3.2	551	1,054
Deferred tax assets	2.9	659	568
		10,477	**12,518**
Current Assets			
Inventories	3.3	803	102
Indirect tax receivables	3.4	381	125
Receivable from related parties		–	36
Trade and other receivables	3.5	1,195	160
Other current assets	3.6	3,587	3,153
Cash and cash equivalents	3.7	68,110	60,043
		74,076	**63,619**

		84,553	**76,137**
Equity & Liabilities			
Equity & Reserves			
Issued capital	4.0	6,721	5,355
Share premium	4.0	264,354	217,774
Other reserves*	4.0	6,799	6,770
Retained earnings		(222,558)	(181,845)
Total Equity Attributable to Shareholders		**55,316**	**48,054**
Non-Current Liabilities			
Interest-bearing loans	4.2	13,074	13,972
Deferred tax liability	2.9	347	303
Lease liability	3.2	53	518
Post-employment benefits	5.0	4,664	3,999
		18,138	**18,792**
Current Liabilities			
Income tax liabilities		179	200
Lease liability	3.2	538	597
Trade payables	3.8	3,083	1,269
Other financial liabilities	4.2	370	437
Payable to related party		51	–
Other payables	3.9	6,878	6,788
		11,099	**9,291**
		84,553	**76,137**

Other reserves include the foreign currency translation reserve that qualifies as a legal reserve under Dutch Law.

Consolidated Statement of Changes in Equity

All amounts in EUR '000	Notes	Issued Capital	Share Premium	Other Reserves*	Retained Earnings	Total Equity
As at 1 January 2024		**3,622**	**155,249**	**4,488**	**(145,428)**	**17,931**
Loss for the year 2024		–	–	–	(35,725)	(35,725)
Other comprehensive income		–	–	434	(1,565)	(1,131)
Total comprehensive result		–	–	*434*	*(37,290)*	*(36,856)*
Issuance of share capital	**4.0**	1,733	68,267	–	–	*70,000*
Transaction costs related to issue of share capital	**4.0**		(5,742)	–	–	*(5,742)*
Share-based payments: LTIP	**2.8, 4.0**	–	–	1,847	873	2,720
As at 31 December 2024	**4.0**	**5,355**	**217,774**	**6,770**	**(181,845)**	**48,054**
As at 1 January 2025		**5,355**	**217,774**	**6,770**	**(181,845)**	**48,054**
Loss for the year 2025		–	–	–	(41,787)	(41,787)
Other comprehensive income		–	–	(1,045)	(491)	(1,536)
Total comprehensive result		–	–	*(1,045)*	*(42,278)*	*(43,323)*
Issuance of share capital	**4.0**	1,356	49,494	–	–	50,850
Transaction costs related to issue of share capital	**4.0**	–	(3,241)	–	–	(3,241)
Exercise of options	**2.8**	10	327	–	–	337
Share-based payments: LTIP	**2.8, 4.0**	–	–	1,074	1,565	2,639
As at 31 December 2025	**4.0**	**6,721**	**264,354**	**6,799**	**(222,558)**	**55,316**

** Other reserves include the foreign currency translation reserve that qualifies as a legal reserve under Dutch Law.*

Consolidated Statement of Cash Flows

		For the Year Ended 31 December	
All amounts in EUR '000	**Notes**	**2025**	**2024**
Cash Flows from Operating Activities			
Loss for the Period Before Taxes		**(41,476)**	**(35,765)**
Adjusted for:			
◦ Depreciation and impairment of property, plant and equipment and right-of-use assets	3.0, 3.1, 3.2	1,447	898
◦ Share-based payment transaction expense	2.8	2,639	2,720
◦ Post-employment benefits		49	126
◦ Net finance costs		560	902
◦ Other non-cash items		148	143
Changes in working capital:			
Increase (-) Decrease (+) in Trade and other receivables		(2,905)	(1,857)
Increase (+) Decrease (-) in Trade and other payables		1,955	2,313

Interest received		496	686
Interest paid		(1,661)	(1,742)
Income tax paid		(257)	(167)
Bank charges paid	4.5	(61)	(20)
Net cash(used)/generated from operating activities		**(39,066)**	**(31,763)**
Cash flows from investing activities			
Investments in fixed assets	3.1	(432)	(150)
Net cash generated/(used) from investing activities		**(432)**	**(150)**
Cash flows from financing activities			
Proceeds from interest-bearing loans	4.2	–	14,116
Repayment of principal portion of interest-bearing loans	4.2	–	(15,255)
Payment of principal portion of lease liabilities	3.2	(600)	(560)
Proceeds from exercise of share options		337	–
Proceeds from issuance of shares	4.0	50,850	70,000
Transaction costs on issuance of shares	4.0	(3,241)	(5,741)
Net cash generated/(used) from financing activities		**47,346**	**62,560**
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		220	(372)
Changes in cash and cash equivalents during the period		**7,847**	**30,647**
Cash and cash equivalents at 31 December	3.7	**68,110**	**60,043**

ONWARD® MEDICAL

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1. General Information & Basis of Preparation

1.0 Corporate Information

General

Onward Medical N.V. ("ONWARD") is a public limited company under Dutch law (naamloze vennootschap). The registered office is located at Schimmelt 2, Eindhoven, the Netherlands. ONWARD is registered in the Commercial Register of the Chamber of Commerce under number 64598748.

ONWARD and its subsidiaries (the "Group") are developing and commercializing innovative therapies to enable functional recovery for people with Spinal Cord Injury ("SCI"). The Company's technology platforms are based on ONWARDARC Therapy ("ARC Therapy"), targeted, programmed electrical stimulation of the spinal cord designed to restore movement, independence, and health in people with SCI.

The financial statements for the year ended 31 December 2025 have been prepared by the Board of Directors and were authorized for issue on 30 March 2026. The financial statements will be submitted for adoption to the 2026 Annual General Meeting.

1.1 Group Information

Information about subsidiaries

The consolidated financial statements of the Group include:

- ONWARD Medical SA, Switzerland (holding 100%)
- ONWARD Medical Inc, United States of America (holding 100%)

1.2 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated. Income and expenses are accounted for on an accrual basis. The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (EUR 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.

1.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full-on consolidation.

1.4 Going Concern

In preparing the consolidated financial statements for the year ended 31 December 2025, management evaluated the Company's ability to continue as a going concern by reviewing projected cash flows for at least the twelve months following the approval of the financial statements. These projections reflect planned investments in research and development, ongoing and planned clinical programs, commercial activities, regulatory activities, and the servicing of existing financial obligations.

As of 31 December 2025, the Company held cash and cash equivalents of EUR 68 million and had incurred cumulative losses of EUR 223 million since inception. Based on current forecasts and planned expenditures, management expects that existing cash resources will support the Company's operations for a significant portion of the twelve-month assessment period but are not expected to be sufficient to fund operations for the full twelve months following approval of the financial statements without additional measures. However, this outlook is dependent on a number of assumptions and is subject to material uncertainty.

During 2025 and subsequent to the reporting date, the Company achieved important operational milestones, including continued commercial progress of the ARC^{EX} System and the receipt of additional regulatory approvals, which expand the potential addressable market. Notwithstanding this progress, the Company remains in the early stages of commercialization, and there is limited historical data available to support revenue forecasts. As a result, actual revenues and the timing of cash inflows may differ from current expectations.

The Company is also subject to risks associated with its financing arrangements. The Company has an outstanding loan facility with Runway Growth that includes minimum quarterly revenue and EBITDA performance thresholds. Based on current forecasts, a potential covenant breach is anticipated towards the end of the third quarter of 2026 if no amendments to the covenant terms are agreed. The Company has previously obtained two amendments to the covenant terms under this facility and has initiated discussions with Runway Growth regarding a potential further amendment and/or extension. As of the reporting date, the Company remains in compliance with all covenants. In the event of a covenant breach, Runway Growth would have the right, but not the obligation, to declare the loan immediately due and payable, subject to a contractual cure period of 30 days. Management recognizes that future operating performance, liquidity levels, or broader market conditions could affect the Company's ability to maintain compliance with covenant requirements. Based on the Company's prior experience of obtaining covenant amendments and the constructive discussions currently underway with the lender, management considers it reasonable to expect that an appropriate solution can be agreed before any potential covenant breach occurs.

To address these uncertainties, management has identified a range of mitigating actions within its control. These include the ability to manage and reduce cash outflows through disciplined cost control, reprioritization or deferral of certain research, clinical, or commercial activities, and adjustments to the timing of hiring and other discretionary expenditures. In particular, expenditures related to the ARC^{IM} program and ongoing ARC^{EX} development can be actively managed and adjusted as part of the Company's cost-control measures, which would not be in the Company's long-term interest. In addition, management continues to evaluate financing options to support the Company's strategic plans and longer-term liquidity requirements, including the potential to attract additional equity or debt financing. Management also continues to focus on accelerating commercial adoption of the ARC^{EX} System to increase revenue and associated cash inflows. These actions are supported by the Company's demonstrated ability to manage expenditures and secure funding when required.

Notwithstanding these mitigating actions, the combination of uncertainty surrounding future cash inflows, the potential for a future covenant breach under the Runway Growth loan facility, and the current expectation that existing cash resources alone may not be sufficient to fund operations for the full twelve months following approval of the financial statements gives rise to a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Nevertheless, taking into account the Company's cash position at year end, planned mitigating actions, and management's assessment of available options, the consolidated financial statements have been prepared on a going concern basis.

1.5 Summary of Material Accounting Policies

a. Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b. Foreign currencies

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items measured at fair value are recognized in the same line as the related fair value gains or losses, either in other comprehensive income or in profit or loss).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at the monthly average exchange rates.

The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

1.6 Significant Accounting Judgments, Estimates & Assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgments, estimates, and assumptions that affect the reported amounts of certain expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and the future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that are most relevant to the carrying amounts of assets and liabilities within the next financial year, are included in each of the respective notes as referenced below:

Share-Based Payments	**Note 2.8**
Post-Employment Benefits	**Note 5.0**
Taxes	**Note 2.9**

1.7 New Accounting Standards & Developments

1.7.1 New and Amended Standards and Interpretations

The following amendment applied for the first time in 2025:

- Lack of exchangeability – Amendments to IAS 21, effective 1 January 2025

This amendment had no impact on the consolidated financial statements of the Group in 2025.

1.7.2 Standards Issued but Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are listed below. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The Group intends to adopt new and amended standards and interpretations, if applicable, when they become effective.

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7, effective 1 January 2026.
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7, effective 1 January 2026.
- IFRS 18 – Presentation and Disclosure in Financial Statements, effective date 1 January 2027.
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures, effective date 1 January 2027.
- Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21, effective date 1 January 2027.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

With the exception of IFRS 18 which is being further assessed, based on the nature and impact of the remaining new standards, amendments and/or interpretations, the Group expects no material impact considering the circumstances as at the date of this Annual Report.

1.8 Changes in Accounting Policies and Disclosures

1.8.1 Change in Disclosure in the Consolidated Statement of Profit and Loss in 2024

During the year ended 31 December 2025, the Group reassessed the presentation of certain operating expense line items in the consolidated statement of profit or loss in accordance with IAS 1 Presentation of Financial Statements. As a result of this reassessment, patent and related intellectual property costs are now presented within Research and Development ("R&D") expenses, rather than as a separate line item on the face of the consolidated statement of profit or loss.

Patent and related expenses primarily comprise costs incurred to secure, maintain and defend intellectual property associated with the Group's technology platform, including patent filing, prosecution, maintenance and related advisory fees. Management determined

that these costs are directly attributable to and arise from the Group's development activities and are integral to protecting and advancing its product pipeline. Accordingly, presenting these expenses within R&D better reflects the nature and function of the costs within the Group's operations.

The revised presentation enhances the relevance and faithful representation of the Group's performance by aligning the classification of intellectual property protection costs with the underlying research and development activities from which they originate. In addition, this presentation is consistent with industry practice within the industry, where patent-related expenditures that support product development are commonly included within R&D expenses, thereby improving comparability with peers.

The change relates solely to presentation within operating expenses and has no impact on total operating expenses, operating loss, loss for the year, earnings per share, cash flows or the financial position of the Group. Comparative information has been re-presented to conform with the current year presentation.

	Reported: 2024	Restated: 2024	Change
Research & Development expenses	12,442	13,883	1,441
Patent fees & Related Expenses	1,441	–	(1,441)

The following note was restated:

	Reported: 2024	Restated: 2024	Change
2.2 Research & Development expenses			
Staff costs	9,260	9,260	–
Outsourced cost	3,182	4,623	1,441
	12,442	**13,883**	**1,441**

And the following note has been removed:

	Reported: 2024	Restated: 2024	Change
2.5 Patent and Related expenses			
Staff costs	–	–	–
Outsourced cost	1,441	–	(1,441)
	1,441	**–**	**(1,441)**

2. Results of The Year

2.0 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.

	2025	2024
Non-current assets		
Netherlands	159	105
Switzerland	1,453	2,077
United States of America	8,865	10,336
Non-current assets	**10,477**	**12,518**

For the geographical information on revenue from external customer, please refer to Note 2.1 below.

2.1 Revenues & Other Income

Accounting policy:

Sale of ARC^{EX} Medical Devices

ONWARD Medical recognises revenue in accordance with IFRS 15 when control of the ARC^{EX} medical device is transferred to the customer, at an amount that reflects the consideration to which the Group expects to be entitled.

Nature of the Arrangement

Contracts with customers consist primarily of the sale of the ARC^{EX} system. The Group has concluded that it acts as principal, as it controls the device prior to transfer to the customer. The accompanying software is required for the device to function as intended and is provided as an integral component of the system under a perpetual end-user licence, with no separate pricing or ongoing service obligation.

Performance Obligations

The sale of the ARC^{EX} system represents a single performance obligation, comprising the hardware and embedded/permitted software necessary to operate the device. No separate performance obligations are identified, as:

- the software is not sold separately and cannot be used independently of the device, and
- standard warranties provided are assurance-type warranties only and do not constitute a distinct service.

Timing of Revenue Recognition

Revenue primarily consists of the sale of ARC^{EX} systems under contractually agreed terms and conditions. Depending on the contract, the Company obtains a right to payment upon shipment or delivery of the systems, with payment terms typically ranging from 30 to 90 days. Revenue is recognised at a point in time when control of the system transfers to the customer, which generally occurs upon shipment from the Company's facility. While the transfer of risks and rewards is not the only criterion, it is typically the main indicator of control and generally coincides with the transfer of legal title, risk of loss and the customer's obligation to pay in accordance with the contract.

Variable Consideration, returns and volume rebates

Contracts include limited rights of return, subject to strict conditions. The Group assesses expected returns at contract inception and recognises variable consideration only to the extent that it is highly probable that a significant revenue reversal will not occur. Where applicable, a refund liability and corresponding right-of-return asset are recognised.

Certain customer contracts include volume-based rebates or sales incentives that depend on achieving specified purchase or performance thresholds. These arrangements give rise to variable consideration, which the Group estimates based on the expected or most likely outcome and includes in revenue only to the extent that it is highly probable that a significant reversal will not occur. Revenue is recognised net of estimated rebates or incentives, with a corresponding refund liability recorded for amounts expected to be payable to customers. Sales incentives that are earned based on performance in one period but applied to future purchases are recognised as a reduction of revenue when the related performance conditions are met.

Significant financing component

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

Warranties

The ARC^{EX} system is subject to a standard limited warranty covering defects in materials and workmanship. This warranty provides assurance that the product complies with agreed specifications and does not represent a separate performance obligation. Expected warranty costs will be accounted for separately as a provision in accordance with IAS 37. No warranty claims were reported in 2025, and no provision has been recognised, as there is no historical claims experience indicating material warranty obligations.

Government subsidies and grant income

Government subsidies and grant income are recognized where there is reasonable assurance that the amount will be received, and all attached conditions will be complied with. When the subsidy or grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Any outstanding receivables related to these subsidies or grants are recorded as grants receivable. The government subsidies and grants are presented on a gross basis except for the WBSO ("Wet Bevordering Speur & Ontwikkeling") that is presented on a net basis with the expensed amount for personnel expenses.

	2025	2024
Revenue from sale of devices	3,740	77
Government subsidies	1,634	1,510
Other income	40	152
Total revenues and other income	**5,414**	**1,739**

Sales per geography

	2025	2024
United State of America	3,231	77
Europe*	334	–
Rest of the World*	175	–
Total sales of devices	**3,740**	**77**

**Revenue recorded in Onward Medical NV (in the Netherlands)*

For the year ended December 31, 2025, the Group has no customers with individual sales larger than 10% of the total revenue. All revenue from the sale of devices in 2024 occurred in the United States of America.

Government subsidies have been received for the research and development of several development projects. There are no unfulfilled conditions or contingencies attached to these subsidies.

Grants	Total Grant[a]	Recognized as Grant Income 2025	Recognized as Grant Income 2024	Recognized as Grant Income cumulative before 2024	Grant received in advance as per 31-12-2025
BESTABLE[e]	100	–	(16)	100	–
SWISS LOCAL (one-offs)[b]	–	–	22	150	–
EISMEA – ReverseParalysis[e]	292	2	232	36	–
SERI - Reverse Paralysis[b,c]	997	4	970	0	–
EISMEA - NEMO BMI[e]	187	95	–	0	(13)
SERI – NEMO BMI[b,c]	882	873	–	–	–
Eurostars Impulse[e]	500	176	150	174	–
Rewire[e]	360	74	50	56	(38)
SH-ARC[e]	500	64	-	53	(296)
MJFF SPARKL[e]	91	–	91	–	–
PD-HemoN project[d]	224	59	11	–	(112)
PD- Bridge Mobility[d]	278	22	–	–	–
EISMEA – Reverse Stroke[e]	686	–	–	–	(240)
SERI – Reverse Stroke[b,c]	1,129	265	–	–	(296)
Other[e]	–	–	–	(12)	–
Total		1,634	1,510	557	(995)

a: Please refer to the terms and conditions of the subsidies included below.
b: These grants were received by ONWARD Medical SA (In Switzerland)
c: Grant is received in CHF and is converted to EUR using closing rate
d: These grants were received by ONWARD Medical Inc (In the United States of America)
e: These grants were received by ONWARD Medical NV (In the Netherlands)

Terms & conditions

BESTABLE

This Eurobench funding agreement with PKF ATTEST INNCOME S.L. and the Spanish National Research Council CSIC for a total amount of €100k started in September 2019 and ended in December 2021. An amount equal to 85% of the grant is paid during the grant period in tranches in 2019, 2020 and 2021. The remaining 15% of the total grant amount is payable after evaluation of the final report. In this project, ONWARD is collaborating with the Technical University of Delft and the University Rehabilitation Institute to develop a benchmarking system for assessment of balance performance. The final 15% was not received by the end of 2024 and the amount previously recognized was reversed in 2024.

Reverse Paralysis

The European Innovation Council and SMEs Executive Agency (EISMEA) awarded a €3.6 million grant (EIC Transition, 101057450) to support the development of innovative Brain-Spine Interface technology aimed at restoring mobility and upper limb function. ONWARD, along with research partners EPFL, CEA-Clinatec, and Sint Maartenskliniek, is participating in this project, of which €1.3 million was originally allocated to ONWARD and subsequently adjusted to €292 thousand. The project commenced on 1 May 2022, and concluded in 2025 as planned. Due to changes in ONWARD's research footprint, a portion of the work originally planned in the Netherlands has shifted to Switzerland, affecting the eligibility of certain costs under the EISMEA framework. To address this, ONWARD successfully negotiated an amendment with EISMEA to transfer activities and secured replacement funding from the Swiss State Secretariat for Education, Research, and Innovation (SERI) to cover activities performed in Switzerland.

NEMO BMI

The EISMEA also awarded a €3.8 million grant for the development of Motor Brain-Machine Interfaces (BMIs) (EIC Pathfinder, 101070891). These interfaces translate brain neural signals into commands for external effectors, with the NEMO BMI project focusing on assistance-free, portable neuroprosthetics, including a wireless neuronal activity recorder, a real-time neuronal decoder, and a spinal cord stimulator. The project, involving ONWARD and partners

EPFL, CEA, and IICT, began on 1 October 2022, and activities are expected to continue until 30 September 2026. ONWARD's share of the original grant was €1 million and subsequently adjusted to €187 thousand. Due to changes in ONWARD's research footprint, a portion of the work originally planned in the Netherlands has shifted to Switzerland, affecting the eligibility of certain costs under the EISMEA framework. To address this, ONWARD successfully negotiated an amendment with EISMEA to transfer activities and secured replacement funding from the Swiss State€Secretariat for Education, Research, and Innovation (SERI) to cover activities performed in Switzerland.

Eurostars Impulse

The Eurostars Independent Evaluation Panel has provided a subsidy for a total amount of €500 thousand that started 1 December 2022 and ended 30 November 2025, a duration of 36 months. The Impulse project focuses on closed-loop control of blood pressure for people with SCI.

ReWIRE

ONWARD has joined other global neuroscience and rehabilitation stakeholders to create ReWIRE, a groundbreaking initiative aimed at equipping next-generation scientists with the skills to develop therapeutic solutions for patients with paralysis caused by SCI. ReWIRE will build on recent technological breakthroughs by leveraging multiple PhD projects that will drive effective combinatorial treatments for SCI. The project is funded by the European Research Executive Agency (REA) as part of the Marie Skłodowska-Curie Actions (MSCA) Doctoral Networks for an amount of €360 thousand and started in 1 January 2023 and ends 31 December 2026.

SH-ARC

The Eurostars Independent Evaluation Panel has provided a subsidy for a total amount of €500 thousand that started 1 April 2023 and ends 31 March 2026, a duration of 36 months. SH-ARC works to integrate NUSHU sensorised shoes in a clinical-grade neuroprosthesis that will utilize spinal cord stimulation to alleviate parkinsonian gait deficits.

MJFF - SPARKL

ONWARD Medical and it's partner .NeuroRestore have received approximately €900 thousand from the Michael J. Fox Foundation for Parkinson's Research. This grant will support a clinical feasibility study with 6 participants to explore the ability of the ONWARD ARC™ System to address mobility challenges in Parkinson's disease. ONWARD's allocation amounts to €90 thousand. The study commenced on 01 January 2023, with the first participant implanted in late 2024, and the project will end 13 December 2025.

PD-HemON

ONWARD Medical and its research partner, .NeuroRestore, have received approximately €1.5 million from the US Department of Defense (DoD), Parkinson's Research Program (PRP) Investigator-Initiated Research Award (IIRA). This funding will support a clinical feasibility study with 5 participants to explore the ability of the ONWARD ARCIM System to address blood pressure instability in Parkinson's disease. ONWARD will receive €224 thousand. The project started on 30 September 2024 and will continue until 29 September 2027.

PD-Bridge Mobility

ONWARD Medical and its research partner, .NeuroRestore, have been award an approximately €1.8 million grant from the US Department of Defense (DoD), Parkinson's Research Program (PRP), Investigator-Initiated Research Award (IIRA). The funding supports additional patients in an on-going trial to study ONWARD ARC™ Therapy on gait deficits in Parkinson's disease. ONWARD will receive €278 thousand. The project started on 01 September, 2025 and will end on 31 August, 2028.

ReverseStroke

The European Innovation Council and SMEs Executive Agency (EISMEA) awarded an almost €3.0 million grant (EIC Pathfinder, 101187647) to support the development of brain-spine interface technology to restore hand and arm function after subcortical stroke. The five-year project commenced on March 1st, 2025, and will end on February 1st, 2030. ONWARD is joined by its EU-based research partners Commissariat à L'énergie Atomique et aux Énergies Alternatives (CEA) and Dessintey of France, and Department of Clinical Sciences, KI DS, Karolinska Institutet, of Sweden.

The Swiss State Secretariat for Education, Research, and Innovation (SERI) has provided an additional €3.0 million to support Swiss-based activities and the Swiss partners École Polytechnique Fédérale de Lausanne (EPFL), Centre Hospitalie Universitaire Vaudois (CHUV) and University of Lausanne (UNIL) of Switzerland. ONWARD is receiving €1.8 million from EISMEA and SERI to develop the capability to program and simultaneously control two investigational ARC™ IPGs (implanted neurostimulators), and to further develop its ARC™ Lead for the cervical spinal cord, the spinal cord region responsible for upper extremity function.

2.2 Research & Development Expenses

Accounting policy: Research costs are expensed as incurred. Development expenditure on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development
- The ability to use the intangible asset generated

	2025	2024
Staff expenses	7,915	9,260
Operating expenses	4,403	4,623
	12,318	**13,883**

The Company's research and development expenses consist primarily of costs incurred in the design and development of its technology platforms, including expenses related to external suppliers and third-party contractors, as well as employee-related expenses such as salaries, benefits and share-based compensation. In addition, R&D expenses include costs associated with securing and maintaining the Company's intellectual property portfolio, including patent and related expenses that directly support its development activities.

Research and development expenses decreased during the year as a result of lower external service costs and reduced employee-related expenses. The decrease is primarily driven by lower external development costs and a reduction in employee-related expenses, reflecting the timing and scale of development activities during the year.

In the current year, the Group has reassessed the assumptions and disclosures related to significant estimates and aligned these with the nature of its current activities and financial reporting. Significant estimates relating to R&D expenses are no longer considered relevant and have been removed.

2.3 Clinical & Regulatory Expenses

	2025	2024
Staff expenses	3,124	3,011
Operating expenses	2,606	1,743
	5,730	**4,754**

The Company's clinical and regulatory expenses consist of the employee-related expenses including salaries and benefits for employees working on clinical trials. In 2025, clinical expenses were primarily driven by activities supporting the FDA submission for ARC™ Home Use clearance, regulatory efforts related to obtaining the CE mark in Europe, and continued preparations for the pivotal Empower BP study.

2.4 Marketing & Market Access Expenses

	2025	2024
Staff expenses	5,848	2,101
Operating expenses	2,270	1,249
	8,118	**3,350**

The Company's marketing and market access expenses primarily reflects the investments in personnel to establish the commercial infrastructure required to support ARC^{EX} commercialization across the United States, Europe, and other international markets.

2.5 Quality Assurance Expenses

	2025	2024
Staff expenses	1,958	1,693
Operating expenses	404	323
	2,362	**2,016**

Quality assurance expenses consist primarily of quality control and quality assurance expenses. These expenses include employee expenses, including salary benefits for personnel, consulting, testing, and travel expenses. During 2025, efforts were primarily focused on supporting regulatory submissions, including FDA clearance for ARC^{EX} home use, CE mark activities in Europe, and broader quality oversight as the Company continues to scale its operations.

2.6 General & Administrative Expenses

	2025	2024
Staff expenses	7,795	7,249
Depreciation and amortization	1,447	898
Other operating expenses	7,521	4,429
	16,763	**12,576**

The Company's general and administrative expenses consist of employee expenses, including salary and benefits for personnel and contractors in executive, finance, accounting, tax, and human resources, as well as operating expenses relating to audit, legal, and supply chain. General and administrative expenses increased in 2025 as the Company continued to scale its operating (ARC^{EX} manufacturing set-up) and governance infrastructure (order to receipt process) to support commercial activities. The increase primarily reflects higher personnel costs, expanded corporate support functions, professional services related to strategic financing and governance, and a modest increase in Board-related costs.

2.7 Employee Benefit Expenses

Accounting policy:

Short-term employee benefits

Short-term employee benefits include salaries and social security contributions, social taxes, paid vacation, and bonuses. They are recognized as expenses for the period in which employees perform the corresponding services. Outstanding payments at the end of the period are shown as other current liabilities.

Post-employment benefits

Group companies operate various pension schemes. The schemes are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all benefits to employees relating to employee services in the current and prior periods. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations

once the contributions have been paid. The contributions are recognized as personnel expenses in the consolidated income statement when due.

All related expenses are recognized in the consolidated statement of profit and loss. Contributions payable or prepaid contributions as at year-end are recognized under accruals and deferred income, and prepayments and accrued income, respectively.

Defined benefit plan

The Group operates a defined benefit pension plan in Switzerland, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses are recognized in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the changes in the net defined benefit obligation due to service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements as part of operating expenses, and the net interest expense or income as part of net finance costs in the consolidated statement of profit and loss.

Significant estimate: The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

	2025	2024
Wages and salaries	20,423	17,330
Social security costs	2,026	1,507
Pension costs – defined benefit plan	779	771
Pension costs – other	81	64
Share-based benefit expenses	2,639	2,720
Other labor costs	692	923
	26,640	**23,315**

The increase in wages and salaries is driven by the composition of new hires versus leavers. This shift in expertise aligns with the Company's strategic goals. As at 31 December 2025, the Group employed 137.3 full-time equivalents, including white-collar employees and contractors. The following table presents a breakdown of the Company's full-time equivalents as of 31 December 2025 and 2024:

	2025	2024
Research & Development	41.0	40.0
Clinical & Regulatory	19.8	14.0
Marketing & Market Access	31.9	14.0
Quality Assurance	11.8	8.6
General & Administrative	32.8	26.0
	137.3	**102.6**

As at 31 December 2025, the Company had 17.4 full-time equivalents employed by its Dutch entity (2024: 12.4), 91.9 full-time equivalents employed by its Swiss entity (2024: 76.15), and 28 full-time equivalents employed by its U.S. entity (2024: 14).

2.8 Share-Based Payments

Accounting policy: Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in other reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in operating expenses.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Significant estimate: The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

Long-term incentive plan (LTIP)

The LTIP plan is aimed at aligning 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 different types of equity incentives. 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 three years following the first anniversary of the Grant Date (i.e., 2.083% per month). The number of options that will vest and become unconditional is only subject 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	1/4/2022	Stock Options	169,800	EUR 7.64	1/4/2032	EUR4.18
2022	26/9/2022	Stock Options	166,350	EUR 5.70	26/9/2032	EUR 3.19
2023	3/1/2023	Stock Options	978,050	EUR 6.12	3/1/2033	EUR 3.37
2023	28/2/2023	Stock Options	132,000	EUR 4.95	28/2/2033	EUR 2.73
2023	3/7/2023	Stock Options	308,175	EUR 5.18	3/7/2033	EUR 2.85
2024	15/1/2024	Stock Options	710,975	EUR 2.94	15/1/2034	EUR 1.60
2024	1/7/2024	Stock Options	460,688	EUR 5.08	1/7/2034	EUR 2.85
2024	5/12/2024	Stock Options	704,625	EUR 4.77	4/12/2034	EUR 2.68
2025	1/5/2025	Stock Options	100,000	EUR 4.19	1/5/2035	EUR 2.37
2025	1/7/2025	Stock Options	632,487	EUR 4.49	1/7/2035	EUR 2.53
2025	12/8/2025	Stock Options	32,000	EUR 4.11	12/8/2035	EUR 2.34

This fair value per option has been applied to the options granted for the recognition of the share-based payment expense recognized:

	2025	2024
Share-based payment expense	2,639	2,720
	2,639	**2,720**

The table below summarizes the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2025 Number	2025 WAEP	2024 Number	2024 WAEP
Outstanding at 1 January	3,553,606	EUR 5.43	1,828,650	EUR 6.85
Granted during the year	764,487	EUR 4.43	1,876,288	EUR 4.15
Forfeited during the year	(679,762)	EUR 5.65	(151,332)	EUR 6.65
Exercised during the year	(79,694)	EUR 4.23	–	–
Outstanding at 31 December	**3,558,637**	**EUR 5.20**	**3,553,606**	**EUR 5.43**

	Number	WAEP
Exercisable at 31 December 2025	1,588,520	EUR 6.00
Exercisable at 31 December 2024	950,137	EUR 7.22

The weighted average remaining contractual life for the share options outstanding at 31 December 2025 was 8.11 years (2024: 8.69 years).

The weighted average fair value of options granted during the year was EUR 2.50 (2024: EUR 2.31).

The range of exercise prices for options outstanding at the end of the year was EUR 2.94 to EUR 9.70 (2024: EUR 2.94 to EUR 9.70).

The fair value of the awarded options was determined by applying a Binomial Option Pricing Model that allows for exercising the option before the end of the option's life.

As the options cannot be exercised between the Grant Date and the vesting date, the Hull-White binomial formula, commonly used to value American options, was used. With the Hull-White model the impact of a certain time-based event – such as a vesting period, or an early exercise – can be taken into account.

Due to the different vesting dates for the different tranches in the option, we have calculated the unique option values per tranche according to each vesting date. The total option value per employee is then derived using a weighted average overall calculated option value for each vesting date.

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

	2025-08	2025-07	2025-05	2024-12	2024-07	2024-01
Fair value on date of measurement (EUR)	2.34	2.53	2.37	2.68	2.85	1.60
Share price (EUR)	4.11	4.49	4.19	4.77	5.08	2.94
Exercise price (EUR)	4.11	4.49	4.19	4.77	5.08	2.94
Expected volatility	60.3%	59.5%	59.8%	61.4%	59.1%	57.0%
Term of the option	4[a]	4[a]	4[a]	4[a]	4[a]	4[a]
Expected dividend	–	–	–	–	–	–
Risk-free interest rate	2.7%	2.6%	2.4%	2.1%	2.6%	2.23%
Time to expiration	10	10	10	10	10	10

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

2.9 Income Tax

Accounting policy:

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible

temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Significant estimate: The Group has losses before tax which arose in the Netherlands that are available to offset against future profits of the Dutch entity in which the loss arose. However, these losses may not be used to offset taxable income elsewhere in the Group. The Group evaluated and judged that at this moment it is not sufficiently likely that future profits will be generated in the Dutch entity that can offset a deferred tax asset.

All Switzerland operations have a cost-plus agreement. The taxable amounts are settled. There are no NOL's. Last fiscal year settled is 2022. Due to expected profits based on the cost-plus the Swiss deferred tax assets relating to temporary differences have been recognized.

NOL's in the US entity prior to 2018 can be carried forward for 20 years. NOL's after 2018 can be carried forward indefinitely, limited to 80% of taxable income. On the acquisition of ONWARD Medical Inc. (formerly known as NeuroRecovery Technologies Inc) a deferred tax liability was recognized for the intangible asset (in-process R&D) identified in the PPA and on the capitalized license fee. The Company recognized a deferred tax asset in the US entity that offsets the deferred tax liability as allowed under IAS 12, with no impact on previously reported results.

	2025	2024
Current income tax	(241)	(294)
Adjustments of current income tax of previous year	5	(45)
Deferred income tax	(75)	379
Total corporate income tax in profit and loss	**(311)**	**40**
Current income Tax charge at tax rate of 25.8%	10,674	9,227
Tax rate differences in foreign jurisdictions	(219)	(156)
Adjustments of current income tax of previous year	(5)	(45)
Non-deductible expenses	(567)	(553)
Net operating losses and temporary differences not recognized	(10,956)	(8,960)
Impact of FDII deduction	43	–
Recognition of previous non recognized deferred tax assets	744	575
Other	(25)	(48)
	(311)	**40**

The effective tax rate was 0.1% in 2025 (2024: 0.4%), which is lower than the statutory income tax rate of 25.8% (2024: 25.8%) in the Netherlands. The difference is primarily due to the net operating losses and temporary differences for which no deferred tax asset can be recognized. The uncertainty is based on insufficient evidence of future sources of income to support the realization of a deferred tax asset due to the Company being loss-making with limited tax planning opportunities. As the Group has entered its commercial phase, it will continue to review its transfer pricing framework to ensure it remains appropriate and aligned with the Group's evolving operations.

Recognized deferred tax assets and liabilities

2025	Assets	Liabilities	Net
Intangible assets, including Goodwill	–	(1,485)	(1,485)
Right of use assets	–	(77)	(77)
Lease liability	84	–	84
Post-employment benefits	653	–	653
Losses available for offset against future Taxable income	1,137	–	1,137
Set-off of deferred tax	(1,215)	1,215	–
Net deferred tax asset / (liability)	**659**	**(347)**	**312**

2024	Assets	Liabilities	Net
Intangible assets, including Goodwill	–	(1,786)	(1,786)
Right of use assets	–	(148)	(148)
Lease liability	156	–	156
Post-employment benefits	560	–	560
Losses available for offset against future		–	–
Taxable income	1,483	–	1,483
Set-off of deferred tax	(1,631)	1,631	–
Net deferred tax asset / (liability)	**568**	**(303)**	**265**

	2025	2024
Opening balance at January 1	265	(321)
Recognized in profit & loss	(75)	379
Remeasurement (gain)/loss on actuarial gains and losses in OCI	80	255
Foreign currency translation difference	42	(48)
Net deferred tax asset /(liability) at December 31	**312**	**265**

Of the estimated amount of tax losses carried forward and available as at 31 December 2025, a deferred tax asset of EUR 1,137k has been recognized to offset the reversal of temporary differences in the US. For the remaining unused operating losses in the Netherlands of EUR 211M (2024: EUR 148M) and in the US of EUR 20M (2024: EUR 27M) no deferred tax is recognized. These losses can be carried forward indefinitely subject to local tax rules, except for approximately EUR 3M of losses in the US, which can be carried forward for 20 years (ultimately by 2037).

No deferred tax liability has been recorded for the Swiss subsidiary due to the applicable tax treaty between Switzerland and the Netherlands, which eliminates potential tax consequences on undistributed earnings. Similarly, no deferred tax liability has been recognized for the U.S. subsidiary, as it has negative retained earnings, and there are no undistributed profits that could result in taxable temporary differences.

The Company offsets tax assets and liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

3. Non-Current Asset & Working Capital

3.0 Intangible Assets

	2025	2024
Goodwill	1,738	1,962
In-process R&D	–	6,059
Capitalised development costs	5,008	–
License fees	1,987	2,404
Net book value at 31 December	**8,733**	**10,425**

Goodwill

Accounting policy: Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, Goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where Goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

	2025	2024
Cost	1,962	1,845
Accumulated changes	–	–
Net book value at 1 January	**1,962**	**1,845**
Additions		
Foreign currency translation difference	(224)	117
Impairments	–	–
Net change	(224)	117
Cost	1,738	1,962
Accumulated changes	–	–
Net book value at 31 December	**1,738**	**1,962**

Capitalised development costs / In-process R&D

Accounting policy: The cost of in-process R&D acquired in a business combination is the fair value at the date of acquisition. Following regulatory clearance and the commencement of commercialization activities, in-process R&D is reclassified to capitalized development costs.

Following initial recognition of the development expenditure as an asset (capitalized development costs), the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is calculated on a straight-line basis over the estimated useful lives of the In-process R&D of 15 years. Amortization is recorded in operating expenses. During the period of development, the asset is tested for impairment annually.

	Capitalised Development cost	In-process R&D
Cost	–	5,850
Accumulated changes	–	(152)
Net book value at 1 January 2024	**–**	**5,698**
Foreign currency translation difference	–	361
Net change	–	361
Cost	–	6,211
Accumulated changes	–	(152)
Net book value at 31 December 2024	**–**	**6,059**
Reclassification to Capitalized development costs	6,059	(6,059)
Foreign currency translation difference	(692)	-
Amortization for the year	(359)	-
Net change	5,008	(6,059)
Cost	5,519	–
Accumulated changes	(511)	–
Net book value at 31 December 2025	**5,008**	**–**

During 2025, intangible assets previously described as in-process research and development became available for use following regulatory clearance and the commencement of commercialization activities. Accordingly, amortization of these assets commenced during the year. These assets are presented within intangible assets as capitalized development costs.

License Fees

Accounting policy: License fees for the exclusive right to certain patents, critical in the development of the ARC Therapies, are capitalized and measured at cost on initial recognition. Following initial recognition of the license fees as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is calculated on a straight-line basis over the estimated useful lives of the license fee of 15 years. Amortization is recorded in operating expenses. During the period of development, the asset is tested for impairment annually.

	2025	2024
Cost	2,404	2,261
Accumulated changes	–	–
Net book value at 1 January	**2,404**	**2,261**
Additions	–	–
Foreign currency translation difference	(275)	143
Reversals	–	–
Amortization for the year	(142)	–
Impairments	–	–
Net change	(417)	143
Cost	2,129	2,404
Accumulated changes	(142)	–
Net book value at 31 December	**1,987**	**2,404**

During 2025, the licensed technology became available for use following regulatory clearance and the commencement of commercialization activities. Accordingly, amortisation of the related intangible assets commenced in the year.

Impairment Assessment

The in-process research and development ("IPR&D") was acquired through the acquisition of GTX Medical SA (now ONWARD Medical SA) and the business combination with NRT Inc. (now ONWARD Medical Inc.). The value of the IPR&D is dependent on the successful development and regulatory approval of the Group's neurostimulation technologies across its platforms.

As part of the NRT acquisition, ONWARD also assumed exclusive license agreements with the Regents of the University of California ("UCLA") and the California Institute of Technology ("Caltech"). Pursuant to these agreements, the occurrence of the IPO triggered change-of-control provisions resulting in additional payments, as well as ongoing annual license fees. These payments are recognised as a separate class of intangible assets.

In accordance with the Group's accounting policies, goodwill, IPR&D and license-related intangible assets are subject to impairment review at least annually, or more frequently if indicators of impairment arise.

As of 31 December 2025, management performed its annual impairment assessment in accordance with IAS 36 by evaluating whether any indicators of impairment were present. This assessment considered both external and internal factors, including the Group's progress into the commercial phase, regulatory approvals obtained, and the Group's market capitalisation. At year-end, the Group's market capitalisation significantly exceeded the carrying value of its goodwill and intangible assets.

The Group continues to operate as a single cash-generating unit ("CGU"), reflecting the high degree of integration across its technology platforms, development activities, and commercialisation efforts. While revenue streams and regulatory pathways may differ across platforms, substantial operational and financial interdependencies remain, supporting the assessment of a single CGU.

Based on this assessment, management concluded that the recoverable amount of the CGU exceeded its carrying amount as of 31 December 2025. Accordingly, no impairment charge was recognised during the year. As the recoverable amount was supported by observable market evidence, the impairment assessment did not involve significant estimation uncertainty.

3.1 Property, Plant & Equipment

Accounting policy: Property, plant, and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs includes the cost of replacing part of the property, plant, and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Office equipment — 3 years
- Demonstration / evaluation equipment — 3 years
- Leasehold improvements — 5 years

The useful life of leasehold improvements is the same or less than the lease term.

An item of property, plant, and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Cost

	Office Equipment	Leasehold Improvements	Demo / Evaluation Devices	Total
At 1 January 2024	1,275	335	–	1,610
Additions	153	–	–	153
Foreign currency translation difference	39	14	–	53
At 31 December 2024	**1,467**	**349**	**0**	**1,816**
Additions	264	–	168	432
Disposals	–	–	–	–
Foreign currency translation difference	(1)	–	–	(1)
At 31 December 2025	**1,730**	**349**	**168**	**2,247**

Accumulated Depreciation

	Office Equipment	Leasehold Improvements	Demo / Evaluation Devices	Total
At January 1, 2024	(888)	(113)	–	(1001)
Depreciation for the year	(214)	(129)	–	(343)
At December 31, 2024	**(1,102)**	**(242)**	**0**	**(1,344)**
Depreciation for the year	(240)	(106)	(22)	(369)
At December 31, 2025	**(1,342)**	**(349)**	**(22)**	**(1,713)**

Net book value

	Office Equipment	Leasehold Improvements	Demo / Evaluation Devices	Total
At December 31, 2024	**365**	**106**	**0**	**471**
At December 31, 2025	**388**	**0**	**146**	**534**

3.2 Right of Use Assets & Lease Liabilities

Accounting policy: The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial measurement amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In

addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in lease liabilities.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Right-of-use assets

The Group entered into a five-year lease for offices in Lausanne, Switzerland in November 2021. This lease is classified as a right-of-use asset. The office lease in Eindhoven was extended in November 2025 for a period of one year (ending October 2026).

Key movements relating to right-of-use assets are presented below:

	2025	2024
Net book value at 1 January	**1,054**	**1,483**
Additions	69	82
Depreciation for the year	(579)	(560)
Foreign currency translation impact	7	49
Net book value at 31 December	**551**	**1,054**

The office buildings are leased for office space. Subsequent to 31 December 2025, the Group agreed in principle to extend the Lausanne office lease. As no legally enforceable extension option existed at year-end, the potential extension was not considered in the lease term and therefore has not been reflected in the financial statements as of 31 December 2025. Refer also to Note 5.3.

The lease in Eindhoven includes an extension option for an additional one year; the extension was included in the calculation of the right-of-use asset recognized over a full period of two years. The additions represent the annual increase in lease payments under the lease contracts and the additional one year extension.

Lease liabilities

The maturity of the lease liability in relation to the office building is as follows:

	2025	2024
Less than one year	552	633
One to five years	54	527
More than five years	–	–
Total lease liability	**606**	**1,160**

Movement of the lease liability:

	2025	2024
Balance as at 1 January	**1,115**	**1,619**
Additions	69	82
Interest accretion	37	56
Repayments	(637)	(616)
Foreign currency impact	7	(26)
Total lease liability	**591**	**1,115**

The incremental borrowing rate applied is 4% for the Lausanne office and is 7.4% for the Eindhoven office. The Group had total cash outflows for leases of €637k in 2025 (EUR 616k in 2024).

For the maturity analysis of the undiscounted cash flows, refer to note 4.3.

3.3 Inventories

Accounting policy: Inventories consist of raw materials, work-in-progress and finished goods of the ARC[EX] System. Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, excluding borrowing costs. The cost is assigned using the FIFO ("first-in-first-out") method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

	2025	2024
Raw Materials	656	102
Work in progress	0	–
Finished goods	147	–
	803	**102**

As at 31 December 2025, the Group had inventory of Raw materials amounting to EUR 656k. The increase in stock of raw materials is directly attributable to increase in commercial operations during the year.

3.4 Indirect Tax Receivables

The tax receivables consist of refundable VAT amounting to EUR 381k (2024: EUR 125k) and are collectable within 12 months. The increase in the receivable is a direct result of increase in expenses during the year. The VAT returns are filed on a quarterly basis and claims received throughout the year.

3.5 Trade Receivables

	2025	2024
Trade receivables	1,195	160
	1,195	**160**

Trade receivables represent amounts due from customers, are non-interest bearing, and are generally due for settlement within 30 days in accordance with the agreed credit terms. The balance is shown net of the allowance for expected credit losses of EUR 148k (2024:EUR -).

3.6 Other Current Assets

	2025	2024
Advance payments	1,941	2,137
Grants and other receivables	1,341	714
Rental guarantee	305	302
	3,587	**3,153**

The Group provided a guarantee of EUR 305k (2024: EUR 302k) to fulfil collateral requirements relating to the Lausanne office rental agreement. This guarantee places no restriction on the cash position and is payable on demand if the Company fails to meet its commitments. Advance payments mostly relate to prepaid D&O insurance and advance paid to suppliers for production and components. The increase in grants and other receivables is mainly due to finalising the replacement funding agreement with SERI for the NEMO grant and addition of the ReverseStroke grant, refer to Note 2.1.

3.7 Cash and Cash Equivalents

Accounting policy: Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand, and short-term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts, as they are considered an integral part of the Group's cash management.

	2025	2024
Cash at bank	9,055	12,043
Short-term deposits	59,055	48,000
Cash and cash equivalents	**68,110**	**60,043**
Cash and cash equivalents	**68,110**	**60,043**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

As part of the loan agreement with Runway Growth Capital LLC, the Group has pledged the majority of the bank and deposit accounts as collateral to secure its outstanding debt obligations. This serves as security for compliance with the loan covenants outlined in the agreement. In the event of a breach of these covenants, the lender may have the right to enforce its security interest over these assets. Management actively monitors compliance with all covenants to mitigate the risk of default.

As at 31 December 2025, there were no fixed term deposits for periods exceeding three months.

At 31 December 2025, the Group had no bank overdrafts. All cash is freely at the disposal of the company.

3.8 Trade Payables

Trade payables and accrued expenses are non-interest bearing and are normally settled on 30-90 day terms. The increase in trade payables to EUR 3,083k (2024: EUR 1,269k) is mainly because of large amounts payable due at the end of 2025 that were settled shortly after financial year end.

3.9 Other Payables

The other payables can be broken down as follows:

	2025	2024
Wage tax and social security	484	144
Grants received in advance	995	441
Bonus	3,511	3,095
Invoices to be received	1,070	1,194
Other	818	555
Grant-related payables	–	1,359
	6,878	**6,788**

The decrease in Other Payables is due to repayment of grant amounts due to EISMEA

4. Financing, Financial Risk Management & Financial Instruments

4.0 Issued Capital & Reserves

Share Capital & Share Premium

Accounting policy: Ordinary Shares are classified as ***share capital***. Equity instruments are recorded at the proceeds received, net of direct issue costs.

The ***share premium*** represents the amount by which the fair value of the consideration received exceeds the nominal value of shares issued. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The authorized share capital ("maatschappelijk kapitaal") amounts to EUR 18,000,000 (2024: EUR 18,000,000) divided into 75,000,000 (2024: 75,000,000) Ordinary Shares and 75,000,000 (2024: 75,000,000) Preferred Shares with a nominal value of EUR 0.12 each.

In October 2025, the Company raised EUR 50.8 million (gross proceeds) by way of an accelerated bookbuild offering and a public offering in France. A total of 11,300,000 new ordinary shares were issued at the price of EUR 4.50 per share. Transaction costs of EUR 3,24 million was recognised in Equity decreasing share premium.

At 31 December 2025, 56,008,257 Ordinary Shares were outstanding (31 December 2024: 44,628,834 shares). 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 Other Reserves
Balance at 1 January 2024	**164**	**4,324**	**4,488**
Share-based payment expense: LTIP	–	2,720	2,720
Reclassification of the fair value of forfeited options	–	(873)	(873)
Currency translation differences	434	–	434
Balance at 31 December 2024	**599**	**6,171**	**6,770**
Share-based payment expense: LTIP	–	2,639	2,639
Reclassification of the fair value of forfeited options	–	(1,565)	(1,565)
Currency translation differences	(1,045)	–	(1,045)
Balance at 31 December 2025	**(446)**	**7,245**	**6,799**

Currency translation reserve

Exchange gains and losses arising from the translation of the functional currency of foreign operations to the reporting currency of the parent are accounted for in this legal reserve. In the case of the sale of a participating interest, the associated accumulated translation differences are transferred to the profit and loss account and presented therein as part of the result on the sale.

The foreign currency translation reserve relates to the investment in United States.

Stock compensation reserve

The stock compensation reserve is used to recognize the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

4.1 Earnings Per Share (EPS)

Accounting policy: Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible Preference shares) by the weighted average number of Ordinary shares outstanding during the year plus the weighted average number of Ordinary shares that would be issued on conversion of all the dilutive potential Ordinary shares into Ordinary shares.

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 is currently loss-making and there are currently no anti-dilutive potential Ordinary shares to be considered. Therefore, diluted EPS is disregarded for 2025. The share options granted under the LTIP (refer to Note 2.9) could have a potential dilutive effect in the future but had no impact in 2025.

There have been no other transactions involving Ordinary shares or potential Ordinary shares between the reporting date and the date of authorization of these financial statements.

The following tables reflect the income and share data used in the EPS calculation:

Profit (Loss) Attributable to Ordinary Shareholders

	2025	2024
Profit (loss) for the year, attributable to equity holders of the parent	**(41,787)**	**(35,725)**

Weighted-Average Number of Ordinary Shares

	2025 Thousands	2024 Thousands
Weighted average number of ordinary shares for basic EPS	**46,671**	**44,629**

4.2 Financial Liabilities

Accounting policy:

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. A financial liability is classified as FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss

All financial liabilities are recognized initially at fair value and, in the case of liabilities at amortized cost , net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables, loans, and borrowings.

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit and loss
- Financial liabilities at amortized cost

Financial liabilities at fair value through profit or loss (FVPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortized cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized, as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. No offsetting is currently applied.

	2025	2024
Current financial liabilities	**370**	**437**
Warrants issued to Runway Growth	370	437
Non-current financial liabilities	**13,074**	**13,972**
Innovation loan	–	–
Runway Growth loan	13,074	13,972
Total financial liabilities	**13,444**	**14,409**

Innovation loan

On 5 February 2016, the Group was granted a loan from RVO NL (Dutch Government) of EUR 10M payable according to a set payment scheme. The loan was advanced in installments based on progress. This loan was repaid in 2024.

	2025	2024
Loan as per January 1	**–**	**15,255**
Loan amount received	–	–
Interest accrued during the year	–	767
Loan amount repaid during the year	–	(16,022)
Net book value at December 31	**–**	**–**

The loan carried interest at 10%.

Runway Growth Loan

In 2024 the Company and its subsidiaries, ONWARD Medical, Inc. and ONWARD Medical S.A., signed a loan agreement in the amount of up to EUR 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 comprises five separate credit tranches. An initial tranche of €16.0 million was made available upon execution of the Loan Agreement and was drawn in full at that time. Three additional committed tranches, consisting of €14.0 million, up to €5.0 million, and up to €7.5 million, are available to the Company until 31 July 2026, subject to the achievement of specified milestones and minimum quarterly revenue and EBITDA performance thresholds as set out in the Loan Agreement. Compliance with the revenue and EBITDA performance thresholds are tested as of the last day of each fiscal quarter and liquidity is tested monthly. Failure to meet the applicable milestones or financial performance criteria would limit the Company's ability to draw further amounts under these tranches. Management monitors compliance with these conditions on an ongoing basis as part of its liquidity planning. A fifth tranche of up to €10.0 million is uncommitted and may be made available in the first quarter of 2027 at the sole discretion of the lender.

Amounts drawn under the facility bear interest at a rate equal to the Term Secured Overnight Financing Rate (SOFR) for a three-month interest period (currently 4.25% (2024: 6%), subject to a floor of 4.25%), plus a margin of 6.50%. The obligations under the Loan Agreement are secured by a security interest over substantially all of the assets of ONWARD Medical N.V. and its subsidiaries.

As noted above, the loan documents provide for a number of affirmative and negative covenants by the Company customary for financings of this type, most notably financial covenants relating to revenue, earnings before interest taxes, depreciation and amortization (EBITDA) and minimum liquidity targets. Revenue and EBITDA is measured quarterly and liquidity monthly. In December 2024, an amendment was agreed upon stipulating that, for 2025, compliance with aforementioned covenants would not be required, provided the Company maintains the specified minimum cash-to-debt ratio monitored on a monthly basis.

This amendment was extended in December 2025 for a further 6 months, ending 30 June 2026, on the same basis.

As of the reporting date, the Company was in compliance with all covenants. Management actively monitors covenant compliance to ensure ongoing adherence. The loan is classified as non-current since earliest maturity date is 15 June 2027, provided that if the Extension Milestone is satisfied, the maturity date shall automatically be extended to 15 June 2028.

Certain Intellectual Property (patents registered) have been pledged to Runway Growth in case of default of repayment of the loan. These patents have not been capitalized as at 31 December 2025. The loan was revalued at the closing rate on 31 December 2025.

	2025	2024
Loan opening balance	**13,972**	**–**
Loan amount received	–	14,116
Transaction cost amortisation	467	212
Interest accrued during the period	1,655	944
Interest paid	(1,661)	(861)
Foreign currency translation difference	(1,359)	–
Warrants issued to Runway Growth	–	(439)
Closing balance	**13,074**	**13,972**

Warrants issued to Runway Growth

In connection with the debt financing entered into by the Company, the Company issued warrants to the lender that entitle the lender to purchase ordinary shares in the capital of the Company. The exercise price per share was determined based on the lowest 30-day volume weighted average price (VWAP) observed between 9 April 2024 and the signing date of the debt financing, resulting in an exercise price of €4.83 per share. The number of shares subject to the warrants corresponds to five percent (5.00%) of the principal amount drawn under the facility, calculated initially upon the first drawdown and subsequently upon each additional

loan advance, divided by the applicable exercise price. The warrants may be exercised either through a cash exercise, whereby the warrant holder pays the aggregate exercise price in cash to the Company, or on a cashless basis, in which case the Company issues a number of shares determined by reference to the fair value of the warrants at the time of exercise. The exercise period of the warrants is ten (10) years, commencing on the date immediately following the expiry of a ninety (90) calendar day waiting period after the closing date of the financing. As the warrants became exercisable ninety days after closing, the Company does not have the unconditional right to defer settlement of the warrant liability for at least twelve months after the reporting date. Accordingly, the lender warrants continue to be classified as current liabilities.

Financial Year	Issue Date	Type of Security	Number of Warrants	Exercise Price	Expiration Date
2025	2/7/2024	Lender Warrants	165,631	EUR 4.83	2/7/2034

The fair value of the awarded options was determined by applying a Binomial Option Pricing Model that allows for exercising of the Lender Warrants before the end of the exercise period. The Hull-White binomial formula was used. With the Hull-White model the impact of a certain time-based event – such as a vesting period, or an early exercise – can be taken into account.

The following parameters were used in the option model for the calculation of the fair value of the warrants:

	31 Dec 2025	31 Dec 2024
Fair value on date of measurement (EUR)	**2.24**	**2.64**
Share price (EUR)	4.49	5.18
Exercise price (EUR)	4.83	4.83
Expected volatility	60.1%	61.2%
Vesting period in years	0.00	0.00
Expected dividend	–	–
Risk-free interest rate	2.8%	2.40%
Time to expiration	8.7	9.7

	2025	2024
Lender warrants issued	437	439
Fair value adjustment recognised in profit and loss	(67)	(2)
Closing balance	**370**	**437**

4.3 Financial Risk Management Objectives & Policies

The Group's principal financial liabilities comprise of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group is responsible for implementing and evaluating policies which govern the funding, investments, and any use of derivative financial instruments. The Group is exposed to various risks. The Group monitors risk exposure on an ongoing basis, as summarized below:

Capital management

Capital includes issued capital, share premium, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to continue as a going concern while maximizing shareholder value. The Group manages its capital structure and will consider adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares.

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of subsidies and grants, and sufficient progress towards regulatory approval, which is related to future financing rounds.

Cash is invested in low-risk investments such as short-term bank deposits or savings accounts. The Group mainly makes use of liquid investment in current accounts (in Euros) or short-term deposit accounts. The ability of the Group to maintain adequate cash reserves to support its activities in the medium term is highly dependent on the Group's ability to raise additional funds.

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

As at 31 December 2025:

	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Runway Growth loan	1,587	10,289	7,872	–	19,748
Lease liability	552	54	–	–	606
Warrants issued to Runway Growth	370	–	–	–	370
Trade payable	3,083	–	–	–	3,083
Total	**5,592**	**10,343**	**7,872**	**–**	**23,807**

As 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 payable	1,269	–	–	–	1,269
Total	**4,311**	**4,471**	**18,820**	**–**	**27,602**

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's activities may expose it to changes in foreign currency exchange rates and interest rates. The Group is not exposed to any equity price risk or commodity price risk, as it does not invest in these classes of investments.

Credit risk

With the start of initial commercial sales, the Group now records trade receivables. Given the limited scale of activity to date, trade receivables are modest and credit risk is assessed as low. Credit risk for the year continues to primarily relate to cash, cash equivalents, and deposits held with banks and financial institutions. The Group places surplus funds only with internationally reputable commercial banks and financial institutions. Short-term and fixed-term deposits are entered into in accordance with internal approval policies. The Group maintains banking relationships with ING, Belfius, UBS, First American Bank, Deutsche Bank, Banque Cantonale Vaudoise (BCV) and JPMorgan Chase. The use of multiple financial institutions is intended to limit concentration risk and mitigate potential losses arising from a counterparty's inability to meet its obligations.

Currency risk

The Group is exposed to currency risk for the activities in the US (accounting in US dollars) and Switzerland (accounting in Swiss francs), whereas the functional currency of the Group is the Euro. The risk is currently managed by replenishing the US and Swiss bank accounts at regular intervals to account for both the positive and negative changes. The Company does not hedge currently its operational FX risk and its risk on outstanding balances denominated in another currency than its functional currency.

Currency risk sensitivity

The Company is exposed to foreign currency risk primarily from monetary assets and liabilities denominated in currencies other than its functional currency. The most significant exposures relate to the U.S. dollar (USD) and Swiss franc (CHF).

A 10% strengthening or weakening of the euro against these currencies at the reporting date would have increased or decreased profit before tax by the amounts shown below, assuming all other variables remain constant.

Currency	FX movement	Effect on profit before tax
USD	+10%	€0.2 million increase
USD	-10%	€0.2 million decrease
CHF	+10%	€0.3 million increase
CHF	-10%	€0.3 million decrease

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Runway Growth long-term debt obligation that bears interest at a rate equal to Term Secured Overnight Financing Rate (SOFR) for a three-month interest period (2025: 4.25% (2024:6.00%), subject to a 4.25% floor), plus a margin of 6.50%.

Interest rate sensitivity

The Company is exposed to interest rate risk primarily in relation to its interest-bearing cash balances and variable-rate borrowings. Interest rate risk arises from the potential impact of changes in market interest rates on the Company's financial income and expense.

At 31 December 2025, the Company held interest-bearing cash and cash equivalents of €68.1 million and had outstanding interest-bearing borrowings of € 13.0 million. Assuming all other variables remain constant, a reasonably possible change in market interest rates of 100 basis points would have the following impact on profit before tax based on the net exposure at the reporting date.

This sensitivity analysis reflects the effect of changes in interest rates on interest income and interest expense for financial instruments held at the reporting date and assumes that the change in interest rates had occurred at the beginning of the reporting period.

Interest rate movement	Effect on profit before tax
Increase of 100 basis points	€0.6 million increase
Decrease of 100 basis points	€0.6 million decrease

4.4 Fair Value & Fair Value Hierarchy of the Financial Statements

Accounting policy: All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

2025	Carrying Amount	Estimated Fair Value
Financial liabilities		
Runway Growth loan (Level 2)	13,074	14,684
Lender Warrants (Level 3)	370	370
Total financial liabilities	**13,444**	**15,054**

2024	Carrying Amount	Estimated 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**

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

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the Runway Growth loan and due interest have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

During the period, there were no transfers of fair value measurements between any levels for either financial assets or financial liabilities. The Lender Warrants issued in 2024 are considered to be level 3 in the fair value hierarchy.

The significant unobservable inputs used in the fair value measurement of the Lender Warrants, categorized within level 3, together with a quantitative sensitivity analysis at 31 December 2025 is shown below. Any movement in the fair value of the Lender Warrants will be recognized in profit and loss. Please refer to Note 4.2 for the detailed description of the methodology applied for the fair value measurement of the Lender Warrants.

Please refer to Note 4.2 for the detailed description of the methodology applied for the fair value measurement of the Lender Warrants

For the sensitivity analysis the exercise multiple is adjusted by steps of 0.2, and for the volatility sensitivity we applied a range of 50.0% to 70.0%. The impact in profit and loss can vary from a gain of EUR 44k to a loss of EUR 35k.

			Volatility
Exercise Multiple	**50.0%**	**60.1%**	**70.0%**
2.0	326	342	354
2.2	346	370*	390
2.4	362	383	405

**This is the fair value of the Lender Warrants as recognized at 31 December 2025.*

4.5 Financial Income & Expense

Accounting policy: Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial. The Company's financial assets include cash and cash equivalents and other long term and current receivables.

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

	2025	2024
Interest income from deposits	580	791
Interest on loans	(2,122)	(1,923)
Interest on post-employment benefits	(31)	(18)
Other interest expenses	(26)	–
Interest on lease liabilities	(37)	(56)
Exchange (losses)/ gains	1,044	372
Bank charges	(35)	(20)
Fair value adjustment of Lender Warrants	67	2
Transaction costs on lender warrants	–	(51)
Net Finance expense	**(560)**	**(903)**

5. Other Disclosures

5.0 Post-Employment Benefits: Defined Benefit Obligation

Accounting policy: Group companies operate various pension schemes. The schemes are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

Defined benefit plan

The Group operates a defined benefit pension plan in Switzerland, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, are recognized in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the changes in the net defined benefit obligation due to service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements as part of operating expenses, and the net interest expense or income as part of net finance costs in the consolidated statement of profit and loss.

	2025	2024
Plan assets	10,054	7,017
Obligation	(14,718)	(11,016)
Net liability	**4,664**	**3,999**

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans specify an amount of pension benefit that an employee will receive upon retirement, typically dependent on one or more factors such as age, years of service, and compensation. The benefits paid to employees in Switzerland qualify as a defined benefit plan.

The pension plan for Swiss employees ("the Pension Fund") is a defined benefit plan. The Pension Fund provides benefits for retirement, disability, and surviving dependents that meet or exceed the minimum benefits required under the Federal Law on Occupational Retirement, Survivors' and Disability Insurance ("BVG"), including the legal coordination charge, which is also insured. The monthly premium to fund the Pension Fund's benefits is split equally between the employer and the employees. Contributions, which vary by the age of the employees, range from 6-13% of the covered salary and are credited to the employees' individual retirement savings accounts. The Pension Fund is responsible for capital investments and pursues an investment strategy with a prescribed investment policy. The Group assumes an average retirement age of 65. Upon retiring (including early and partial retirement), insured persons are entitled to a lifelong retirement pension if employees do not choose to withdraw the entire balance, or portion thereof, of their individual retirement savings accounts in the form of a capital payment.

The Pension Fund is administered by Allianz Suisse, Switzerland, which is legally separate from the Group and is governed by a foundation board. In addition, there is a pension fund commission comprised of two employee and two employer representatives. The duties of the foundation board, as well as the pension fund commission, are laid out in the BVG and the specific pension fund rules. They are required by law to act in the best interest of the participants and are responsible for setting certain policies (e.g. investment, contribution, and indexation policies) for the Pension Fund. At least four times a year, the foundation board, as well as the pension fund commission, meet to analyze consequences and decide on adjustments in the investment strategy.

Pursuant to the BVG, additional employer and employee contributions may be imposed whenever a significant funding deficit arises in accordance with the BVG. In addition to investment risk, the Pension Fund is exposed to actuarial risk, longevity risk, currency risk, and interest rate risk.

In addition to the pension plan for Swiss employees, a defined benefit plan for Swiss management also provides retirement benefits and risk insurance for death and disability for components of remuneration in excess of the maximum insurable amount of salary under the plan described above.

Movement of Net Defined-Benefit Liability

	2025	2024
Balance as at 1 January	**3,999**	**2,081**
Service costs	828	760
Admin costs	57	47
Past service costs	(106)	(38)
Employee benefit expenses	779	769
Net interest costs/(income)	31	18
Included in statement of profit and loss	***810***	***787***
Actuarial gains/(losses)		
– Financial assumptions	(574)	1,104
– Demographic assumptions	–	–
– Experience adjustment	943	441
– Return on assets excluding interest income	202	274
	571	1,819
Exchange rate differences	44	(28)
Included in statement of comprehensive income*	***615***	***1,792***
Contributions by employer	***(760)***	***(661)***
Balance as at 31 December	**4,664**	**3,999**

**Excluding deferred tax impact as in Note 2.9*

The principal assumptions used in determining post-employment (pension) benefit obligations for the plan are shown below:

	2025	2024
Discount rate	1.25%	0.95%
Salary increase	3.00%	3.00%
Interest credit rate	1.25%	1.00%
Mortality base table	BVG2020	BVG2020
Longevity improvement	CMI2018; 1.25%	CMI2018; 1.25%

A quantitative sensitivity analysis for significant assumptions as at 31 December is shown below:

	2025	2024
Discount rate		
+ 25bps	(633)	(605)
- 25bps	682	407
Salary increase		
+ 25bps	243	89
- 25bps	(242)	(314)
Interest credit rate		
+ 25bps	247	61
- 25bps	(240)	(293)
Mortality base table		
Life expectancy + 1 year	129	(19)
Life expectancy - 1 year	(127)	(216)

The sensitivity analyses have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The following are the expected payments or contributions to the defined benefit plan in future years:

	2025	2024
Within the next 12 months	701	627
Between 2 and 5 years	3,303	2,476
Between 6 and 10 years	4,727	3,503
Total expected payments	**8,731**	**6,606**

The average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (2024: 18 years).

Plan assets allocation

The asset allocation in the Swiss pension plan at 31 December was as follows:

	2025	2024
Bonds	6,524	4,553
Equities	–	–
Loans	215	149
Mortgages	1,052	766
Real Estate	2,145	1,441
Cash, derivatives and funds	118	108
	10,054	**7,017**

Plan assets in 2025 and 2024 do not include property occupied by or financial instruments issued by ONWARD.

5.1 Commitments & Contingencies

Legal claim contingencies

As at 31 December 2025, the Group had no legal claim contingencies.

Guarantees

The Group has provided a guarantee to Wincasa for EUR 305k as collateral for the lease of the office space in Lausanne and paid a deposit of EUR 8k to SPACES for the lease of the office space in Eindhoven.

Royalties

The Group has entered into three license agreements with EPFL that will pay out royalties in case 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. To date, no royalties have been paid as there is no product generating revenue.

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 royalty payments are due under the non-exclusive 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. All milestone related payments due to UCLA were paid at 31 December 2025. Royalties are reported and paid on a quarterly basis and is included in Cost of Goods Sold for 2025. During the upcoming years, royalty obligations are expected to be determined as a percentage of net revenues as defined in the agreement, ranging from 2% to 3%, subject to the geographical location of commercial sales.

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 royalty payments are due under the license. These payments range from USD 20k to USD 75k payable upon FDA approval, CE Mark certification, and/or first commercial sale. For the milestones triggered by the FDA clearance received on 19 December 2024, an amount of EUR 131k is included in trade payables at 31 December 2025 for the second tranche due. Royalties are reported and paid on a quarterly basis and is included in Cost of Goods Sold for 2025. During the upcoming years, royalty obligations are expected to be determined as a percentage of net revenues as defined in the agreement, ranging from 2% to 4%, subject to the geographical location of commercial sales.

5.2 Related Party Transactions

Note 1.1 provides the information about the Group's structure including the details of the subsidiaries. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in the notes.

The Group considers the Board and the Management Team to be key management as defined in IAS 24 'Related parties.' Full details of the remuneration of the board (CEO and non-executives) are included in the Remuneration report.

2025	Salary, bonuses and other (short-term employee benefits)	Pension premiums (post-employment benefits)	Share-based payment	Total
Management Team, excluding CEO	2,850	151	499	3,500
CEO	938	117	824	1,879
Non-Executive Directors	534	–	227	761
	4,322	**268**	**1,550**	**6,140**

2024	Salary, bonuses and other (short-term employee benefits)	Pension premiums (post-employment benefits)	Share-based payment	Total
Management Team, excluding CEO	2,311	77	618	3,007
CEO	1,211	72	757	2,040
Non-Executive Directors	691	–	352	1,043
	4,213	**149**	**1,727**	**6,089**

5.3 Events After the Reporting Period

Subsequent to 31 December 2025, the Group reached an agreement in principle with the landlord to extend the lease for the office in Lausanne, Switzerland, for an additional five-year period. As this extension was not contractually agreed or legally enforceable at the reporting date, it was not included in the determination of the lease term or lease liability as at 31 December 2025. The lease extension will be accounted for in the period in which the agreement becomes legally enforceable.

In addition, the Group granted 1,302,500 stock options to employees, including the CEO, with an exercise price of EUR 4.37. The conditions of the existing plan as explained in Note 2.9 applies to this grant.

ONWARD MEDICAL

Company Financial Statements

Company Statement of Income

For the Year Ended 31 December

All amounts in EUR '000	Notes	2025	2024
Revenue	B	2,946	48
Less: Cost of goods sold		(976)	(10)
Gross profit		**1,970**	**38**
Operating expenses	C	(44,209)	(40,164)
Operating result for the period		**(42,239)**	**(40,126)**
Grant and other income		416	658
Net finance expense	D	(410)	(1,916)
Result after tax		**(42,233)**	**(41,384)**
Income tax expenses		–	–
Share in result of participating interests		446	5,658
Result after tax		**(41,787)**	**(35,725)**

The notes on pages **331** to **341** are an integral part of these separate financial statements.

Company Balance Sheet

(Before appropriation on result)

For the Year Ended 31 December

All amounts in EUR '000	Notes	2025	2024
Assets			
Non-current assets			
Tangible fixed assets	G	158	105
Financial fixed assets	H	3,796	2,372
		3,954	2,477
Current assets			
Trade and other receivables	I	20,371	6,392
Cash at bank and in hand	J	48,369	56,989
		68,740	63,381
		72,694	65,858

Equity & Liabilities			
Equity and reserves	K		
Issued capital		6,721	5,355
Share premium		264,354	217,774
Other reserves		2,914	3,820
Legal reserve: Currency translation differences		(446)	625
Retained earnings		(176,440)	(143,795)
Result for the year		(41,787)	(35,725)
Total equity		55,316	48,054
Provisions	L	–	–
Non-current liabilities	M	13,127	14,016
Current liabilities	N	4,251	3,788
		72,694	65,858

The notes on pages **331** to **341** are an integral part of these separate financial statements.

Notes to the Company Financial Statements

A. Presentation of Financial Statements and Recognition and Measurement Principles

The description of the activities of ONWARD Medical NV (the company) and the company structure, as included in the notes to the consolidated financial statements, also applies to the company financial statements.

The company is the sole shareholder of the following subsidiaries:

- ONWARD Medical SA, based in Switzerland
- ONWARD Medical Inc, based in the United States of America

These separate financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of results for its separate financial statements, the Company makes use of the option provided in section 2:362(8) of the Dutch Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the separate financial statements of the Company are the same as those applied for the consolidated EU-IFRS financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. In case no other principles are mentioned, refer to the accounting principles as described in the consolidated financial statements. For an appropriate interpretation of these statutory financial statements, the separate financial statements should be read in conjunction with the consolidated financial statements.

Information on the use of financial instruments and on related risks for the group is provided in the notes to the consolidated financial statements of the group.

B. Revenue & Other Income

Operating income relates to grant and other income received. Government subsidies have been received for the research and development of several development projects. There are no unfulfilled conditions or contingencies attached to these subsidies.

	2025	2024
Revenue	2,946	48
Government subsidies (EU)	411	507
Other income	5	151
Total revenues and other income	**3,362**	**706**

(In EUR 000)

Grants	Total Grant*	Recognized as Grant Income 2025	Recognized as Grant Income 2024	Recognized as Grant Income cumulative before 2024	Grant received in advance as per 31-12-2025
BESTABLE	**100**	–	(16)	100	–
EISMEA - ReverseParalysis***	**292**	2	232	36	–
EISMEA - NEMO BMI***	**144**	95	–	0	(13)
Eurostars Impulse	**500**	176	150	174	–
Rewire	**360**	74	50	56	(38)
SH-ARC	**500**	64	–	53	(296)
MJFF SPARKL	**91**	–	91	–	–
EISMEA – Reverse Stroke	**686**	–	–	–	(240)
Total		**411**	**507**	**419**	**(587)**

C. Operating Expenses

Operating expenses by nature are as follows:

	2025	2024
Wages and salaries	(1,499)	(1,212)
Social security costs (includes WBSO benefit)	50	(58)
Pension costs – other	(81)	(64)
Share-based benefit expenses	(115)	(370)
Other labor costs	(674)	(617)
Recharged costs	(31,540)	(29,722)
Other operating expenses	(10,283)	(8,051)
Depreciation and amortization	(67)	(70)
	(44,209)	**(40,164)**

The increase in Recharged costs is driven by Research and Development, Clinical, Regulatory and Quality, and Operational expenses due to commercialisation of our ARC[EX] product and advancements made on ARC[IM] platforms (mainly in Switzerland) which increased the charge from Switzerland and United States to the Netherlands, respectively, under the existing agreements. Other operating expenses represents external and travel costs.

As at 31 December 2025, the Company had 17.4 full-time equivalents employed by its Dutch entity (2024: 12.4), 91.9 full-time equivalents employed by its Swiss entity (2024: 76.15), and 28 full-time equivalents employed by its U.S. entity (2024: 14).

D. Net Finance Expense

	2025	2024
Interest income	477	550
Interest on loans	(1,655)	(1,710)
Interest banks	–	–
Interest on lease liabilities	(6)	(6)
Amortisation of transaction costs on loan	(467)	(212)
Exchange losses	1,263	(523)
Bank charges	(22)	(15)
Net Finance expense	**(410)**	**(1,916)**

The increase is the result of interest expense and amortisation of transaction costs on Runway Growth loan, offset by a decrease in exchange losses.

E. Income Tax Expense

	2025	2024
Current income tax	–	–
Deferred income tax	–	–
Total corporate income tax in profit and loss	**–**	**–**
Current income tax charge at tax rate of 25.8%	10,848	10,624
Non-deductible expenses	(153)	(1,664)
Net operating losses and temporary differences not recognized	10,695	(8,960)
	–	**–**

The effective tax rate was 0% in 2025 (2024: 0%), which is lower than the statutory income tax rate of 25.8% (2023: 25.8%) in the Netherlands. The difference is primarily due to nondeductible expenses relating to share-based compensation and the net operating losses for which no deferred tax asset can be recognized. The uncertainty is based on insufficient evidence of future sources of income to support the realization of a deferred tax asset due to the Company being loss-making with limited tax planning opportunities.

For the unused operating losses of EUR 211M (2024: EUR 166M) no deferred tax is recognized. These losses can be carried forward indefinitely subject to local tax rules.

F. Share in Results from Participating Interests

An amount of EUR 0.03M (2024: EUR 5.45M) of share in results from participating interests relates to Group companies.

G. Tangible Fixed Assets

Cost

	Office Equipment	Right-of-use-asset	Demonstration / Evaluation Equipment	Total
At 1 January 2024	734	97	–	830
Additions	4	51	–	55
Disposal	–	–	–	–
At 31 December 2024	**738**	**148**	**–**	**885**
Additions	26	69	26	121
Disposal	–	–	–	–
At 31 December 2025	**764**	**217**	**26**	**1,007**

Accumulated Depreciation

	Office Equipment	Right-of-use-asset	Demonstration / Evaluation Equipment	Total
At 1 January 2024	(704)	(9)	–	(713)
Depreciation for the year	(21)	(49)	–	(70)
Disposal	–	–	–	–
At 31 December 2024	**(725)**	**(58)**	**()**	**(783)**
Depreciation for the year	(12)	(51)	(3)	(66)
Disposal	–	–	–	–
At 31 December 2025	**(737)**	**(109)**	**(3)**	**(849)**

Net Book Value

	Office Equipment	Right-of-use-asset	Demonstration / Evaluation Equipment	Total
At 31 December 2024	14	91	–	105
At 31 December 2025	**27**	**108**	**23**	**158**

H. Financial Fixed Assets

Financial fixed assets consist of participating interests in Group companies. Financial fixed assets are accounted for in the Company financial statements at net asset value. They are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

	2025	2024
Cost	2,372	807
Accumulated impairments	–	–
Net book value at 1 January	**2,372**	**807**
Revaluations through OCI	(491)	(1,820)
Exchange differences	(163)	609
Group share-based payment scheme	2,524	2,350
Share in result of participating interests	(446)	5,659
Provision: negative participating interest	–	(5,233)
Net change	1,424	1,565
Cost	3,796	2,372
Accumulated impairments	–	–
Net book value at 31 December	**3,796**	**2,372**

The provision for negative participating interest was reversed in 2024.

I. Trade & Other Receivables

Amounts due from Group companies are recognized initially at fair value and subsequently at amortized cost. Amortized cost is determined using the effective interest rate. The Company recognizes a credit loss for financial assets (such as a loan) based on an expected credit loss (ECL), which will occur in the coming twelve months or – after a significant decrease in credit quality or when the simplified model can be used – based on the entire remaining loan term.

For intercompany receivables, the ECL would be applicable as well, however this could cause differences between equity in the consolidated and separate financial statements. For this reason, the Company elected to eliminate these differences through the respective receivable account in the separate financial statements.

	2025	2024
Indirect tax receivable	323	80
Receivables from related parties – group companies	18,424	5,124
Receivables from related parties - other	–	36
Trade and other receivables	547	362
Advance payments made	1,077	790
	20,371	**6,392**

The increase in receivables from group companies compared to the prior year primarily reflects a correction to the appropriation of intercompany cost allocations relating to the prior year. The current year balance reflects the normal appropriation of costs.

J. Cash at Bank, in Hand & Fixed Term Deposits

	2025	2024
Cash at bank	4,314	8,989
Short-term deposits	44,055	48,000
Cash at bank and in hand	**48,369**	**56,989**
Cash at bank, in hand, and fixed term deposits	**48,369**	**56,989**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At 31 December 2025, the Group had no fixed term deposits or bank overdrafts. All cash is freely at the disposal of the company.

K. Shareholders' Equity

For the statement of changes in equity for the year ended 31 December 2025, please refer to consolidated statement of changes in equity in the consolidated financial statements. Additional information on the shareholders' equity is disclosed in note 4.0 of the consolidated financial statements.

L. Provisions

	2025	2024
Opening balance as at 1 January	–	5,233
Negative participating interest	–	–
Reversal of provision for negative participating interest	–	(5,233)
Balance as at 31 December	**–**	**–**

M. Non-Current Liabilities

	2025	2024
Balance as at 31 December	**13,127**	**14,015**

	2025 Others	2025 Runway Growth
Balance as at 1 January	**44**	**13,972**
Loan amount received	–	–
Interest/cumulative dividend accrued during the year	–	1,655
Transaction cost amortization	–	467
Loan amount repaid during the year	–	–
Interest paid during the year	–	(1,661)
Warrants issued to lender	–	–
Long term lease liability and others	9	–
Foreign currency translation difference	–	(1,359)
Net book value as 31 December	**53**	**13,074**

N. Current Liabilities

Amounts due to Group companies recognized as financial liabilities at amortized cost as per the policy in the consolidated financial statements.

	2025	2024
Trade payables	2,038	471
Tax liabilities	–	31
Payables from related parties	51	–
Other payables	1,205	2,419
Grant-related payables	587	430
Warrants issued to lender	370	437
	4,251	**3,788**

O. Compensation of the Board Of Directors

The members of the Board and the Management Team are considered key management personnel as defined in IAS 24 'Related party disclosures.' For details on their remuneration, reference is made to note 5.2 of the consolidated financial statements. Full details of the remuneration of the board (CEO and non-executives) are included in the Remuneration report.

P. Fees for Audit & Other Services

In accordance with article 382.a of Part 9, Book 2, of the Netherlands Civil Code, the total audit cost can be specified as follows. The fees have been allocated for the audit of the financial statements to the financial year to which the financial statements relate, irrespective of when the work has been performed.

EY Accountants B.V

	2025	2024
Audit of financial statements	511	362
Other assurance services	617	10
	1,128	**372**

Other assurance services mainly relate to capital raise and other permissible services provided by the auditor and its network.

Q. Subsequent Events

For subsequent events, please refer to Note 5.3 of the Consolidated Financial Statements.

R. Proposed Appropriation of Result

The Board of Directors proposes to deduct the net loss in full to the retained earnings.

ONWARD MEDICAL

Other Information

Other Information

Independent auditor's report

To: the shareholders and board of directors of ONWARD Medical N.V.

Report on the audit of the financial statements 2025 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2025 of ONWARD Medical N.V. based in Amsterdam, the Netherlands. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the financial position of ONWARD Medical N.V. as at 31 December 2025 and of its result and its cash flows for 2025 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The company financial statements give a true and fair view of the financial position of ONWARD Medical N.V. as at 31 December 2025 and of its result for 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2025
- The following statements for the year ended 31 December 2025: the consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2025
- The company statement of income for the year ended 31 December 2025
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of ONWARD Medical N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the Going concern section in the notes 1.4 of the consolidated financial statements which indicates that the combination of uncertainty surrounding future cash inflows, the potential for a future covenant breach under the Runway Growth loan facility, and the current expectation that existing cash resources alone may not be sufficient to fund its operations for at least the twelve months following the date of the financial statements. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. We refer to the section "Our audit response related to going concern" that describes how the going concern assumption and the relevant events and conditions that may cast significant doubt on the company's ability to continue as a going concern were addressed in our audit. Our opinion is not modified in respect of this matter.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

ONWARD Medical N.V. ("The Company" and, together with its consolidated subsidiaries, "the group") is developing and commercializing innovative therapies to enable functional recovery for people with spinal cord injury. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€ 1.3 million (2024: € 1.1 million)
Benchmark applied	3% of total operating expenses for the year ended 31 December 2025 (2024: 3%)
Explanation	R&D companies such as ONWARD Medical N.V. which are in the early stages of commercialization, report modest revenues and the stakeholders expect the company to operate at a loss. The value that owners or others generally attribute to these companies is primarily based on the promise of future success of the products. Based on these factors we deem operating expenses to be a suitable benchmark, as it is one of the most important measures for the level of cash used in operating activities to support the advancement of the development and commercialization of the company's products. We initially planned our audit with a materiality of €1.2 million based on 3% of the anticipated total operating expenses for the year ended 31 December 2025 and determined not to revise the materiality amount upwards as our audit progressed.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit committee of the board of directors that misstatements in excess of €60,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

ONWARD Medical N.V. is at the head of a group of entities that consists of the headquarters in the Netherlands, ONWARD Medical S.A., the science and engineering center in Switzerland and ONWARD Medical Inc., the field clinical and sales organization in the US. The financial information of this group is included in the financial statements.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

Based on our understanding of the group and its environment, the applicable financial framework and the group's system of internal control, we identified and assessed risks of material misstatement of the financial statements and the significant accounts and disclosures. Based on this risk assessment, we determined the nature, timing and extent of audit work performed, including the entities or business units within the group (components) at which to perform audit work. For this determination we considered the nature of the relevant events and conditions underlying the identified risks of material misstatements for the financial statements, the association of these risks to components and the materiality or financial size of the components relative to the group.

As the processes of the group are highly centralized and all transactions are initiated, recorded, processed and reported on central level, we performed the audit work centrally ourselves for all three components of the group.

This resulted in a coverage of 100% of the net loss for the period, 100% of total operating expenses and 100% of total assets.

By performing the audit work mentioned above at the entities or business units within the group, together with additional work at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed client in the medical technology industry. We included Turnaround and Restructuring specialists, actuaries, specialists in the areas of IT audit, forensics, share based payments and income tax.

Our audit response related to going concern

We refer to the section "Material uncertainty related to going concern" above. Based on our procedures performed, we concluded that a material uncertainty exists which may cast significant doubt about the company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

The board of directors evaluated the expected cash flows and made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future. As disclosed in Note 1.4 to the financial statements, amongst others, the following events and conditions denote a material uncertainty about the going concern assumption for the company: The forecast includes significant expenditures relating to the development and commercialization of the company's products. The board notes the combination of uncertainty surrounding future cash inflows and the Company's reliance on continued financial support, along with other matters as set forth in Note 1.4, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The company explores additional fundraising options.

We further refer to Section 'Risk-Management and Control' of the annual report that includes the detailed description of the 'Risks related to the Company's financial position, need for additional capital and taxation'. The financial statements have been prepared on a going concern basis.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism. We involved our Turnaround and Restructuring Specialists and specifically focused on, among other things, the impact of the events and conditions that are relevant for the company's ability to continue as a going concern and mitigating factors, significant assumptions, the process followed by the board of directors to make the specific assessment and management bias that could represent a risk of material misstatement due to fraud.

We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Furthermore, we evaluated forecasted cash flows and the substantiation for significant assumptions, with a focus on whether the company will have sufficient liquidity to continue to meet its obligations as they fall due and will continue to comply with loan covenants in the next twelve months and the foreseeable future. We have specifically assessed the anticipated impact of non-compliance on the cashflow forecast. Furthermore, we have performed sensitivity analyses on revenue and costs projections to assess the impact on the cashflow forecasts and continued compliance with loan covenants. Finally, we evaluated relevant disclosures and considered whether relevant events and conditions, mitigating factors and significant assumptions related to going concern have been disclosed and particularly whether these disclosures adequately convey the degree of uncertainty.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes.

We refer to Section "Risk-Management and Control" of the annual report for the board of directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the Code of business conduct and ethics, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have, among other things, performed procedures to evaluate whether the selection and application of accounting policies by the company, particularly those relating to subjective measurements and complex transactions, as disclosed in Note 1.6 "Significant Accounting Judgments, Estimates and Assumptions" to the consolidated financial statements, may be indicative to fraudulent financial reporting. We have also used data analysis to identify and address high-risk journal entries and other adjustments made in the financial reporting process. We evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying fraud risks, we presumed that there are risks of fraud in revenue recognition. We have identified a fraud risk for improper revenue recognition due to incorrect cut-off by shifting revenues from the subsequent year to current year or by recording fictitious sales. We describe the audit procedures responsive to the risk of fraud in revenue recognition in the description of our audit approach for the key audit matter "Revenue recognition".

We considered available information and made enquiries of relevant executives, directors, legal, compliance, human resources and the audit committee of the board of directors.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We received a confirmation that there were no legal cases. We inspected the correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the audit committee of the board of directors. The key audit matters are not a comprehensive reflection of all matters discussed.

In addition to the matter described in the Material uncertainty related to going concern section, we determined 'Revenue recognition' as a key audit matter. The key audit matter relating to valuation of intangible assets which was included in our last year's auditor's report, is not considered a key audit matter for this year following our risk re-assessment in light of the regulatory approvals obtained and the company's market capitalization.

Revenue recognition

Risk

The company's business depends on the successful commercialization of the investigational devices. In 2025, the company had one product available for sale and recorded revenues from Sales of ARC^{EX} Medical Devices (Revenue from sales of devices). Lower-than-expected revenue could harm the Company's business, financial condition, compliance with financial covenants, and results of operations, as discussed in more detail in Section 'Risk-Management and Control' of the annual report that includes the detailed description of the 'Risks related to the Company's financial position, need for additional capital and taxation'.

As a result of the identified pressures on management and the first-time recording of revenue from sales of devices in accordance with IFRS 15 'Revenues from Contracts with Customers', we identified a fraud risk for improper revenue recognition due to incorrect cut-off by shifting revenues from the subsequent year to current year or by recording fictitious sales.

Reference is made to note *2.1 Revenues and Other Income* to the consolidated financial statements, for material accounting policy information and other explanatory information on the company's revenue from sales of devices.

Our audit approach

As part of our audit procedures, we evaluated the appropriateness of the company's revenue recognition accounting policies in accordance with IFRS 15. We obtained an understanding, evaluated the design and implementation of the company's controls relating to revenue recognition.

Our audit procedures included, amongst others, testing of individual sales contracts and transactions to assess proper identification of the identifiable performance obligations in the contracts and correct allocation of the transaction price to these performance obligations and recognition hereof.

We also tailored our audit procedures to address our fraud risk. We used data analytics to correlate revenues to cash receipts, identify unusual trends and tested credit notes issued during 2026 for prior year sales adjustments. Furthermore, we tested sales transactions before and after year end to assess whether revenue was recognized in the correct period by, amongst others, inspection of shipping documents, delivery notes and customer acceptance documents.

We also evaluated the adequacy of the related disclosures.

Key observations

We consider the company's accounting policies related to revenues appropriate. Based on the audit procedures performed, we did not identify any material misstatement in the revenue from sale of devices recognized in the financial statements.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. The board of directors is responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub section 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above

includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the audit committee of the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

In this respect we also submit an additional report to the audit committee of the board of directors in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee of the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the general meeting as auditor of ONWARD Medical N.V. on 11 October 2021, as of the audit for the year 2021 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Reporting Format (ESEF)

ONWARD Medical N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by ONWARD Medical N.V., complies in all material respects with the RTS on ESEF.

The board of directors is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the board of directors combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the reporting package
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Eindhoven, 30 March 2026
EY Accountants B.V.
Signed by J.C.F. Lemmens

Definitions and Abbreviations

The following definitions are used in this report:

510(k)
Clearance under Section 510(k) of the FDCA (US)

AGM
Annual General Meeting

ASC
Ambulatory surgery centers

BG
Berufsgenossenschaft

BDD
Breakthrough Device Designation - Designation given by the FDA to allow a timely access to devices providing a more effective treatment or diagnosis of life-threatening diseases by speeding-up their development, assessment, and review

Brain – Computer Interface (BCI)
Electrical signal produced by the brain is recorded by a device and is then translated into a signal allowing the stimulation of the spinal cord, enabling thought-driven restoration of movement

Caltech
California Institute for Technology

Cardiovascular
Relating to the heart and blood vessels

CARF
Commission of Accredited Rehabilitation Facilities

CE
Conformité Européene (European medical device certification)

Cervical
Relating to the neck or located around the neck area

CEO
Chief Executive Officer

DCGC
The Dutch corporate governance code issued on 8 December 2016

Chairperson
The Chairperson of the Board

CHUV
Centre Hospitalier Universitaire Vaudois

CRO
Contract research organizations

CSO
Chief Scientific Officer

DAPA
Distribution and Pricing Agreement

DARPA
The US Department of Defense Advanced Research Projects Agency

DCC
Dutch Civil Code

DoD
U.S. Department of Defense

DME
Durable Medical Equipment

EBITDA
Earnings before interest, tax, depreciation and amortization

ECAT
Electronic Catalog Contract

EEA
European Economic Area

EPFL
École Polytechnique Fédérale de Lausanne

Epidural
Placed or administered outside the dura mater

EP
European Patent

ESEF
European Single Electronic Reporting Format

EU
European Union

FDA
U.S. Food and Drug Administration

FDCA
U.S. Federal Food, Drug, and Cosmetic Act

FSS
U.S. Federal Supply Schedule

FTE
Full time equivalent personnel

GCP
Good Clinical Practice

GDPR
General Data Protection Regulation

GKV
Gesetzliche Krankenversicherung or GKV System (Public System)

GSA
General Services Administration

HCPCS
Healthcare Common Procedures Coding System

HDE
Hilfsmittelverzeichnis

HIPAA
Health Insurance Portability and Accountability Act

HMV
Hilfsmittelverzeichnis

hr
Hours

Hypertension
Higher blood pressure than normal range

Hypotension
Lower blood pressure than normal range

IAS
International Accounting Standards

ICD
International Classification of Diseases

IFRS
International Financial Reporting Standards

IFRIC
IFRS Interpretations Committee

IPG
Implantable pulse generator

k
Thousands

KPI
Key performance indicator

Lesion
A damaged region in the body

LTIP
Long-Term Incentive Plan

Lumbar
Relating to the lumbar region of the back

M
Millions

MDR
Medical Device Regulation

Medical Devices Regulation
Regulation (EU) 2017/745

MHRA
Medicines and Healthcare products Regulatory Agency (UK)

Neurodegenerative
Characterized by the degeneration of the nervous system

Neuromodulation
Field of bioengineering implicating technologies impacting neural interfaces

Neuroprosthetic
Device used to restore function in the body via the interface of electrodes and the nervous system

Neurostimulation
Application of an electrical stimulation inducing modulation or activation of the nervous system for a therapeutic effect

Neurorehabilitation
Training to restore function after an injury or neurological disorder

NHS
National Health Service (UK)

OPS
Procedure codes

Orthostatic hypotension
Hypotension tied to posture or postural changes

Paraplegic
Someone affected by paralysis (partial or complete) of the lower half of the body due to an injury or disease of the spinal cord

PBS
Public Broadcasting System (U.S.)

Perfusion
Passage of a fluid (blood, water) through blood vessels, tissue or organ

PMA
U.S. FDA Pre-market approval

QSR
Quality System Regulations

Reeve Foundation
Christopher and Dana Reeve Foundation

RVO
Rijksdienst voor Ondernemend Nederland

Scaffold (cellular)
Scaffolds engineered to induce cellular interactions contributing to the formation of new functional tissues

SCI
Spinal Cord Injury – damage to the nerves in the spine that circulate signals from the brain to and from the body. It can be caused by a trauma or a disease. This damage can lead to temporary or permanent dysfunctions

SCS
Spinal cord stimulation

SDVOSB
Service-disabled veteran-owned small business

Spasticity
Abnormal increase in muscle tone usually caused by nerve damage and can be associated with pain

STIMO
STImulation Movement Overground (title of clinical study)

Tetraplegic (Quadriplegic)
Someone affected by paralysis (partial or complete) of upper and lower limbs due to injury or disease of the spinal cord

Thoracic
Related to the thoracic region of the back

Transcutaneous
Penetrating through the skin. For example: transcutaneous stimulation is stimulation delivered through the skin via electrodes placed on the skin

UCLA
University of California, Los Angeles

Up-LIFT
Pivotal study to evaluate the Company's ARC^{EX} Therapy

US
United States

USD
US Dollar

Vascular
Relating to blood vessels

ZE
Zusatzentgelte

ONWARD®
MEDICAL