

THIS PRESS RELEASE CONTAINS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE (7)(1) OF THE EUROPEAN MARKET ABUSE REGULATION (596/2014)

## **ONWARD® Medical Obtains Debt Financing with up to €52.5 Million Secured Loan from Runway Growth Capital LLC**

*Runway Growth Capital LLC is a leading U.S.-based specialty finance lender*

*Relationship further strengthens Company's balance sheet ahead of pending FDA approval and expected Q4 launch of ARC-EX System in the U.S.*

EINDHOVEN, the Netherlands — June 28, 2024 — ONWARD Medical N.V. (Euronext: ONWD), the medical technology company creating innovative spinal cord stimulation therapies to restore movement, function, and independence in people with spinal cord injury (SCI), announces today that the Company and its subsidiaries, ONWARD Medical Inc. and ONWARD Medical S.A., signed a loan agreement in the amount of up to €52.5 million (the “Loan Agreement”) with U.S.-based lender Runway Growth Capital LLC (the “Lender”). The loan will be used to (i) repay all of the Company's outstanding debt, (ii) fund the Company's upcoming commercial and clinical activities, and (iii) for working capital and general corporate purposes.

The facility is divided into five individual credit tranches. The first initial credit tranche of €16.0 million will be available upon signing of the Loan Agreement and will be 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 March 31, 2025, July 31, 2026 and January 31, 2027 respectively, in each case subject to the Company's achievement of certain milestones under the Loan Agreement. The fifth credit tranche of up to €10.0 million is uncommitted and available in the first quarter of 2027 upon the sole discretion of the Lender.

The loan bears interest at a rate equal to Term Secured Overnight Financing Rate (SOFR) for a three month interest period (currently at 6.00% and subject to a 4.25% floor), plus a margin of 6.50%.

The loan documents provide for a number of affirmative and negative covenants by the Company customary for financings of this type, including financial covenants relating to revenue, earnings before interest taxes depreciation and amortization (EBITDA) and minimum liquidity targets. The loans advanced under the Loan Agreement will be secured by a security interest in substantially all of the assets of the ONWARD Medical, N.V. and its subsidiaries.

In addition, upon signing of the debt financing the Company will issue to the Lender warrants which will entitle the Lender to purchase ordinary shares in the capital of the Company at an exercise price per newly issued share calculated on the basis of the lowest 30 day volume-weighted average price (VWAP) between April 9, 2024 and the signing of the debt financing. The number of shares subject to the warrants are five percent (5.00%) of the drawn down principal amount initially and upon each subsequent loan advance, divided by the exercise price of €4.83.

“ONWARD is pleased to enter this long-term relationship with one of the top U.S. lenders providing growth capital to innovative life science companies,” said ONWARD Medical CEO Dave Marver. “This relationship will diversify our capital structure and help to fund many of our upcoming milestones, including expected launch of our ARC-EX System later this year and

commencement of our pivotal study for ARC-IM, called Empower BP. We look forward to working closely with Runway to provide fuel to our effort to bring solutions to the profound unmet needs of people with spinal cord injury.”

“We are excited to partner with ONWARD Medical to provide capital for the continued development of their innovative therapies improving the lives of patients with spinal cord injuries,” said Greg Greifeld, Managing Director and Deputy Chief Investment Officer of Runway Growth Capital. “Given our experience in the healthcare space, we understand the critical impact that advancements in medical technology can have on patients’ lives and this investment will help ONWARD Medical achieve its upcoming milestones and revolutionize the standard of care for the spinal cord injury community.”

ONWARD Medical was advised by Stifel, a U.S.-based full service investment bank.

*\*All ONWARD® Medical devices and therapies, including but not limited to ARC-IM®, ARC-EX®, ARC-BCI™, and ARC Therapy™, alone or in combination with a brain-computer interface (BCI), are investigational and not available for commercial use.*

## **About ONWARD Medical**

ONWARD® Medical is a medical technology company creating therapies to restore movement, function, and independence in people with spinal cord injury (SCI) and movement disabilities. Building on more than a decade of scientific discovery, preclinical, and clinical research conducted at leading hospitals, rehabilitation clinics, and neuroscience laboratories, the Company has developed ARC Therapy™, which has been awarded ten Breakthrough Device Designations from the US Food and Drug Administration (FDA).

ONWARD ARC Therapy is targeted, programmed spinal cord stimulation designed to be delivered by the Company’s external ARC-EX® or implantable ARC-IM® platforms. ARC Therapy can also be delivered by the Company’s ARC-BCI™ platform, which pairs the ARC-IM System with brain-computer interface (BCI) technology to restore movement after SCI with thought-driven control.

Use of non-invasive ARC-EX Therapy significantly improved upper limb function after SCI in the global pivotal Up-LIFT trial, with results published by *Nature Medicine* in May 2024. The Company has submitted its regulatory application to the FDA for clearance of the ARC-EX System in the US and is preparing for regulatory submission in Europe. In parallel, the Company is conducting clinical studies with its ARC-IM Therapy, which demonstrated positive interim clinical outcomes for improved blood pressure regulation following SCI. Other ongoing clinical studies focus on using ARC-IM Therapy to address mobility after SCI and gait challenges in Parkinson’s disease as well as using the ARC-BCI platform to restore thought-driven movement of both upper and lower limbs after SCI.

Headquartered in Eindhoven, the Netherlands, ONWARD Medical has a Science and Engineering Center in Lausanne, Switzerland and a US office in Boston, Massachusetts. The Company is listed on Euronext Brussels and Amsterdam (ticker: ONWD).

For more information, visit [ONWD.com](https://ONWD.com), and connect with us on LinkedIn and YouTube.

## **About Runway Growth Capital LLC**

Runway Growth Capital LLC is the investment advisor to investment funds, including Runway Growth Finance Corp. (Nasdaq: [RWAY](#)), a business development company, and other private funds, which are lenders of growth capital to companies seeking an alternative to raising equity. Led by industry veteran David Spreng, these funds provide senior term loans of \$10 million to \$75 million to fast-growing companies based in the United States, Canada, and Europe. For more information on Runway Growth Capital LLC and its platform, please visit our website at [www.runwaygrowth.com](http://www.runwaygrowth.com)

For ONWARD Medical Media Inquiries:

Aditi Roy, VP Communications

[media@onwd.com](mailto:media@onwd.com)

For ONWARD Medical Investor Inquiries:

Amori Fraser, Finance Director

[investors@onwd.com](mailto:investors@onwd.com)

For Runway Growth Media Inquiries:

Jason Holley, Senior Director

[jholley@impactpartners.llc](mailto:jholley@impactpartners.llc)

For Runway Growth Investor Inquiries:

Stefan Norbom, Senior Vice President

[snorbom@prosek.com](mailto:snorbom@prosek.com)

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