



IMPACT REPORT 2023

Build ventures, advance health

NLC Health Ventures • February 2024 • Version 1.0



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Dear healthcare partner,

In 2023 society continued to struggle with several pressing issues in healthcare, including the effects of an aging population, decreasing healthcare budgets, and an increasing shortage in the healthcare workforce. These challenges create an opportunity for innovative solutions, and therefore, for NLC and its ventures to make a sustainable impact on patients, healthcare workers, our healthcare system, and the planet. Our mission is to build ventures to advance health and we are proud to share our achievements, and those of our ventures in 2023, in our second Impact and ESG report.

Despite the difficulties in the financial markets, we launched the NLC Health Impact Fund (HIF), our fourth dedicated impact fund committed to catalyzing positive change in healthcare in June 2023, which has already raised more capital than our previous 3 combined. Our collective fund efforts were recognized as we were recognized as Europe's most active early-stage healthtech investor of 2023, by Financial Times' Sifted, **with 35 investments in 2023.**

As innovation is a global game, we expanded towards the US and MENA regions in our urge to continue to create a more fertile ground to enable inventors, entrepreneurs, and investors who believe in progress as strongly as we do—fortunately, a fast-growing group—to bring their innovations to the people who need them most. Shown by an investor base that has grown from five to 22 geographies over the past year.

This impact report centers on our commitment to a "Happy Planet." Emphasizing sustainability and positive societal impact, we shine a spotlight on three ventures that align with our vision for a healthier world.

Together we are continuing our efforts towards driving impact towards a healthier future.

On behalf of patients, health workers, our society, and the planet,

Bert-Arjan Millenaar
Founder & CEO

2023 AT A GLANCE

OUR IMPACT IN 2023

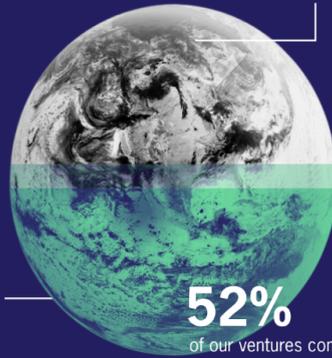
Our ventures secured **€36.2 million** in funding

+8% compared to 2022

22 ventures were built in 2023

€6.3 million of venture funding came from NLC's captive funds **+32% in 2023**

Ventures with a positive impact on both society and the workforce



9 different countries this year's ventures originate from all over the world.

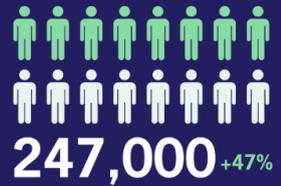
Our portfolio is based in **14** different countries

+18% in 2023

44% in 2022

52%

of our ventures consider environmental factors in their development decisions



OUR ACTIVITIES

Bringing science to life with innovation

95% of innovations across the world never reach the market - highlighting a stark reality. By transforming dormant or abandoned innovative projects into market-ready healthtech solutions, NLC brings science to life. Without NLC, these projects might not have had the chance to reach patients.

This year, NLC has explored over 1500 technologies, from over 40 countries, marking a 33% increase from last year. Like in 2022, we (co-)founded 22 ventures in 2023, leveraging the technologies we vetted through our venture creation process, as a foundation.

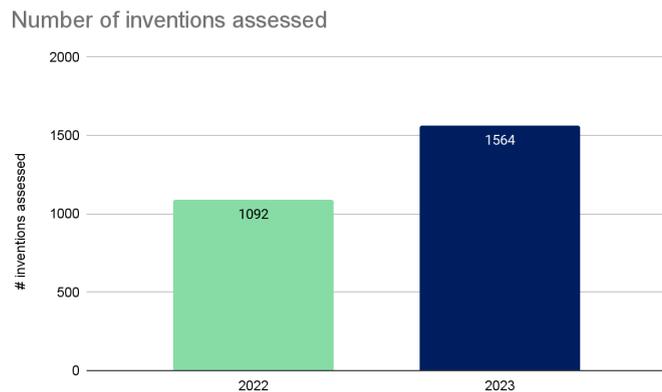


Figure 1.1 Number of inventions assessed by NLC in 2022 (green) and 2023 (blue)



“NLC with its extensive network of supportive experts has been pivotal in selecting the right LipidEra leadership and navigating legal complexities, business planning, and developmental strategies necessary to advance our novel therapeutic into clinical trials.”

- Katerina Solcova, Chief Business & Technology Officer, Charles University Innovations Prague a.s.

In 2023, we considered over 1500 inventions in our venture-building pipeline.¹ From the end of 2022, we started sourcing from US-based universities and institutions, and increased efforts in the UK (after a successful 2021) with a venture partner on the ground. This can be seen in the numbers: most of our sourced technologies originate from the United States (20%), United Kingdom (18%), France (11%) and Spain (10%).

Of those 1500+ inventions assessed in 2023, 80% had been developed by physicians and researchers affiliated with a medical center or university, 6% by corporate R&D units, and 14% by independent or other developers. All had struggled to move beyond the research phase, for various reasons such as insufficient knowledge about the healthcare market or no interest in becoming an

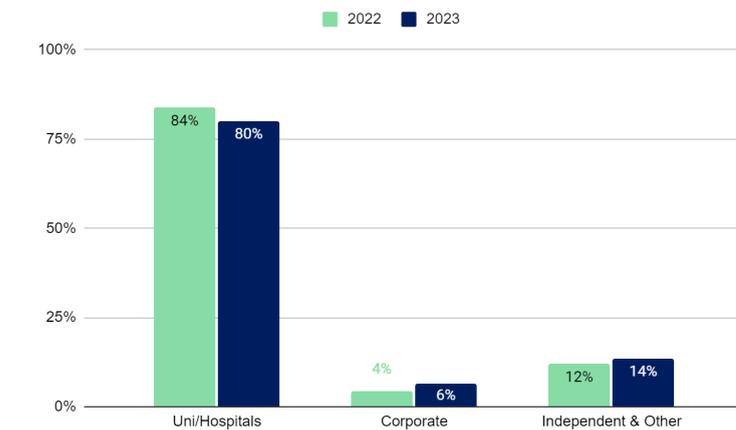


Figure 1.2 Distribution of source of assessed inventions in 2022 (green) and 2023 (blue)

entrepreneur. The increase in the ‘other’ category can be explained by the initiation of our own ideation channel, but also by the increased strength of our network. In 2023 we have increased our presence at events as well as online, leading to a significant increase in submissions via our website by amongst others individuals, start-ups, and foundations.

We search for promising inventions through diverse sources, recognizing that each has its unique challenges in advancing through the innovation funnel. Compared to 2022, the share of the assessed technologies coming from universities or hospitals decreased, while the number of technologies originating from corporates, independent researchers and other inventors (such as patent databases and incubators), increased.

In 2023, we selected 22 inventions to bring to ‘life’. These include seven ventures within the biotech domain, 10 within medtech, and five in our digital domain, expanding our active portfolio to a total of 88 managed ventures.² Overall our active portfolio grew by six ventures, due to a large number (16) of ventures that were discontinued. The main reason for discontinuation is the failure of the technology (development) to solve the intended problem, which is always a risk when developing ventures in such an early stage.

¹ NLC’s building pipeline

² As at 31/12/2023. Since NLC’s inception, 128 ventures have been established, 40 discontinued (mostly due to failure of the technology) and 1 was fully exited.

2023 ventures

In terms of the clinical domain, five of the newly built ventures focus on diseases of the nervous system. Other fields in which we've established most ventures are focused on diseases of the nervous system (e.g. Alzheimer's), circulatory system (e.g. structural heart disorders, blood vessels) and hormone, nutritional, and metabolic diseases (e.g. diabetes).

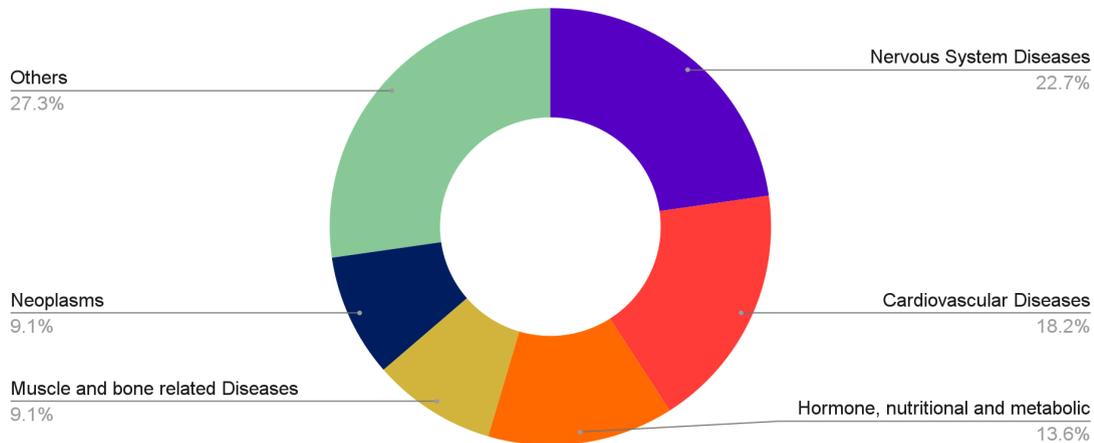


Figure 1.3 Distribution of clinical areas of the ventures built in 2023

Impactful portfolio

The dominant clinical area (17%) for which our portfolio companies develop products is for diseases of the circulatory system (e.g. structural heart disorders, blood vessels). Closely followed by the musculoskeletal domain (technologies related to e.g. bones and ligaments) (15%) and diseases of the nervous system (e.g. Alzheimer's) (10%), and neoplasms (e.g. bladder cancer) (10%).

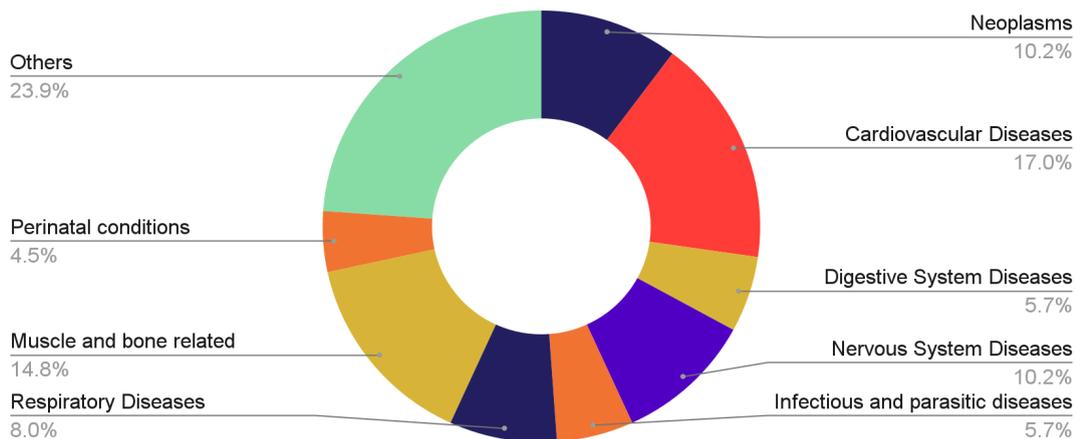


Figure 1.4 Distribution of clinical areas of the ventures in NLC's portfolio

Facilitating early-stage investment

2023 is marked as a year with a changing financial climate. This didn't hold us back. Throughout 2023, NLC raised over €58 million for NLC, our funds, and our ventures collectively. In comparison, since NLC's inception in 2014, we have raised over €175 million, of which over a third was thus raised in 2023.

Amount of money secured by ventures

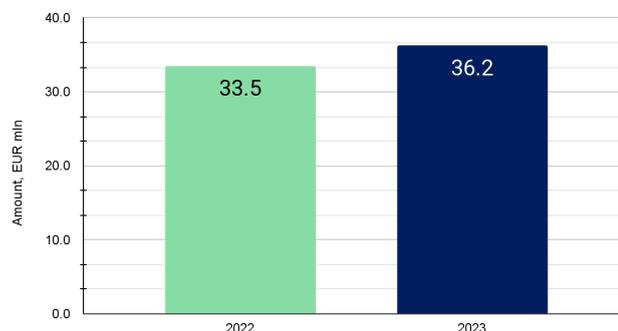


Figure 2.1 Amount of money secured by NLC ventures in 2022 (green) and 2023 (blue) (in million €)

In June, our fourth and largest fund, the NLC Health Impact Fund, went live. And we're proud to say that this fund, next to our three other funds, fulfills all SFDR-9 standards. In addition, in 2023, 44 of our portfolio companies secured €36.2 million in funding, this is an increase of 8% compared to 2022.



"NLC is clearly in that category of combining great societal benefits with a great financial return"

- Remco van Zanten, Investor NLC

Europe is home to the world's most innovative technologies, yet early-stage capital remains limited. We continued our commitment to providing financial support from the earliest phases, illustrated by the fact that NLC's captive funds invested €6.3 million across 32 individual ventures, marking a €2.0 million increase compared to 2022³

Besides that we have raised significant capital, we also saw a significant shift in where our investors are coming from. While NLC initially had investors from five countries, we've now increased this to 22.

³ Momentum I, Stepping Stone Fund and Health Impact Fund

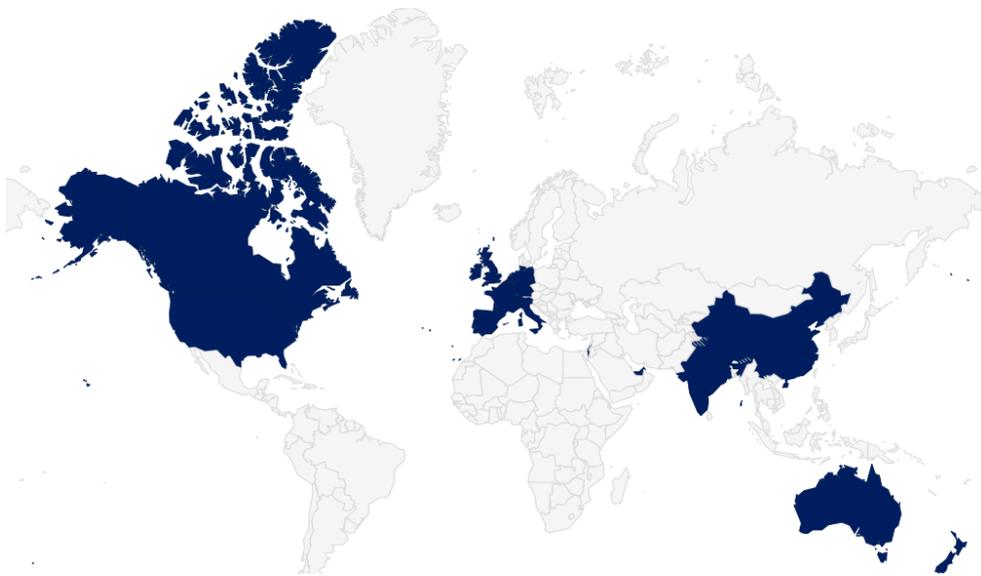


Figure 2.2 Distribution of country of origin of NLC investors

Since our ventures are early-stage, grants also play an important role in funding. Examining the various funding sources of our ventures, out of the total €36.2 million funding, 43% originated from equity, 33% from grants, 8% as debt, and 16% from a convertible loan. Notably, our ventures demonstrated significant success in securing funding through grants compared to the previous year, where the corresponding number was 24%. There was a decrease in the amount of debt funding, while the proportions for equity and convertible loan funding remained relatively stable.

Attracting and developing entrepreneurial talent

Fostering entrepreneurial talent is vital for advancing early-stage science-based tech. Attracting and identifying entrepreneurial talent is crucial to ensure these early-stage inventions reach the market.

In 2023, we welcomed 27 new CEOs, 19 for ventures⁴ established this year and eight for existing ventures. Notably, 37% of these CEOs were first-time leaders, selecting NLC as their trusted partner for their entrepreneurial journey. These first-time CEOs contribute a diverse and innovative perspective, challenging the status quo with strong motivation to prove themselves.

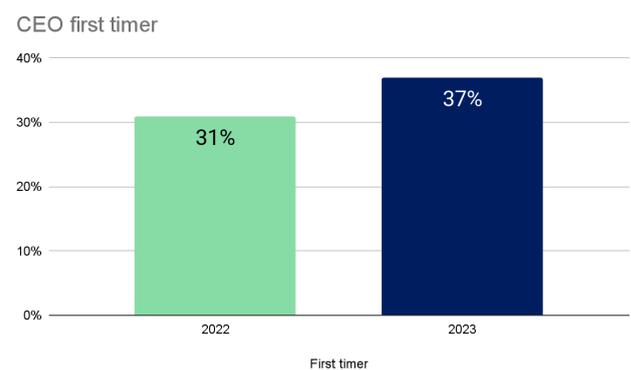


Figure 3.1 Percentage of attracted CEOs in 2022 (green) and 2023 (blue) that were a first time CEO

⁴ 3 of our new ventures are pre-ventures, and have no externally recruited CEO.

Our thorough assessment of candidate quality, considering experience and competencies, involves various channels such as direct applications, headhunting, internal applications, and leveraging NLC's network. In recent years, direct applications have become our primary source of candidates, surpassing headhunting and referrals. Interesting to see is that in 2023, 50% of the candidates came to NLC, instead of being headhunted, compared to 32% of direct applications last year. The increase in direct applications indicates the increasing strength and width of our network, that NLC is seen as the go-to organization for high-quality innovation and exciting opportunities.



“Growing into my role as CEO, I have profited of coaching and sparring by the NLC – and most of all of the simple fact that I can always call on the NLCs team.”

- Julia Eschenbrenner, CEO, Porous GmbH

15% of the newly recruited CEOs in 2023 are female. Currently, 16% of our overall portfolio has a female CEO. This number has stayed stable across 2022 and 2023. This just surpasses industry norms, where only 15% of tech start-up founders⁵ and 15% of health tech companies have female CEOs.⁶ An even higher percentage of our ventures have female board members (40%). This number remained almost the same compared to the number of ventures with a female board member in 2022, which was 41%.

Age of recruited CEOs

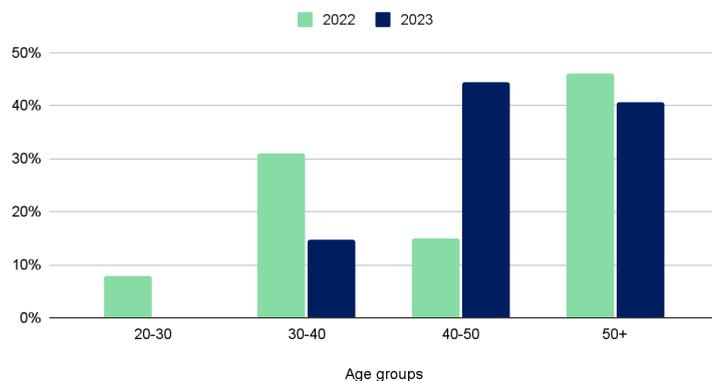


Figure 3.2 Age distribution of attracted CEOs in 2022 (green) and 2023 (blue)

The majority of our recently onboarded venture CEOs fall within the age range of 40 to 50 years. In 2022, the predominant age group was 50+. However, this year, there has been a decline in the recruitment of individuals below the age of 40. Specifically, only 15% of the newly appointed CEOs are under the age of 40. These shifts in age group for our ventures shows that we are still in the process bringing in more diversity of thought and profile in general. We are building an ecosystem of

⁵ [Startup Genome, 2023](#)

⁶ [Fierce Healthcare, 2021](#)

entrepreneurs, where this community acts as its own team. They connect, share stories, successes and failures, and rely on each other for help. For such a community to thrive, we believe diversity, also in experience and age, is key.

Mobilizing networks and partners

To make a meaningful impact on global healthcare, collaboration is essential. We believe in uniting diverse stakeholders to share insights and ideas, fostering partnerships that set standards and realistic expectations for healthcare impact. As our venture portfolio expands globally, so does our network.

In 2023, we significantly grew our connections with universities, hospitals, corporations, healthcare professionals, business consultants, venture suppliers, and more. Our outreach involved over 2400 organizations and countless individuals, emphasizing our commitment to extensive collaboration in the venture-building process.

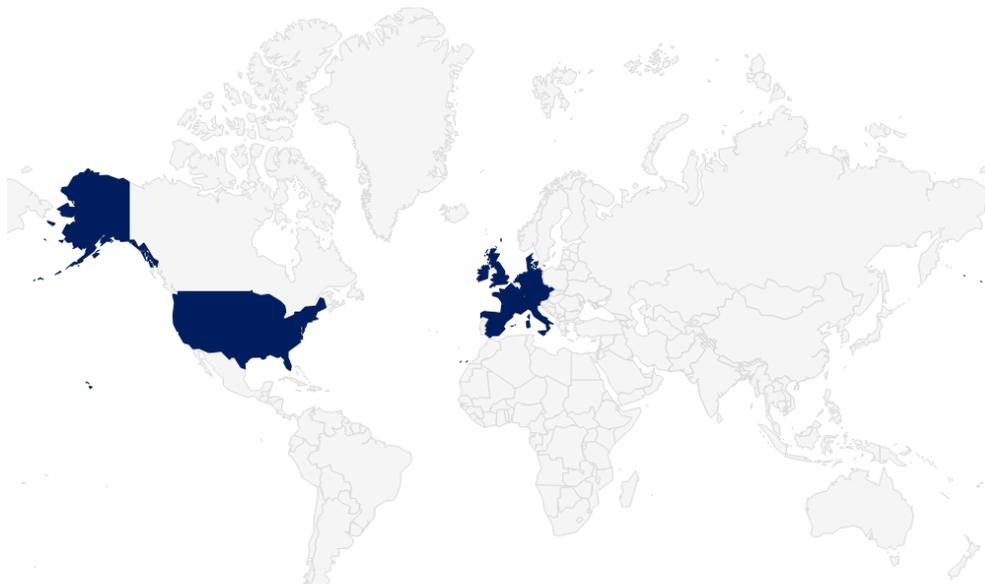


Figure 4.1 Countries NLC has built one or more ventures in. In dark blue the countries NLC has built a venture in 2023.



"NLC has provided new opportunities to leverage our IP assets, enabling more ambitious R&D projects with alternative 'exit' options. Working with NLC has been smooth and efficient, with their processes being both fast and adaptable."

- Takumi Uehara, VP of Business Development, Digital Transformation

Universities, hospitals, research centers & corporations

NLC collaborates with more than 300 top universities and hospitals in the world to develop new ventures (e.g. University of Oxford, Mayo Clinic, or Charité Berlin). In 2023, our new companies originated from partners located in nine different countries. Most of our ventures came from the United States (6 ventures), with the United Kingdom following closely (4 ventures). This marks a shift from the previous year, 2022, when the majority of our ventures originated from the UK. This change reflects the expansion of our sourcing efforts in the US, allowing us to evaluate a greater volume of American leads. Considering our whole portfolio, this now means that our companies originate from over 14 different jurisdictions.

Origin countries of our ventures

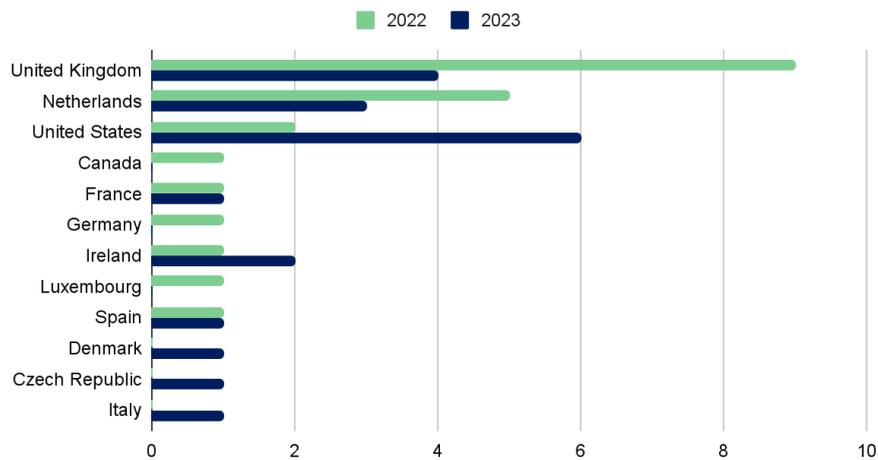


Figure 4.2 Number of ventures built per country in 2022 (green) and 2023 (blue)

Most ventures are established in collaboration with (technical) universities and academic hospitals. However, the number of ventures in collaboration with corporations has slightly decreased due to our decision to discontinue a larger portion of corporate-originated ventures.

Our network of corporations, predominantly in the medtech or lifesciences industry, also support our ventures. From support in clinical studies, direct investments, board seats, distribution agreements or advise, over 100 corporates are actively involved in our portfolio.

Experts, consultants & suppliers

During the Venture Selection and Building process we engage with

more than 1500 healthcare professionals to vet the technologies.

Our newly formed expert community

supports in the selection as well as in advise panels when the ventures enter our portfolio. Upon founding a venture or appointing a new CEO, the venture participates in our tailored Kickstarter Programme. This 100-day program provides our ventures with all the means necessary to accelerate their development. Thereafter, they have access to our Venture Community and Venture Services, and can track their progress through the Venture Review.

In 2023, we organized the Kickstarter Programmes for our new ventures and more than 80 events for our Venture Community. Examples of these events are CEO knowledge sessions, community events, and regulatory groups. We also offer services through external partners in 28 service domains, from Marketing to Technology Assessment and QA/QC to Regulatory Affairs. We are constantly expanding this offer according to our ventures' needs.

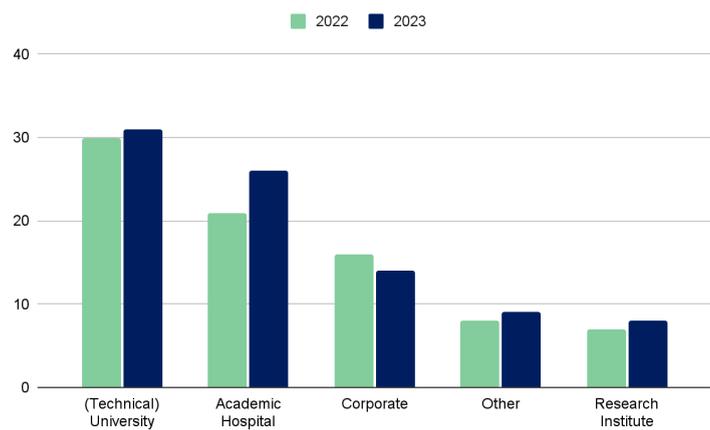


Figure 4.3 Number of ventures in portfolio and the source of their technology in 2022 (green) and 2023 (blue)

OUR VENTURES

For this Impact Report, 69 of our current venture-portfolio companies participated in a structured impact assessment, compared to 39 ventures last year.⁷ As these companies are at different stages of maturity and focused on different types of products, the outcomes are heterogeneous. More on the methodology can be found [here](#).

The different stages of our ventures

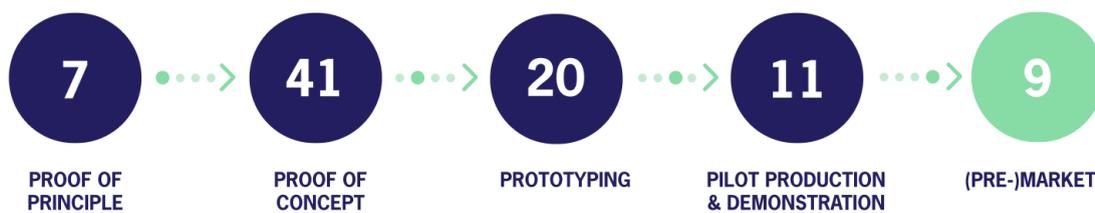


Figure 5.1 Number of ventures of portfolio in the different stages of development

Almost half of our ventures are currently in the proof-of-concept phase, twenty are prototyping, eleven are conducting clinical studies or in the process of acquiring CE/FDA approval, and nine are ready for- or already on the market.

This year, 17 of our ventures have made progress in terms of Technology Readiness Level (TRL) steps. Notably, 6 ventures have entered the clinical trials stage and over 11 ventures are preparing to commence their clinical trials in 2024, which is an important step as the clinical trials will demonstrate the real impact of the product. The products of, amongst others, Flash Pathology, Angiogenesis Analytics, POROUS, Intuescope and Bilihome are currently being tested in clinical studies.

Additionally, nine of our ventures are actively selling their products. On average, it took these ventures 2.9 years from being added to our portfolio to sell their first product. This marks a slight improvement from last year's average of 0.2 years. The expedited timeline can be attributed to the presence of digital ventures in our portfolio. Unlike traditional medtech or biotech inventions, these digital ventures do not require extensive clinical trials, allowing them to bring their products to market more swiftly.)

3 year 1 months
2022

6,5%
Faster

2 years 11 months
2023

⁷ Currently there are 88 ventures in the portfolio. 8 of them currently lack a CEO or are on hold for another reason and 11 are recently established and have not yet reached the stage of impact reporting.

While healthcare is essential for sustaining and improving human well-being, it also carries an environmental footprint that contributes to threats to human health from environmental factors. According to a Lancet study, healthcare causes global environmental impact that, depending on which indicator is considered, ranges between 1% and 5% of total global impact, and is more than 5% for some national environmental impact.⁸ To compare: aviation accounts for 2% of the global environmental impact.⁹

We are optimistic to see that the amount of ventures that aim to have a positive impact on the planet, increased significantly. This is through not using disposables, by recycling materials, and making employees aware of the waste generated. Where last year only 21% of our ventures had a positive score, this year 39% of our ventures scored positive on this aspect.

A growing number of ventures are proactively evaluating the materials incorporated into their products, exploring the feasibility of reusability to minimize their environmental footprint. This year, 52% of our ventures are actively engaged in making these sustainable design choices, marking a notable increase from 44% in 2022.

A significant portion of the waste generated by the healthcare sector remains unseen by most people. Consider, for instance, the analysis of a blood sample: the extensive effort and waste involved are often unnoticed by clinicians and patients. Of the 1.3 tons of waste per day per hospital, up to 20% is due to the use of plastics in diagnostic products as well as the disposal of solutions.¹⁰ Our venture, Lumabs, has developed a method to minimize this waste to a great extent.

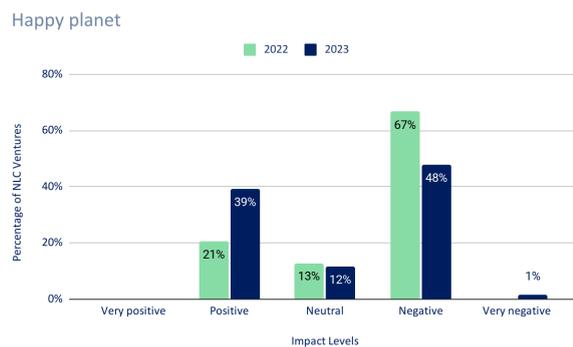


Figure 6.1 Distribution of ventures their score on Happy Planet in 2022 (green) and 2023 (blue)

⁸ [The Lancet, 2020](#)

⁹ [EESI, 2022](#)

¹⁰ [Journal of Environmental Management, 2022](#)

Case study



>90% reduction in laboratory waste



Challenges
In medical treatments, especially for diseases like inflammation, doctors use drugs made of antibodies. It's crucial to monitor the levels of these therapeutic antibodies in a patient's blood to ensure the right dosage and effective treatment.

Current methods are expensive, time-consuming, and require specialized equipment labs. Next to that, these methods generate a lot of waste.

Solution
Lumabs' RAPPID technological platform uses a special kind of light to measure substances, where the amount of light indicates the concentration of the substance. RAPPID is not only quicker and more stable but also generates way less waste compared to current methods.

Happy planet
>90% reduction in the number of chemical components used in the method
Reduced reaction time of <30 minutes results in a >90% reduction in energy consumption for lab equipment
>90% reduction in laboratory waste generated per test (e.g., plastic plates, pipettes).
>90% reduction in water usage for washing due to the small size of patient samples needed

Transitioning to another facet of healthcare waste, various procedures in the operating room require different tools, each needing sterilization before use to ensure patient safety. This presents a substantial challenge in terms of inventory and waste. Addressing these issues, our venture, Ansana, has developed an innovative solution.

Case study



Reduces the carbon footprint of sterilization processes by an impressive 85%.



Challenges
Annually, 310 million surgeries worldwide require 1 billion sterile instrument sets, posing challenges such as patient infections, hospital inventory management, and significant plastic waste.

In the US alone, 115 million kg of plastic waste is generated yearly from sterilization consumables.

Solution
Ansana addresses these critical issues with their innovative smart sterilization container, which not only reduces surgical site infections but also eliminates the need for consumables during the sterilization process. Next to that, it optimizes the inventory processes for the hospitals.

Happy planet
Reduces the carbon footprint of sterilization processes by an impressive 85%.
Estimated to reduce surgical site infections (SSI) by 10%.
Reduces overall material and labor cost with 50% and 10%, respectively

Sometimes, preventing surgery is the best way to avoid the waste of materials and energy. By diagnosing certain diseases earlier or more accurately and acting on them early, we can prevent the waste that surgery produces. Our venture, POROUS, is a great example of this.

Case study

POROUS

Cortical Bone Microstructure Analysis

This fracture prevention could reduce ~140,000 tonnes of CO2 annually



Challenges

Osteoporosis, a chronic bone disease, impacts millions globally, with 1 in 3 women and 1 in 5 men facing osteoporotic fractures. Under-treatment persists, often due to inadequate diagnosis.

Limited accessibility and current technique limitations lead to late-stage identification. Early screening can avert individual and socio-economic burdens, including costly surgeries and waste generation.



Solution

POROUS quantitative ultrasound technology (QUS) aims at earlier and more precise osteoporosis diagnosis that could enable faster and more targeted patient treatment.

The POROUS technology offers a significant leap forward in the prevention of osteoporosis.



Happy planet

POROUS calculated CO2 emissions from their claim to reduce fragility fractures by 25%, focusing on hip fractures. This fracture prevention could reduce ~140,000 tonnes of CO2 annually by avoiding hip surgeries and rehabilitation.

An earlier study revealed screened patients gained an average 0.024 QALY (quality-adjusted life year).



“We are reducing by more than 90% the amount of diagnostic waste that is generated every day in the clinical laboratory.”

- Antonio Ornelas Soares, CEO, LumAbs

Happy patient

Patients are at the core of not just our ventures, but also our values and mission as a company. They are what drives and motivates us in our work. Measuring patient happiness is nuanced. Therefore, we use different instruments to assess the effect of our venture on the quality of life of the patient or the impact on the patient's life expectancy. Last year, our ventures scored all positive on their (aimed) impact on patients. This year, only one of our ventures scored neutral on the impact on patients. The rest of the ventures score "very positive" or "positive".

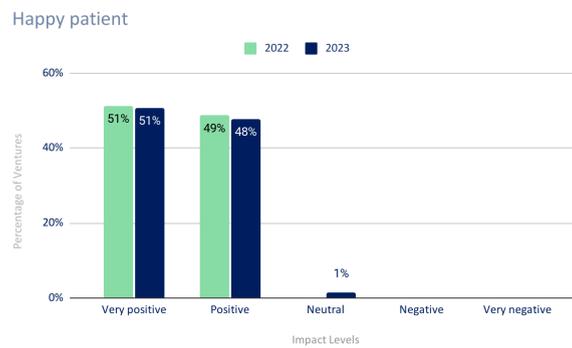


Figure 7.1 Distribution of ventures their score on Happy Patient in 2022 (green) and 2023 (blue)

A relatively simple solution can have a significant impact on the patient, as demonstrated by Liftya. Their solution was recently featured in [Danish news](#). They tested their shoulder brace with a patient, a kitchen assistant who typically relied heavily on painkillers. Thanks to the brace, she can now bake for a minimum of three hours without any pain, and she has regained her joy in working again.

As we only build ventures that serve a verified (patient) need, our ventures impacted over 85,000 unique patients until the end of 2023.¹¹ This marks a growth of 77% compared to 2022! Looking ahead, our current portfolio companies have the potential to ultimately reach over 500 million patients.

The opinion of patients is becoming increasingly important in healthcare, not only as they are a 'user' or receiver of our venture's products. Accessing these voices, however, presents more of a challenge. Our venture, PEP Health, has developed a great solution for this.

¹¹ Two of our ventures that are already on the market do not have a direct impact on patients. PEP health, see case study below. Stokhos's application Seconds gives real-time advice on how to ensure the best emergency-vehicle coverage.

Case study



Patient Experience Platform

PEP Health listens in real-time to 400 million lives in the US and UK.



Challenges

For healthcare entities, it is challenging to obtain real-time insights into the patient journey and experience.

It is difficult for hospitals to promptly decide on necessary actions due to the delayed nature of most insights.

Safety concerns can, therefore, only be addressed after a significant time.



Solution

PEP Health generates real-time insights for healthcare entities, providing actionable data to significantly impact patient experiences. The machine learning platform, backed by empirical evidence, analyzes millions of public patient comments using tailored algorithms.



Happy workforce

PEP Health listens in real-time to 400 million lives in the US and UK.

35 million useful comments were collected over the course of about 2 years.

PEP Health can benchmark and validate hospitals up to 9 months earlier than current methods. This improves the quality of care faster than the current methods.



“Insights gained through PEP Health can lead to improvements in the way hospitals and those who commission care work, not only in relation to the patient experience but other aspects of quality as well, especially safety”.

- Dame Barbara Hakin (What patients think 2, p. 2)

Happy society

According to the most recent estimations, the average ratio of health expenditure to GDP in the OECD countries has decreased from its peak of 9.7% during the height of the pandemic in 2021, to 9.2% in 2022. However, this number is still higher than the pre-pandemic number of 8.8%.¹² It is not likely to decrease lower than 8.8% again due to the aging population and increasing healthcare needs.

Our ventures make a positive impact on society not only by contributing to an affordable and accessible healthcare sector, but also by ensuring the continued participation of patients and caregivers in society. Many of our ventures reduce the costs per patient by offering cheaper treatments, decreasing the number of readmissions, and reducing the risk of complications. This can also be seen by our impact scores: almost all our ventures score (very) positive.

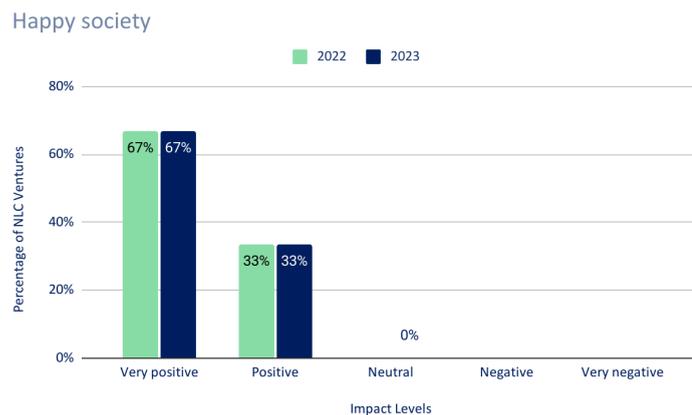


Figure 8.1 Distribution of ventures their score on Happy Society in 2022 (green) and 2023 (blue)

Some health conditions that may not seem cost-heavy at first glance can have a significant impact on healthcare costs. An example of this is chronic wounds, which are challenging to treat in certain climates. Our venture, SERDA, has developed an inventive solution to overcome this problem.

Case study



This hydrogel is anticipated to decrease the cost of care





Challenges

Three percent of the western population is affected by chronic and severe wounds. If these fail to heal, it can lead to infection, hospitalization, amputation, and in severe cases, death.

An estimated 60% of wounds show delayed healing and become chronic.

Current wound care products have to be used in a controlled environment (e.g. a well-air-conditioned hospital room).



Solution

SERDA – Stable Enzymatic Rapid Debriding Agent – provides an enzymatic wound debrider known for its rapid debridement, ease of use, high stability, and low-moderate irritation potential.

It is currently the only product that is stable at room temperature for an extended duration and up to 40 degrees Celsius.



Happy workforce

This hydrogel is anticipated to decrease the cost of care associated with severe burn wounds and chronic ulcers, as it requires fewer caregivers, since the product does not require medical professionals and can be self-administered.

Additional benefits include that it is suitable for use in warmer countries which makes it helpful for developing countries or other situations with less regulated settings.

¹² [OECD Health Statistics 2023](#)



“By reducing the number of instruments that need to be sterilized, Ansana has an impact not only on the individual worker but also on the healthcare system”

- Prof. Dr. Bruno Podessor, (Cardiac) Surgeon, Medical University of Vienna

Happy workforce

The World Health Organisation (WHO) has highlighted that the current healthcare crisis is multifaceted, consisting of many individual crises, including labor, mental health, education, gender equality and lack of financial investments. The WHO estimates a projected shortfall of 10 million health workers by 2030.¹³

Working consistently under such sustained pressure leads to various negative effects, such as anxiety, stress, exhaustion, and burnout, ultimately contributing to a significant number of healthcare professionals exiting the sector. In our efforts to enhance the working conditions, we have examined how our initiatives influence the safety, workload, and overall satisfaction of healthcare professionals.

Happy workforce

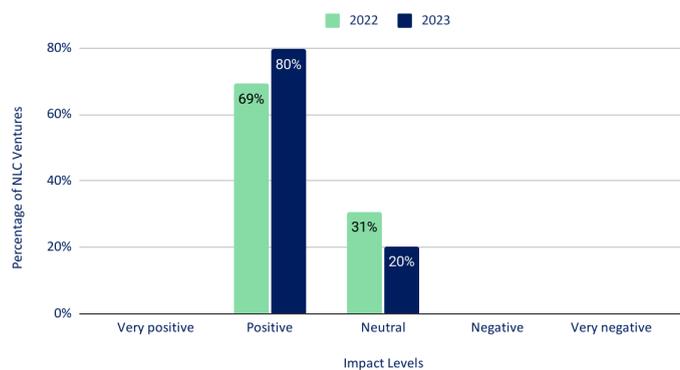


Figure 9.1 Distribution of ventures their score on Happy Workforce in 2022 (green) and 2023 (blue)

Most of our ventures scored positively in terms of safety and workload. The remainder received neutral scores, suggesting that the product or technology does not affect the work environment. These results are comparable with last year.

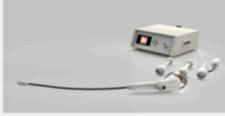
The burden of the workforce can be reduced in several ways. To make sure the right aspects are addressed, our ventures need to include healthcare professionals in the design of their products. A great example of this is IPD.

¹³ WHO, retrieved January 2024

Case study



Patient reported outcomes improve, next to a lower morbidity, mortality and a better quality of life



Challenges

More than 650,000 patients per year suffer from prosthetic joint and metal implant infections.

These patients experience high morbidity and a high mortality rate.

Bacteria on the implant form a layer called the biofilm, which can only be treated (insufficiently) with antibiotics and wound irrigation. Eventually, this often leads to total joint revision or worse which takes a lot of time to treat.



Solution

The handheld IPD device employs induction heating to eliminate the biofilm and bacterial colonies on implants, while still in the patient. The heat reaches areas inaccessible to antibiotics and irrigation.

Treating these types of infections becomes significantly easier for healthcare professionals, reducing the necessity for revision surgeries.



Happy workforce

Healthcare professionals will be able to provide better patient care.

Patient reported outcomes improve, next to a lower morbidity, mortality and a better quality of life

In 2024, more than 20 healthcare professionals actively contribute to research, training, education and the development of IPD.



“One of the most important things StrokeViewer does for me is the transfer of information of patients between hospitals and radiologists, which can save so much time”

- Dr. Ludo Beenen, Trauma and Emergency Radiologist, Amsterdam UMC

IMPACT IN 2024: JOIN NLC TO FURTHER ADVANCE HEALTH

This second Impact Report shows what we at NLC Health Ventures and our portfolio companies have achieved to date as we work to make healthcare better, more affordable, accessible, and sustainable. We believe innovations are key to overcoming the current challenges in the healthcare sector. Our business model facilitates and accelerates the entry to market of the innovations we support, and will ultimately allow them to reach their full potential.

While impact lies at the core of all our activities and ventures, this report also shows that we are just at the beginning. Our portfolio companies are still in their early stages, with an innovation roadmap of five to eight years to market. This means our present impact measurement is based primarily on promise rather than measurable impact.

Looking back at our ambitions for 2023, we take pride, but we also remain realistic and critical.

- We developed more impactful ventures and added some green health ventures to our portfolio.
- We've increased early-stage funding through the NLC Health Impact Fund and our other funds by investing €6.3M in our ventures.
- However, we did not succeed in achieving a more diverse pool of entrepreneurs leading our ventures, something we will continue to strive for.
- We've assisted our ventures in achieving and demonstrating their impact by enhancing and expanding our services. We continued to raise awareness about how to showcase their impact across the 'happys', However, as market adoption takes more time than prospected by the ventures, demonstrating actual impact remains challenging at this moment in time.

In 2024 we will continue to improve positive impact, building on the lessons we have learnt so far. We will:

- Install an impact council, with representatives of all 4 'happys' to further educate and support NLC and our ventures on their journey towards a lasting impact.
- Together with the experts in this council also better define how our ventures impact the workforce.
- Further grow our 'patient' -centric clusters to develop ventures that add value for patients (and their caregivers). The aim of the clusters is to accelerate the pace with which the solutions of these ventures will reach patients.
- Built on more measurable impact as more of our ventures will get first patients (in trials) treated with their products.

ENVIRONMENTAL, SOCIAL, GOVERNMENTAL (ESG)

At NLC, we prioritize our impact on patients, society, health workers, and the planet and strive to structure both NLC and our ventures in such a way that it is sustainable. Our commitment is underscored by the implementation of the [NLC Environmental, Social, and Governance \(ESG\) policy](#), guiding our decisions and operations responsibly. We invite our ventures to commit and implement this policy.

NLC Health Ventures

NLC is steadfast in its journey towards becoming a carbon-neutral company. We still have a way to go, and we're creating a roadmap on how to reach this goal as fast as possible. The following initiatives were launched as a first step on this journey:

NLC's Commitment to a Greener World

We fully support our employees in using public transport or biking to work, thereby reducing the impact of commuting. Our Sustainable Travel Policy, implemented at the end of 2023, not only promotes eco-friendly commuting. Trains are favored over airplanes for business travel whenever feasible, aligning with our planet-friendly approach and we are carbon offsetting all of our flights. However, we're not there yet. If we look at the travel movements in 2023¹⁴ 77% of our international trips were by airplane, while the remaining 23% was by train or by bus. Of these airplane trips, 20% should be undertaken by train in the future, according to our newly implemented travel policy.

NLC's Commitment to Empowering Our Team

At NLC, we believe that our most valuable asset is our people. Our commitment to employee development, diversity, welfare, and safety goes beyond ESG; it's integral to our business ethos. If we look at the gender diversity of our employees, we observe a distribution of 54% female and 46% male. Our employees represent a great number of 26 different nationalities, with the majority originating from the Netherlands (43%), followed by Germany and Italy, both accounting for 5% each.

Engagement at NLC is measured through OfficeVibe's pulse surveys, every 2 weeks. Our employees give a 7.6 out of 10 as an overall engagement and satisfaction score, which is slightly above the average of 7.5 for our reference industry (Healthcare and social assistance). In terms of eNPS (employee Net Promotor Scores), NLC has recorded a score of 14 points. The eNPS is a simple way to track loyalty and pride for the organization and measures the likelihood of whether an employee would be willing to recommend your organization as a good place to work. Even though an eNPS of 14 is considered to be 'very good', there has been a decline of 11 points compared to the end of 2022. This decline has been noticed, and appropriate measures have been taken, to further support our employees to have a meaningful contribution in a scaling organization.

¹⁴ Only data available from August 2023 and onwards

NLC's commitment to strong corporate governance

We adhere to good corporate governance principles and applicable corporate laws and regulations. We set ourselves high standards to implement these for the NLC group and for our ventures (taking into account that these ventures are early-stage startups). Every month, we organize update calls for our shareholders, during which we provide them with updates on the state of the business and the opportunity to ask questions. Comprehensive quarterly management reports ensure transparency and engagement with our shareholders.

Ventures

To assess progress consistently among our ventures, we've tailored an ESG survey, considering the size of the ventures, while ensuring comparability. These metrics reflect our dedication to transparently integrating ESG principles into our operations, recognizing the importance of responsible business practices in fostering a sustainable future. A selection of the data is shown below per ESG theme.

When examining the scale of our ventures, we've categorized them into three groups: those with fewer than 5 full-time employees (FTE), those with 5-10 FTE, and those with more than 10 FTE. Since the majority of our ventures are still in their initial stages of growth, they predominantly belong to the first group. This phenomenon can also account for any anomalies in the data, such as instances where the numbers in groups 2 or 3 deviate unexpectedly due to sample size effects.

Environmental performance

Many ventures are already implementing waste-reducing initiatives. In group 1, 32% of the ventures have such initiatives in place. Often, these smaller ventures feel that their impact might be limited. In contrast, 60% of the ventures in group 2 are actively engaged in waste-reducing initiatives. The percentage is slightly lower for group 3, with 50% of the ventures having implemented waste-reducing initiatives.

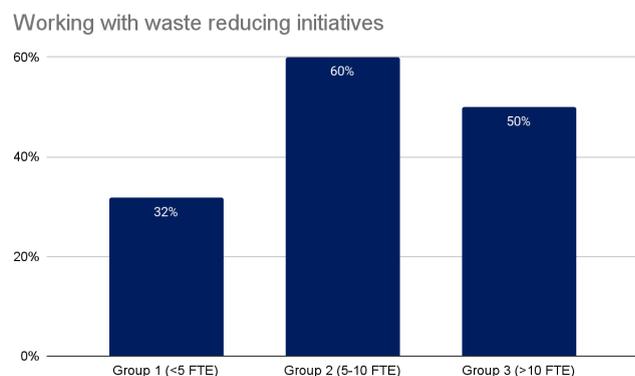


Figure 10.1 Percentage per group ventures with waste reducing initiatives

When examining ventures with a CO2 reduction policy, the second group achieves the highest score at 40%. In contrast, only 18% of ventures in group 1 have implemented a CO2 reduction policy, which could be relatively easy to implement in such small ventures. Surprisingly, none of the ventures in group 3 have a CO2 reduction policy, which may be unexpected for larger ventures.

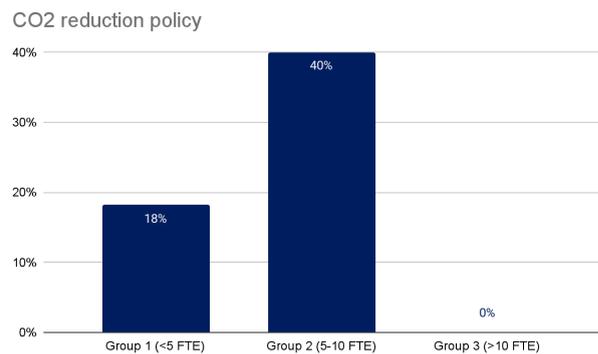


Figure 10.2 Percentage per group ventures with a CO2 reduction policy

Social performance

Group 2 performs very well in terms of having a female in the executive board, as 100% of these ventures have a female board member. Group 3 scores a bit lower at 75%. However, Group 1 has the lowest score by far at 30%, which can be explained by the high presence of 1-employee ventures with a male CEO.

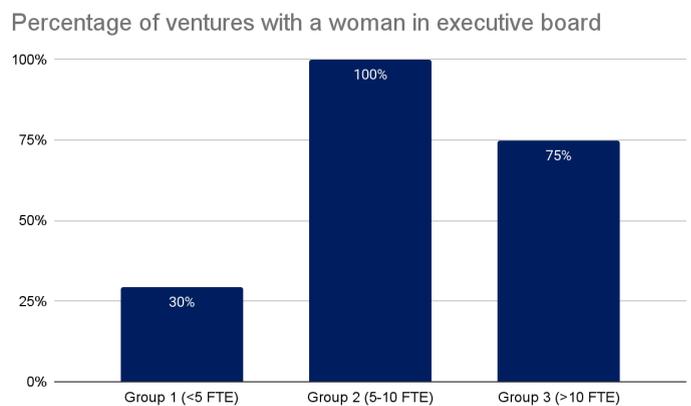


Figure 10.3 Percentage per group ventures with a woman in the executive board

Group 2 performs well in terms of gender distribution, with a ratio of 42 females to 58 males. Group 3, on the other hand, scores relatively lower, as the distribution is 30 females to 70 males. For Group 1, we don't pose this question, as most of these ventures consist of only 1 or 2 employees.

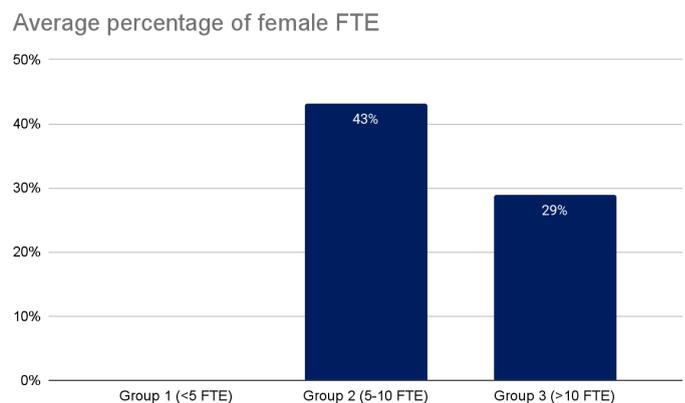


Figure 10.4 Average percentage of female FTE per group ventures (no data for group 1)

Governance performance

Looking at the ethics policies, there can be seen a nice increase in the different groups. For the first group, only 20% has an ethics policy. For group 2 this number is 40%, and for the third group, this number increases to 50%.

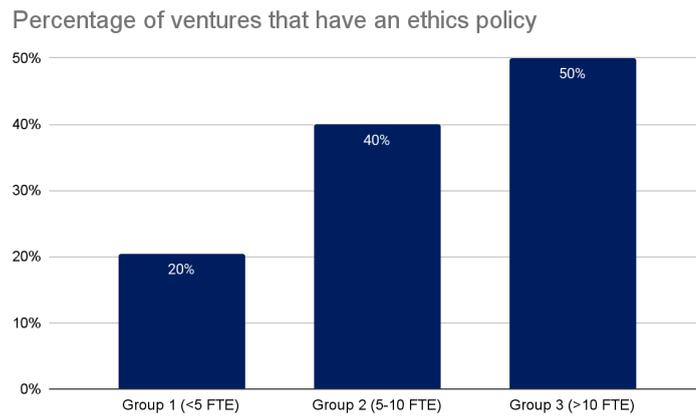
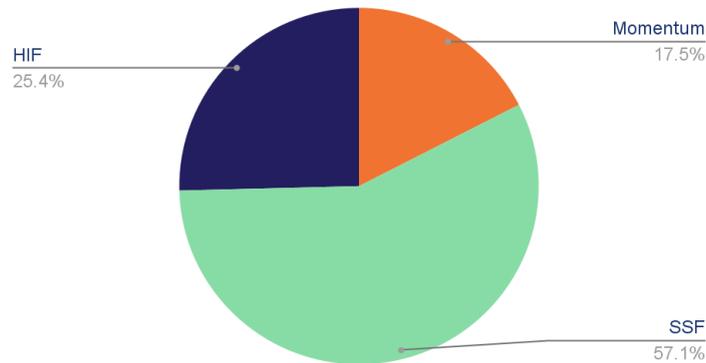


Figure 10.5 Percentage per group ventures with an ethics policy

Part of ESG is also the Principal Adverse Impact (PAI) and Do No Serious Harm (DNSH). You can read more [here](#) how we integrated this into our process.

FUNDS - IMPACT REPORT 2023

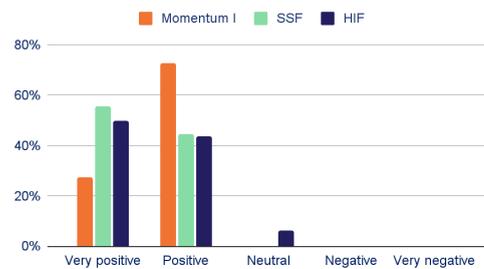
Fund Sizes (by number of ventures)



Happy Patients across the Funds

Among NLC's captive funds, SSF takes the lead in positive patient impact, with 56% scoring very positive and 44% positive. HIF closely follows, and Momentum Fund trails. Importantly, all three funds received no negative or very negative ratings, aligning with SDG #3 and affirming their commitment to positive patient experiences.

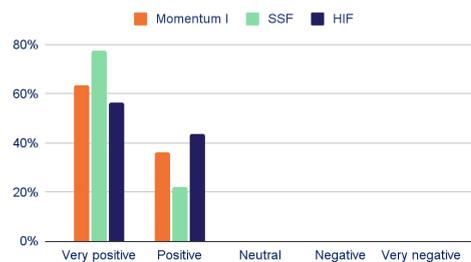
Happy Patient



Happy Society across the Funds

Stepping Stone Fund shines with 78% of ventures having a very positive impact on society, leading Momentum (64%) and HIF (56%). All funds show no neutral, negative, or very negative societal impact, reinforcing their consistently positive influence on society.

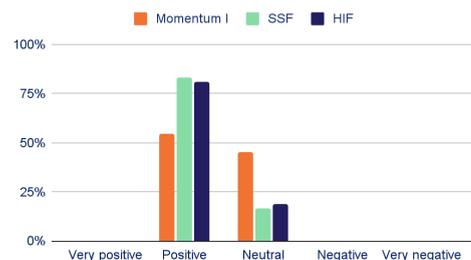
Happy Society



Happy Workforce across the Funds

SSF (83%) and HIF (81%) lead in positive workforce impact, closely trailed by Momentum I (55%). All funds report no negative or very negative workforce impact, indicating a positive trend in the evaluated ventures.

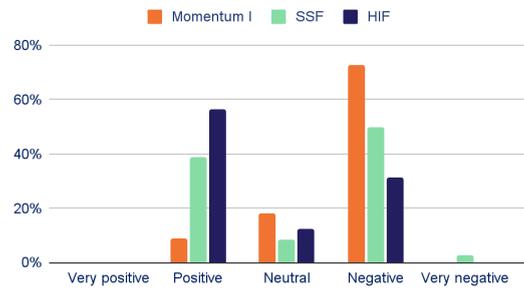
Happy Workforce



Happy Planet across the Funds

HIF excels with a 56% positive planet impact, followed by SSF at 39%. Momentum reveals a significant negative planet impact, signaling an area for improvement. HIF stands out with the highest positive impact ratings. While most ventures show neither very positive nor very negative planet impact, industry-wide improvement is needed, an ongoing goal we actively pursue, showing notable progress in just a year. The individual fund improvements will be discussed in the following sections.

Happy Planet

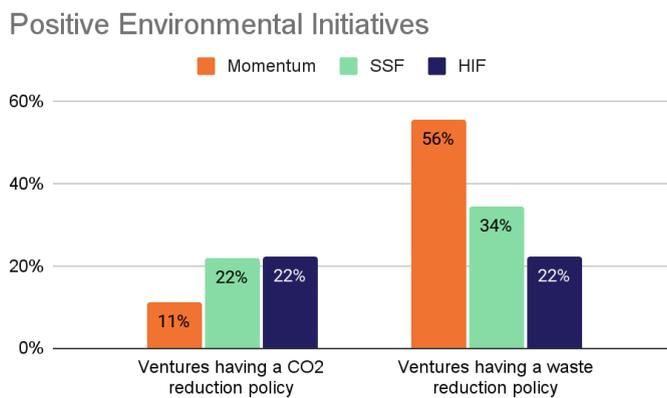


FUNDS - ESG ASSESSMENT 2023

Environmental performance of the funds

In assessing the environmental impact of NLC's funds, SSF and HIF stand out both with 22% of ventures having a CO2 reduction policy, leading Momentum. Ventures with a waste reduction policy are most prevalent in Momentum at 56%, with SSF and HIF following at 34% and 22%, respectively. This analysis underscores SSF's notable commitment to environmental sustainability within its portfolio.

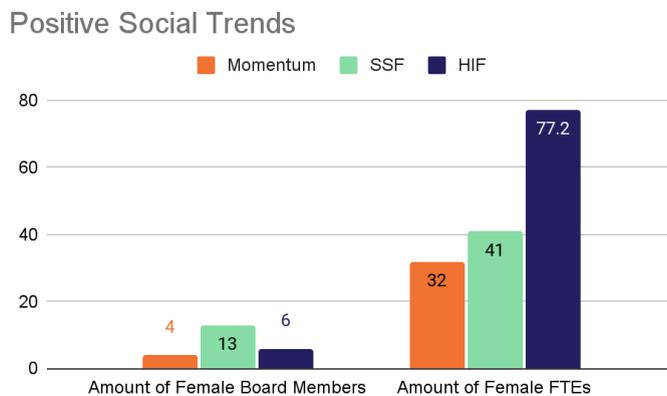
Figure 13.1 Environmental performance of Fund Ventures



Social Performance of the Funds

Examining the social aspects of NLC's funds, Stepping Stone Fund leads in gender diversity with 13 female board members, outperforming both Momentum and HIF. In terms of female full-time equivalents (FTEs), HIF takes the lead with 77.2, surpassing SSF and Momentum. This data indicates that HIF is at the forefront of promoting gender inclusivity within its portfolio, aligning with broader societal expectations.

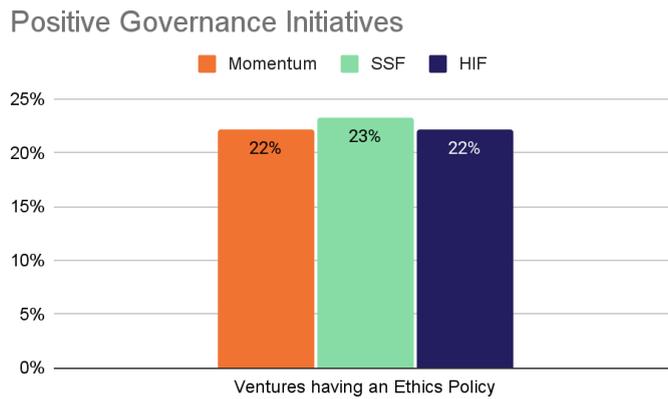
Figure 13.2 Social performance of Fund Ventures



Governance Performance of the Funds

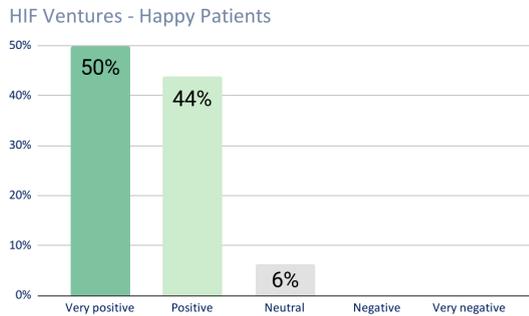
Considering governance performance, GDPR compliance is high across all funds, with Momentum leading at 78%, followed closely by SSF and HIF. Ventures having an Ethics Policy are relatively consistent, with SSF having a marginal edge at 23%, and Momentum and HIF both at 22%. This demonstrates a collective commitment to maintaining high ethical and regulatory standards within NLC's funds, contributing to sound corporate governance practices.

Figure 13.3 Governance performance of Fund Ventures

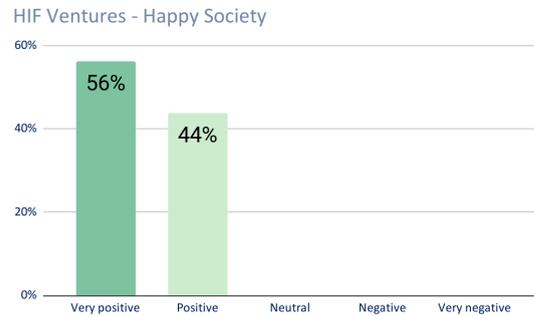


NLC HEALTH IMPACT FUND (HIF)

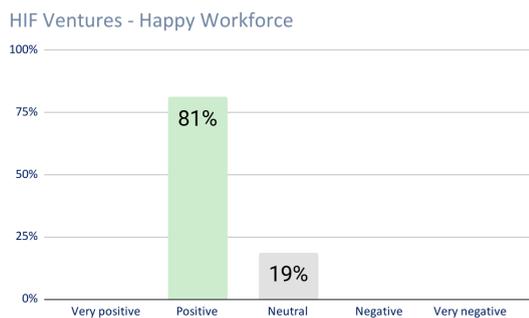
The NLC Health Impact Fund is NLC’s newest flagship fund, with 16 ventures in its active portfolio, all of which participated in the impact assessment.



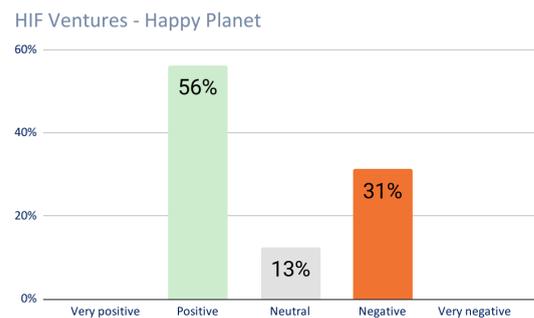
The HIFs dedication to positively impacting patients is notable, with 50% very positive and 44% positive ratings. None of the ventures rated negative or very negative.



Societal impact in 2023 reflects a positive trend, with 56% very positive and 44% positive ratings. There are no neutral, negative, or very negative ratings, emphasizing a significant positive influence on society.



Workforce impact highlights positive considerations, with 81% positive and 19% neutral ratings. While there are no negative, or very negative ratings, there are also no very positive ratings, indicating a commitment to workforce well-being but highlighting room for improvement.



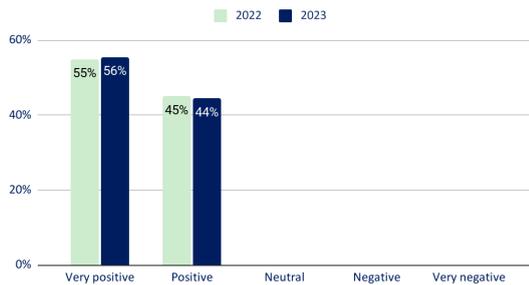
The impact on planet in 2023 shows positive strides, with 56% positive and 13% neutral ratings. While 31% are negative, there are no very positive or very negative ratings, signaling an ongoing effort to address environmental considerations.

STEPPING STONE FUND (SSF)

In 2022, SSF had 31 ventures in its active portfolio, with 65% participating in the impact assessment. In 2023, SSF's active portfolio increased to 37 ventures, as investments in 12 new ventures were offset by 6 ventures that were liquidated or are in the process of liquidation. Impressive 97% of ventures participated in the impact assessment this year. In 2023, the Fund invested €2.7 mln, of which €1.6 mln were follow-up investments. The total fund size is €10.8 mln, currently distributed across:

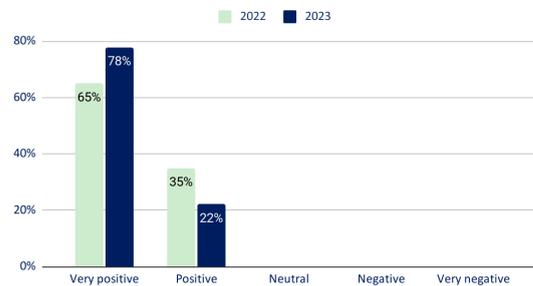
- 39 x tier-one investments (€3.9M)
- 13 x tier-two investments (€3.2 M)
- 3 x tier-three investments (€1M)

SSF Ventures - Happy Patients



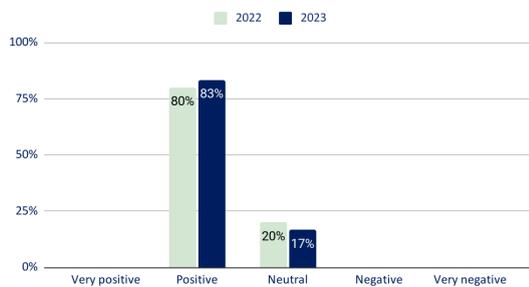
In 2023, SSF maintained its (very) positive patient impact, with 56% very positive and 44% positive ratings, showcasing consistency and dedication to patient satisfaction compared to 2022.

SSF Ventures - Happy Society



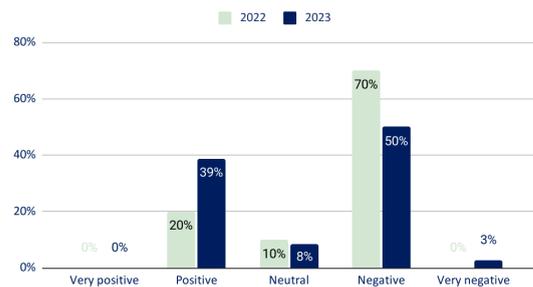
Since last year, SSF ventures have increased their (very) positive impact on society, achieving a remarkable 13 p.p. rise in very positive scores to an impressive 78%, while the remaining 22% showcase a positive societal impact.

SSF Ventures - Happy Workforce



The majority of the SSF ventures exhibit positive workforce impact. Over the last year, the share of ventures with positive impact increased by 4 p.p., showcasing SSF's ongoing commitment to workforce well-being.

SSF Ventures - Happy Planet

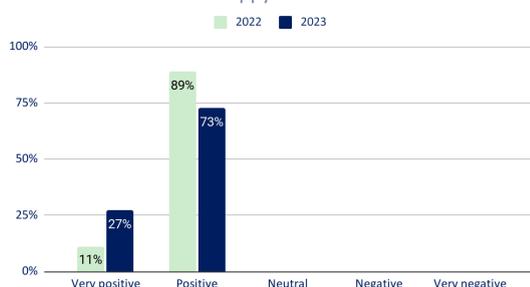


Over the past year, the proportion of SSF ventures with a positive impact on the planet increased by 19 p.p., showcasing SSF's commitment to environmental considerations and overall impact improvement.

MOMENTUM

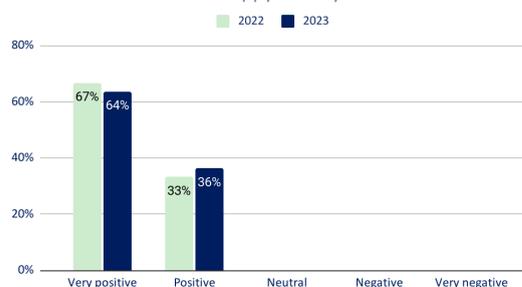
In 2023, Momentum maintained 11 ventures in active portfolio management, with investments distributed between tier-one (11x) and tier-two (5x). In 2023 all ventures from the active portfolio participated in the impact assessment, marking an increase from 9 ventures in 2022.

Momentum Ventures - Happy Patients



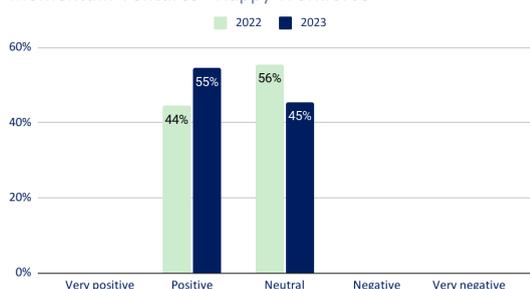
In 2022, the patient impact comprised 11% very positive and 89% positive ratings. In 2023, it saw a significant improvement with 27% very positive and 73% positive ratings, reflecting a commitment to enhancing patient satisfaction.

Momentum Ventures - Happy Society



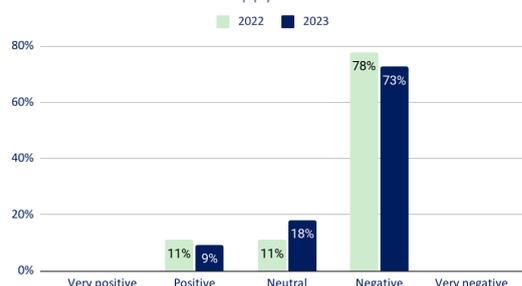
Societal impact in 2022 was dominated by 63% very positive and 38% positive ratings. In 2023, there was a slight shift toward positive ratings, driven by including 2 ventures in the scope of the report.

Momentum Ventures - Happy Workforce



Workforce impact in 2022 included 44% positive, 56% neutral. In 2023, there was a shift towards positive impact, with 55% positive and 45% neutral, confirming Momentum’s commitment to enhancing working conditions for healthcare professionals.

Momentum Ventures - Happy Planet



In 2022, the planet impact was predominantly negative. Over the year, one venture improved their negative impact score to neutral, showcasing a trend of planet impact improvement in 2023.