ONWARD MEDICAL

Half Year Report 2026

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

ONWARD® MEDICAL

Message from the CEO

Message from the CEO

Dear Shareholders, Colleagues, Partners, and Collaborators,

For the nine million people worldwide living with a spinal cord injury (SCI), the loss of movement, function, and independence affects every aspect of daily life. ONWARD Medical is committed to addressing the most pressing unmet needs of the spinal cord community by developing breakthrough therapies that deliver improvements in function and quality of life. The first half of 2026 was especially strong for ONWARD – the commercial launch of the ARC$^{EX®}$ System continues to be a resounding success, and we are making steady progress in the development and clinical exploration of our investigational ARC$^{IM®}$ and ARC$^{BCI®}$ platforms.

I would like to share our key achievements from this period.

We made excellent progress in pursuit of our mission with strong sales of our novel ARC^{EX} System, which was available in more than 150 clinics across the globe at the end of the period. We observed robust home use demand and gained excellent traction within the US Veterans Affairs hospital system.

We achieved several important clinical milestones for our ARC^{IM} platform, including first participant enrollment and first implant in our Empower BP global pivotal study. Empower BP is the first global pivotal study designed to assess the safety and effectiveness of our implantable ARC^{IM} System to manage blood pressure instability, a key recovery target after SCI. The study is expected to involve participants across approximately 20 leading neurorehabilitation centers in the US, Canada, and Europe.

We advanced development of our ARC^{BCI} System, the world's first and most advanced platform pairing a brain-computer interface (BCI) with an implantable spinal cord stimulation system designed to restore thought-driven movement. Two additional people living with spinal cord injuries received ARC^{BCI} Therapy to restore thought-driven movement of their paralyzed limbs, bringing the total number of implants to seven.

We strengthened our balance sheet, successfully raising more than EUR 40 million in equity capital that included EUR 25 million from EQT Life Sciences and participation by several other leading global investors. The net proceeds from this transaction were expected to provide ONWARD with cash runway into Q1 2028.

Thank you for your commitment to ONWARD's important mission. Our achievements are enabled by your support. I invite you to follow our progress on our website and social media channels as we continue our mission to restore movement, function, and independence after spinal cord injury.

Warm regards,

Dave Marver
Chief Executive Officer

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

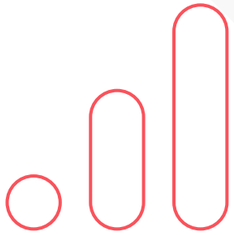
140
Team members

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

H1 2026 Highlights

ARC EX®

159

ARC[EX] Systems sold or under paid evaluation

150+

Clinics equipped with ARC[EX] in the US and Europe

ARC IM®

14

Centers active in the Empower BP global pivotal study

16

Empower BP study participants enrolled

ARC BCI™

+2

ARC[BCI] human implants

7

Study participants who have received investigational ARC[BCI] Therapy

€4.2M

Total revenues and other income

€40M

Equity capital raised in April 2026

€81.5M

Net cash position as of June 30, 2026

ONWARD® MEDICAL

Business Review

Business Review

In the first half of 2026, we made meaningful progress advancing ARC Therapy across our three breakthrough technology platforms. Here are some detailed highlights:

Clinical milestones

We announced the first participant enrollment and first successful implant in the Empower BP global pivotal study at Craig Hospital in Denver, Colorado. Empower BP is the first global pivotal study designed to assess the safety and effectiveness of the implantable **ARC^{IM} System** to manage **blood pressure instability** in people with SCI. 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. To date, 7 participants have been implanted and 22 have been enrolled in the study, with 14 clinical sites actively recruiting participants.

We announced the initiation of the EIGER clinical feasibility study to evaluate the investigational **ARC^{IM} System** for **restoring mobility** after both subacute and chronic SCI. The EIGER study is designed to assess the safety and preliminary effectiveness of the ARC^{IM} System to support and promote recovery of ambulatory functions, including standing and walking, following SCI. The study is being conducted in Switzerland at the Schweizer Paraplegiker-Zentrum (SPZ) in Nottwil and at the Centre Hospitalier Universitaire Vaudois (CHUV) in Lausanne. The study is supported by a grant from Innosuisse.

We made further pipeline progress with an additional individual receiving the investigational **ARC^{IM} Therapy** as part of an ongoing early clinical feasibility study focused on addressing **blood pressure instability associated with Parkinson's disease**.

We also announced two additional successful implants of **ARC^{BCI}** in individuals living with spinal cord injuries. Seven study participants have now received ARC^{BCI} Therapy to **restore movement** of their own paralyzed limbs. ARC^{BCI} is the world's first and most advanced purpose-designed platform pairing a brain-computer interface with an implantable spinal cord stimulation system. These latest implants are part of ongoing clinical feasibility studies supported by grants from the EU's Horizon Europe research and innovation program through the European Innovation Council (EIC, under grant agreements No 101057450 and 101070891), the Christopher & Dana Reeve Foundation, and the Swiss State Secretariat for Education, Research and Innovation (SERI).

Commercial traction

159 **ARC^{EX} Systems** were sold or rented in the first half of the year, demonstrating continued robust demand and a 430% year-over-year increase in units. This includes the first systems sold to individuals for home use, including those in the US Veterans Affairs community. The expansion into home use meets demand for broader and more convenient access to ARC^{EX}, the first US FDA-cleared technology indicated to improve hand strength and sensation after SCI.

The ARC^{EX} System is now available in over 150 clinics across the globe. Countries outside the US offering ARC^{EX} during the period include the Netherlands, Switzerland, Germany, UK, France, Italy, Israel, and Spain.

Corporate

In April, the Company raised over EUR 40 million in equity capital supported by a EUR 25 million investment by EQT Life Sciences. The transaction was supported by strong demand from existing and new high-quality, long-only, and sector specialist investors. The net proceeds from the transaction were expected to provide the Company with cash runway into 2028.

ARC IM®

ARC EX®

ARC BCI®

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Financial Review

Financial Review

EUR' Million *For the six-month period ended, 30 June*	HY 2026	HY 2025
Total Revenues & Other Income	**4.2**	**1.2**
Total Operating Expenses	(26.3)	(21.0)
Research & Development Expenses	(6.0)	(5.8)
Clinical & Regulatory Expenses	(4.9)	(3.1)
Marketing & Market Access Expenses	(4.6)	(3.7)
Quality Assurance Expenses	(1.1)	(1.1)
General & Administrative Expenses	(9.7)	(7.2)
Operating Loss for the Period	**(23.3)**	**(20.0)**
Net Finance Expense	(1.0)	(1.0)
Income Tax	(0.3)	(0.2)
Net loss for the Period	**(24.7)**	**(21.2)**
At EUR' Million	**30 June 2026**	**31 Dec 2025**
Net Cash Position at the end of the Period*	**81.5**	**68.1**
Interest-bearing Loans	**(13.5)**	**(13.0)**
Equity	**71.9**	**55.3**

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

4.2 M
Total revenues and other income

2.9 M
ARC^{EX} Sales in the US

0.5 M
Europe revenue

0.8 M
Grant income

Total Revenues & Other Income

Total revenues and other income increased substantially to EUR 4.2 million in HY 2026, compared to EUR 1.2 million in HY 2025, primarily driven by accelerated commercialization of the ARC^{EX} System following CE mark clearance in Europe and FDA home use clearance in the US.

Device revenue grew significantly, with ARC^{EX} sales in the United States reaching EUR 2.9 million, reflecting strong market traction and continued expansion across healthcare providers. Following the securing of a CE mark, the Company commenced commercial activities in Europe and the United Kingdom, generating EUR 0.5 million in regional revenue. These markets remain in early stages with ongoing channel development and reimbursement engagement.

Grant income of EUR 0.8 million principally related to ongoing European research collaborations and development programs.

Total Operating Expenses

Operating expenses increased to EUR 26.3 million in HY 2026 from EUR 21.0 million in HY 2025, an increase of EUR 5.3 million or 25%. This increase reflects the Company's continued investment in commercialization, geographical expansion, regulatory and clinical affairs, and investment in research and development.

- Research and development expenses primarily reflected continued advancement of the ARC^{IM} development program, including engineering efforts to support manufacturing readiness and platform development.
- Clinical and regulatory expenses increased significantly, reflecting heightened regulatory activities to support geographic expansion and the Empower BP clinical trial.
- Marketing & Market Access expenses increased, largely attributable to the build-out of commercial infrastructure in Europe. This included investments in market access resources, healthcare provider engagement, and regulatory affairs personnel to support the expansion of ARC^{EX} commercialization across international territories.
- General & Administrative expenses increased reflecting scaling of corporate functions to support the growing organization. This included investments in information technology, financial infrastructure, human resources, and operational capabilities required for a multi-market commercial operation.

Net Loss for the Period

The Company recorded a net loss of EUR 24.7 million in HY 2026, compared to EUR 21.2 million in HY 2025. The EUR 3.5 million increase in net loss was primarily attributable to operating expense growth of EUR 5.3 million, partially offset by the significant improvement in device revenue contribution.

Net Cash Position

The Company ended HY 2026 with a net cash position of EUR 81.5 million, compared to EUR 68.1 million at 31 December 2025. The increase of EUR 13.4 million reflects the successful completion of a private placement in April 2026, which generated gross proceeds of EUR 40.6 million, substantially strengthening the Company's balance sheet and providing significant financial flexibility for continued geographic expansion and product development initiatives. This was partially offset by cash outflows from operating activities, mainly related to investments in personnel, commercial infrastructure, and inventory to support ARC^{EX} commercialization and ARC^{IM} development.

Interest-bearing Loans

Interest-bearing loans increased slightly to EUR 13.5 million at the end of HY 2026, compared to EUR 13.0 million at 31 December 2025. The modest increase reflects non-cash accounting adjustments associated with the Company's debt facility, including the effective interest method and foreign exchange effects arising from remeasurement of the USD-denominated loan balance. No additional tranches were drawn under the Runway Growth facility during HY 2026.

Equity

Equity increased substantially to EUR 71.9 million at the end of HY 2026, compared to EUR 55.3 million at 31 December 2025. The increase of EUR 16.6 million was primarily driven by the capital raised through the private placement in April 2026, which contributed EUR 40.6 million in gross proceeds. This was partially offset by the net loss for the six-month period of EUR 24.7 million and foreign exchange impacts on US dollar-denominated operations.

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2026 Outlook

In the second half of 2026, we expect to continue the steady and consistent execution of our strategy as we drive revenue growth and advance our innovation pipeline.

- Continued strong demand for the ARC^{EX} System and positive feedback from users suggest that we are well-positioned to deliver robust revenue growth in 2026. We plan to continue expanding marketing of the ARC^{EX} System in the home setting, significantly broadening access and treatment options for people with SCI.
- We plan to accelerate the commercialization of ARC^{EX} across key European countries.
- We expect to explore advantageous engineering and commercial collaboration activities with our strategic investor and partner, Ottobock, and pursue fruitful collaborations with other partners worldwide.
- We plan to continue to execute the Empower BP global pivotal study to assess the safety and effectiveness of the investigational ARC^{IM} Therapy to address blood pressure instability after SCI.
- We expect to initiate an early clinical feasibility study involving first-in-human use of the ARC^{IM} Therapy to explore its potential to restore bladder function in people with SCI.
- We plan for additional implants within early clinical feasibility studies to explore additional and future indications. We expect to announce further advancements in our therapy pipeline, which includes multiple indications that can be pursued using one or more of our technology platforms. These indications primarily target SCI, but several also show promise in potentially addressing movement or functional challenges resulting from Parkinson's disease, stroke, and other movement disabilities.
- We plan to prepare for expansion of ARC^{EX} availability into additional countries and regions.

These pursuits align with our short and mid-term imperative to drive revenue growth through ARC^{EX} sales and position the ARC^{IM} System for expected commercial launch in the next 30 months. They also align with our objective to develop our innovation pipeline with the benefit of grant funding and partnerships with leading neuroscience and rehabilitation clinics around the globe.

ONWARD® MEDICAL

Condensed Consolidated Interim Financial Statements

Profit & Loss

All amounts in EUR '000	Notes	For the six-month period ended, 30 June 2026 Unaudited	2025 Unaudited
Revenue		**3,419**	**1,035**
Grants & Other Income		**773**	**150**
Total Revenues & Other Income		**4,192**	**1,185**
Cost of Goods sold		(1,268)	(232)
Gross Profit		**2,924**	**953**
Research & Development expenses		(6,009)	(5,800)
Clinical & Regulatory expenses		(4,847)	(3,056)
Marketing & Market Access expenses		(4,608)	(3,739)
Quality Assurance expenses		(1,058)	(1,133)
General & Administrative expenses		(9,737)	(7,198)
Total Operating Expenses		**(26,259)**	**(20,926)**
Operating Loss for the Period		**(23,335)**	**(19,973)**
Net Finance Result		(1,016)	(1,025)

Net Finance Cost		**(1,016)**	**(1,025)**
Loss for the Period Before Taxes		**(24,351)**	**(20,998)**
Income taxes	**13**	(311)	(180)
Net Loss for the Period		**(24,662)**	**(21,178)**
Attributable to:			
Equity holders of the parent		**(24,662)**	**(21,178)**
		(24,662)	**(21,178)**
Earnings Per Share (€):	**10**		
Basic earnings per ordinary share attributable to shareholders		(0.42)	(0.47)
Diluted earnings per ordinary share attributable to shareholders		(0.42)	(0.47)

Comprehensive Income

All amounts in EUR '000	Notes	For the six-month period ended, 30 June 2026 Unaudited	2025 Unaudited
Net Loss for the Period		**(24,662)**	**(21,178)**
Remeasurement of post-employment benefits		–	526
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)		**–**	**526**
Currency translation differences		218	(996)
Other comprehensive income that will be reclassified to profit or loss in subsequent periods (net of tax)		**218**	**(996)**
Total Comprehensive Result for the Year, Net of Tax		**(24,444)**	**(21,648)**
Attributable to:			
Equity holders of the parent		**(24,444)**	**(21,648)**

Financial Position

All amounts in EUR '000	Notes	30 June 2026 Unaudited	31 December 2025 Audited
Assets			
Non-Current Assets			
Intangible fixed assets	6	8,740	8,733
Property, plant and equipment		723	534
Right of use assets		258	551
Deferred tax assets		662	659
		10,383	**10,477**
Current Assets			
Inventories	7	1,234	803
Indirect tax receivables		453	381
Trade and other receivables		1,857	1,195
Other current assets		4,824	3,587
Fixed term deposits		52,775	-
Cash and cash equivalents		28,730	68,110
		89,873	**74,076**
		100,256	**84,553**

Condensed Consolidated Interim Statement of Financial Position

Equity & Liabilities			
Equity & Reserves			
Issued capital		8,343	6,721
Share premium		302,111	264,354
Other reserves	9	8,703	6,799
Retained earnings		(247,220)	(222,558)
Total Equity Attributable to Shareholders		**71,937**	**55,316**
Non-Current Liabilities			
Interest-bearing loans	8	13,511	13,074
Deferred tax liability		339	347
Lease liability		21	53
Post-employment benefits		4,707	4,664
Current Liabilities		**18,578**	**18,138**
Income tax liabilities		192	179
Lease liability		257	538
Trade payables		2,937	3,083
Other financial liabilities		370	370
Payable to related parties		51	51
Other payables		5,934	6,878
		9,741	**11,099**
		100,256	**84,553**

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

Changes in Equity

For the six-month period ended, June 30
All amounts in EUR '000

	Notes	Issued Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
At 1 January 2026		**6,721**	**264,354**	**6,799**	**(222,558)**	**55,316**
Loss for the period		–	–	–	(24,662)	(24,662)
Other comprehensive income		–	–	218	–	218
Total comprehensive result		–	–	218	(24,662)	(24,444)
Issue of Shares	**9**	1,622	38,938	–	–	40,560
Issue of Shares- Closing costs	**9**	–	(1,181)	–	–	(1,181)
Share based payments	**12**	–	–	1,686	–	1,686
At June 30, 2026 (Unaudited)		**8,343**	**302,111**	**8,703**	**(247,220)**	**71,937**

For the six-month period ended, June 30
All amounts in EUR '000

	Notes	Issued Capital	Share Premium	Other Reserves	Retained Earnings	Total Equity
At 1 January 2025		**5,355**	**217,774**	**6,770**	**(181,845)**	**48,054**
Loss for the period		–	–	–	(21,178)	(21,178)
Other comprehensive income		–	–	(996)	526	(470)
Total comprehensive result		–	–	(996)	(20,652)	(21,648)
Issue of Shares	**9**	2	80	(130)	130	82
Issue of Shares- Closing costs	**9**	–	–	–	–	–
Share based payments	**12**	–	–	987	245	1,232
At June 30, 2025 (Unaudited)		**5,357**	**217,854**	**6,631**	**(202,122)**	**27,720**

Cash Flows

All amounts in EUR '000	Notes	For the six-month period ended 30 June 2026 Unaudited	2025 Unaudited
Loss for the Period Before Taxes		**(24,351)**	**(20,998)**
Adjusted for:			
◦ Depreciation and impairment of property, plant and equipment and right-of-use assets		743	468
◦ Share based payment transaction expense		1,686	1,232
◦ Post-employment benefits		–	95
◦ Net finance costs		1,016	867
◦ Other non-cash items		(574)	–
Changes in working capital:			
(Increase) / Decrease in Trade and other receivables		(2,314)	(933)
Increase / (Decrease) in Trade and other payables		(1,089)	1,197
Interest received		287	365
Interest paid		(797)	(859)
Bank charges paid		(21)	(18)
Income tax paid		(322)	(230)
Net cash used in operating activities		**(25,737)**	**(18,814)**

Cash flows from investing activities			
Investments in fixed assets		(383)	(222)
Investments in intangible fixed assets		–	–
Investments in fixed term deposits		(52,775)	–
Net cash generated/(used) from investing activities		**(53,158)**	**(222)**
Cash flows from financing activities			
Proceeds from interest bearing loans	8	–	–
Payment of principal portion of lease liabilities		(329)	(316)
Proceeds from issuance of shares	9	40,560	82
Transaction costs on issuance of shares	9	(1,181)	–
Net cash generated/(used) from financing activities		**39,050**	**234**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		68,110	60,043
Effect of exchange rates on cash and cash equivalents		465	158
Changes in cash and cash equivalents during the period		(39,845)	(19,270)
Cash and cash equivalents at 30 June		**28,730**	**40,931**

ONWARD MEDICAL

Notes to the Condensed Consolidated Interim Financial Statements

Notes

1. General Information

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

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

The interim financial statements of ONWARD Medical N.V. and its subsidiaries for the six months ended 30 June 2026 have not been audited or reviewed. The interim consolidated financial statements were authorized for publication by the Board on 8 September 2026.

2. Basis of Preparation

The Company's Condensed Consolidated Interim Financial Statements ("Interim Financial Statements" or "Interim Report") for the six-month period ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as endorsed by the European Union ("IFRS") and should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended 31 December 2025.

The significant accounting policies used in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended 31 December 2025.

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

The preparation of the Interim Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, are areas where assumptions and estimates are significant to the Consolidated Financial Statements. The critical accounting estimates used in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended 31 December 2025.

3. Continuity of the Group

In preparing the interim consolidated financial statements for the six months ended 30 June 2026, 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 interim consolidated 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.

During the period, the Company completed a capital raise that materially strengthens its liquidity position. Combined with cash held at year end, management's projections indicate that available cash resources will support the Company's operations well beyond the next 12 months from this report, providing substantial runway to achieve further commercial milestones and operational progress.

Subsequent to the reporting date, the Company successfully refinanced its existing Runway Growth loan facility with a new debt facility from BlackRock/Kreos with improved covenant terms. This refinancing eliminates the covenant compliance risks identified in the prior year, under which a potential breach had been anticipated in Q3 2026 under the previous facility's terms. The new facility's enhanced covenant structure provides greater flexibility aligned with the Company's operational and commercial trajectory.

During the first half of 2026, the Company achieved important operational milestones, including continued commercial progress of the ARC-EX System following receipt of additional regulatory clearances towards the end of 2025, which expand the potential addressable market. The Company remains in the early stages of commercialization; however, the strengthened financial position provides enhanced capacity to invest in commercial acceleration and market expansion.

Notwithstanding the improved financial position, uncertainties remain regarding the timing and magnitude of future revenues and cash inflows, given limited historical data on the ARC^{EX} System's commercial performance. To manage these uncertainties, management continues to:

- Monitor and control discretionary expenditures through disciplined cost management
- Actively manage the timing and scope of R&D, clinical, and commercial activities
- Focus on accelerating commercial adoption to drive revenue growth and associated cash inflows

Based on the Company's extended cash runway, the refinancing of its debt facility with improved covenant terms, demonstrated operational progress, and available mitigation actions, management has prepared the interim consolidated financial statements on a going concern basis. The material uncertainties that existed regarding liquidity and covenant compliance at 31 December 2025 have been substantially resolved.

4. Standards Issued but not yet Effective

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of the Group's Annual Consolidated Financial Statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

A number of amendments apply for the first time in 2026, but they do not have an impact on the Interim Financial Statements of the Group. The Group is currently assessing IFRS 18, which becomes effective in 2027.

5. Segment Reporting

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

6. Intangible Fixed Assets

	30 June 2026 Unaudited	31 December 2025
Goodwill	1,790	1,738
In-Process R&D	4,975	5,008
License fees	1,975	1,987
Closing net book value	**8,740**	**8,733**

The Company has reviewed whether changes in market conditions require an update to the impairment assessment performed in December 2025 and concluded that no update is required. The movement since 31 December 2025 is the result of foreign exchange rate movements.

7. Inventories

	30 June 2026 Unaudited	31 December 2025
Raw materials	720	656
Work in progress	–	–
Finished goods	514	147
	1,234	**803**

The increase in raw materials and finished goods inventory primarily reflects higher inventory levels maintained to support commercial sales activities across the United States and Europe.

8. Financial Liabilities

8.1 Interest Bearing Loans

Runway Growth loan

On 02 July 2024, the Group was granted a loan from Runway Growth, which was used to (i) repay all of the Company's outstanding debt, (ii) fund the Company's upcoming commercial and clinical activities, and (iii) support for working capital and general corporate purposes. The facility is divided into five individual credit tranches, of which, only the first initial credit tranche of EUR 16.0 million is withdrawn. The Runway Growth facility was fully repaid and retired on 4 August 2026; see Note 16, Events after the reporting period, for further details.

	30 June 2026
Loan opening balance (31 December 2025)	**13,074**
Loan amount received	–
Interest accrued	1,048
Interest paid	(796)
Foreign currency translation difference	185
Closing net book value	**13,511**

8.2 Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in the Consolidated Financial Statements for the year ended 31 December 2025.

Fair Value Hierarchy

The valuation techniques and inputs used to develop measurements for financial liabilities are consistent with those disclosed in the Consolidated Financial Statements for the year ended 31 December 2025.

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

Balance at 30 June 2026	Carrying Amount	Fair Value
Financial liabilities		
Runway Growth loan (Level 2)	13,511	15,512
Lender warrants (level 3)	370	370
Total financial liabilities	**13,881**	**15,882**

Balance at 31 December 2025	Carrying Amount	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**

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

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

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

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

At 30 June 2026

	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Runway Growth loan	1,634	17,761	–	–	19,395
Lease liability	262	22	–	–	284
Warrants issued to Runway Growth	370	–	–	–	370
Trade payables	2,937	–	–	–	2,937
Total (Unaudited)	**5,203**	**17,783**	**–**	**–**	**22,986**

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 payables	3,083	–	–	–	3,083
Total	**5,592**	**10,343**	**7,872**	**–**	**23,807**

9. Issued Capital & Reserves

The authorized share capital ("maatschappelijk kapitaal") amounts to EUR 24 million divided into 100,000,000 Ordinary Shares and 100,000,000 Preferred Shares with a nominal value of EUR 0.12 each. At 30 June 2026, 69,528,780 Ordinary Shares were outstanding (31 December 2025: 56,008,257 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 Reserves
Balance at 1 January 2026	(446)	7,245	6,799
Share based payment expense for the period	–	1,686	1,686
Reclassification of the fair value of forfeited options	–	–	–
Currency translation differences	218	–	218
Balance at 30 June 2026 (Unaudited)	**(228)**	**8,931**	**8,703**
Balance at 1 January 2025	**598**	**6,171**	**6,770**
Share based payment expense for the period	–	1,232	1,232
Reclassification of the fair value of forfeited options	–	(375)	(375)
Currency translation differences	(996)	–	(996)
Balance at 30 June 2025 (Unaudited)	**(398)**	**7,028**	**6,631**

10. Loss per Share

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

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

Loss Attributable to Ordinary Shareholders

	2026 Unaudited	2025 Unaudited
Loss for the year, attributable to equity holders of the parent	**(24,662)**	**(21,178)**

Weighted-average Number of Ordinary Shares

	2026 Thousands	2025 Thousands
Weighted average number of ordinary shares for basic EPS	**58,527**	**44,637**

11. Revenue and Other Income

	30 June 2026 Unaudited	30 June 2025 Unaudited
Revenue from sale of devices	3,419	1,035
Government subsidies	753	143
Other income	20	7
Total revenues and other income	**4,192**	**1,185**

Sales per geography	30 June 2026 Unaudited	30 June 2025 Unaudited
United States of America	2,902	1,035
Europe	517	–
Rest of the World	–	–
Total sales of devices	**3,419**	**1,035**

For the six months ended June 30, 2026, the Group has no customers with individual sales larger than 10% of the total revenue. All revenue from the sale of devices in the first six months of 2025 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.

12. Share-based Payments

	30 June 2026 Unaudited	30 June 2025 Unaudited
Opening balance	**7,245**	**6,171**
Addition to the reserve	1,686	1,232
Reclassification of the fair value of forfeited options	–	(375)
Closing balance	**8,931**	**7,028**

Long-term incentive Plan (LTIP)

The LTIP plan aims to align the Employee's interest with the interests of the Shareholders and to allow the employee to participate in the long-term growth of the Company. The LTIP is an omnibus plan with the flexibility to issue a different type of equity incentive(s). ONWARD awarded options over its ordinary shares to participants (referred to as the "Award" or "Grant') on the Grant Dates as specified in the table below. Each option represents the right to receive one ordinary share of ONWARD against payment of the exercise price. The options expire 10 years after the Grant Date and become exercisable on vesting. The Grant is subject to continued provision of services to the Company under a graded vesting schedule, with 25% of the Grant vesting on the first anniversary of the Grant Date, and the remaining 75% of the Grant vesting in equal, monthly tranches over the 3 years following the first anniversary of the Grant Date (2.083% per month). The number of Options that will vest and become unconditional is subject only to a continued service condition. All options granted have the same conditions. Options do not settle automatically and are exercised at the option of the participant.

Financial Year	Grant Date	Type of Security	Number of Options Granted	Exercise Price	Expiration Date	Fair Value
2021	15/12/2021	Stock Options	612,000	EUR 9.70	15/12/2031	EUR 4.89
2022	01/04/2022	Stock Options	169,800	EUR 7.64	01/04/2032	EUR 4.18
2022	26/09/2022	Stock Options	166,350	EUR 5.70	26/09/2032	EUR 3.19
2023	03/01/2023	Stock Options	978,050	EUR 6.12	03/01/2033	EUR 3.37
2023	28/02/2023	Stock Options	132,000	EUR 4.95	28/02/2033	EUR 2.73
2023	03/07/2023	Stock Options	308,175	EUR 5.18	03/07/2033	EUR 2.85
2024	15/01/2024	Stock Options	710,975	EUR 2.94	15/01/2034	EUR 1.60
2024	01/07/2024	Stock Options	460,688	EUR 5.08	01/07/2034	EUR 2.85
2024	05/12/2024	Stock Options	704,625	EUR 4.77	04/12/2034	EUR 2.68
2025	01/05/2025	Stock Options	100,000	EUR 4.19	01/05/2035	EUR 2.37
2025	01/07/2025	Stock Options	632,487	EUR 4.49	01/07/2035	EUR 2.53
2025	12/08/2025	Stock Options	32,000	EUR 4.11	12/08/2035	EUR 2.34
2026	05/01/2026	Stock Options	1,302,500	EUR 4.37	05/01/2036	EUR 2.44

The following parameters were used in the option model for the calculation of the fair value of the options per grant in 2026:

	2026 – 01
Fair value on date of measurement (EUR)	2.44
Share price (EUR)	4.37
Exercise price (EUR)	4.37
Expected volatility	58.5%
Term of the option	4[a]
Expected dividend	–
Risk-free interest rate	2.9%
Time to expiration	10

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

The weighted average fair value of the options granted during the six months ended 30 June 2026 was EUR 2.44 (year ended 31 December 2025: EUR 2.50).

For the six months ended 30 June 2026, the Group has recognized EUR 1.69 million of share-based payment expense in the statement of profit or loss (30 June 2025: EUR 1.23 million).

13. Income Taxes

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

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2026 was 1.3% (six months ended 30 June 2025: 0.9%). Deferred tax assets increased primarily due to net operating losses and tax credit carry forwards in the US subsidiary. The major components of income tax expense in the Interim condensed consolidated statement of profit or loss are:

	2026	2025
Current income tax	328	184
Deferred income tax	(17)	(4)
Total corporate income tax in profit and loss	**311**	**180**

14. Related Party Transactions

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

Except as disclosed, there are no material changes to the Group's related parties, related party transactions (including their terms and conditions) and future obligations towards related parties, compared to 31 December 2025. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in the notes.

Remuneration of Key Management

	30 June 2026 Unaudited	30 June 2025 Unaudited
Salary, bonuses and other (short-term employee benefits)	3,114	2,112
Pension premiums (post-employment benefits)	228	66
Share based payments	1,310	1,700
Total remuneration	**4,652**	**3,878**

15. Commitments &Contingencies

Legal Claim Contingencies

At 30 June 2026, the Group had no legal claim contingencies.

Guarantees

The Group has provided a guarantee to Wincasa for EUR 308k and EUR 10k to SPACES as collateral for the lease of its office spaces.

Royalties

The Group has entered into license agreements with EPFL, the Regents of the University of California (UCLA) and the California Institute of Technology (Caltech), covering various technologies in the fields of neuromodulation and spinal cord stimulation.

The EPFL agreements require royalty payments based on future commercial sales of products incorporating the licensed technologies. The UCLA and Caltech agreements also include milestone payments, diligence obligations and fixed royalty payments linked to specified development, regulatory and commercial milestones. As at 30 June 2026, all milestone payments due under these agreements had been satisfied.

Royalties are reported and paid on a quarterly basis and are recognised within Cost of Goods Sold.

Import tariff refunds, United States

Developments in 2026 in US customs regulations and a favorable ruling applicable to the Group's US imports resulted in potential recoveries of import duties previously paid. As at 30 June 2026, the Group estimates the potential recoveries to be approximately €0.8 million, for which no receivable has been recognised.

16. Events after the Reporting Period

On 1 July 2026 the Group granted 883,293 stock options to employees with an exercise price of EUR 2.55. The conditions of the existing plan as explained in Note 12 applies to this grant.

On 4 August 2026, the Company entered into a €50 million revolving facility with Kreos Capital VIII (UK) Limited (managed by BlackRock Investment Management). The facility comprises five tranches: an initial drawdown of €20 million (€10 million at 10% per annum PIK interest capitalizing monthly and €10 million at 9.75% per annum cash interest), with the remaining €30 million available subject to customary conditions and the achievement of certain contractually agreed business milestones. The facility maturity extends into 2030 and 2031.

The structure provides cash flow benefits by limiting monthly cash interest on the €10 million cash tranche, whilst the €10 million PIK tranche accrues monthly. The PIK and cash rate is fixed throughout the facility term. Kreos retains an option to convert Tranche A1 (principal plus accrued PIK) into ordinary shares.

The facility is secured by first-ranking security interests over substantially all Group assets and includes standard financial and operational covenants.

Concurrent with closing, the Company fully repaid and retired the Runway Growth Capital LLC facility established in June 2024.

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Board's Statements on the Interim Consolidated Financial Statements

Board's Statements on the Interim Consolidated Financial Statements

We have prepared the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2026 of ONWARD Medical N.V.

To the best of our knowledge:

- The interim condensed consolidated financial statements prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities and financial position at 30 June 2026, and of the results of our consolidated operations for the first half year of 2026.
- The half year report related to the first half year 2026 gives a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Act on Financial Supervision.

Amsterdam, 8 September 2026 – Board of Directors

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Overview of Risks

Overview of Risks

In the Directors' Report in our Annual Report 2025 we set out an overview of our primary strategic, operational, legal and compliance and financial risks. Financial risks are also described in more detail in the notes to the Consolidated Financial Statements 2025 (Note 4.3).

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

In the first six months of 2026, there has been no material change in the identified risks as described in the Annual Report 2025, other than specifically included in this report, and we do not expect this to significantly change during the remaining six months of the financial year 2026 based on the existing business activities.

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Forward-Looking Information / Statements

Forward-Looking Information / Statements

Certain statements, beliefs, and opinions in this document are forward-looking, which reflect the Company's or, as appropriate, the Company directors' current expectations and projections about future events. In particular, the words 'expect', 'anticipate', 'estimate', 'may', 'should', 'could', 'would', 'believe', 'outlook', 'potential', 'will', 'planned', 'pipeline', 'seek' and similar expressions are intended to identify forward looking statements. By their nature, forward-looking statements involve several risks, uncertainties, and assumptions that can cause actual results or events to differ materially. These risks, uncertainties, and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors including, but not limited to, changes in demand, supplier performance, competition, regulatory review timelines and outcomes, intellectual property enforcement and outcomes, and technology, can cause actual events, performance, or results to differ significantly from any anticipated development. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also the Risk management and control section of the 2025 Annual Report. Forward-looking statements contained in this Half Year Report regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or any change in events, conditions, assumptions, or circumstances on which these forward-looking statements are based. Neither the Company nor its advisers or representatives nor any of its subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this document or the actual occurrence of the forecasted developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document ARC^{IM}, alone or in combination with BCI, is investigational and not commercially available. ARC^{EX} is FDA-cleared in the United States (please refer to its Indications for Use).

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Definitions & Abbreviations

Definitions & Abbreviations

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

Caltech: California Institute of Technology

CE: Conformité Européene

EPFL: École Polytechnique Fédérale de Lausanne

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

FDA: U.S. Food and Drug Administration

IPG: ONWARD implantable pulse generator

LTIP: Long-Term Incentive Plan

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

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

RVO: Rijksdienst voor Ondernemend Nederland

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

Transcutaneous: Through the skin (non-invasively)

UCLA: University of California, Los Angeles

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