

# LEARN MORE ABOUT NLC'S ACTIVITIES

## Bringing science to life with innovation

In 2023, we considered over 1500 inventions in our venture-building pipeline.<sup>1</sup> 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 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.<sup>2</sup> 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.

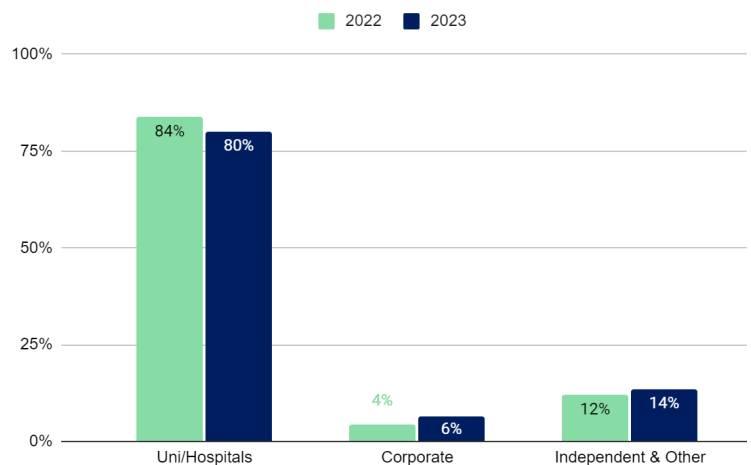


Figure 1.2 Distribution of source of assessed inventions in 2022 (green) and 2023 (blue)

<sup>1</sup> NLC's building pipeline

<sup>2</sup> 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.



“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.

## 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).

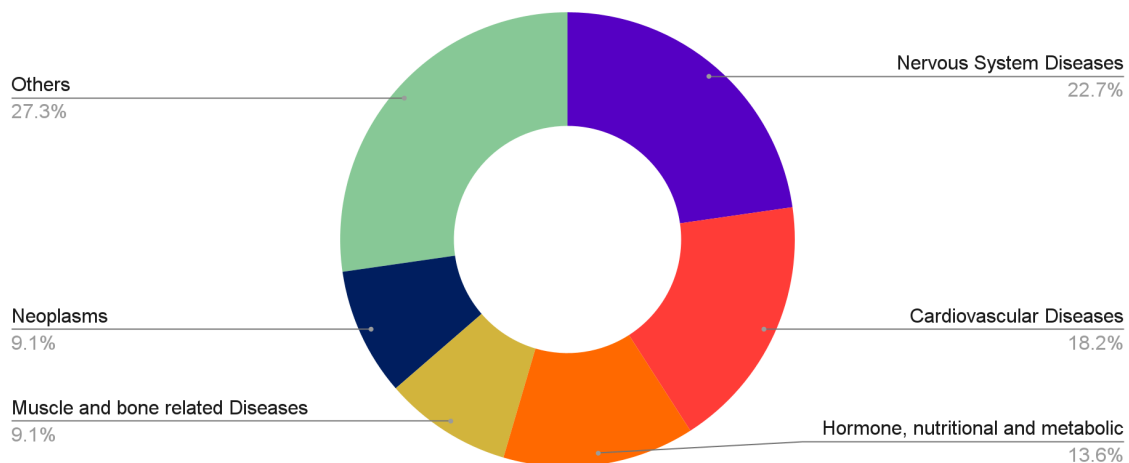


Figure 1.3 Distribution of clinical areas of the ventures built in 2023

## 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%).

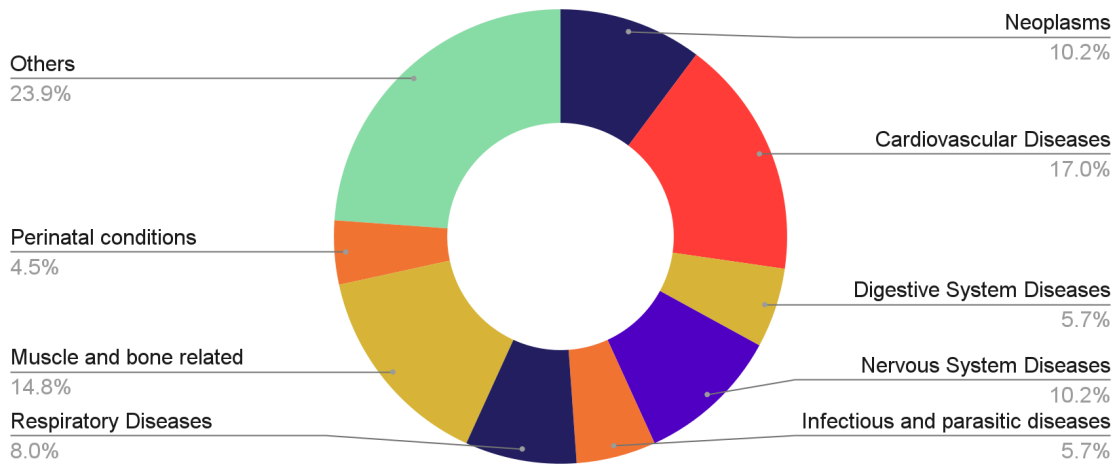


Figure 1.4 Distribution of clinical areas of the ventures in NLC's portfolio

## Facilitating early-stage investment

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 2022<sup>3</sup>

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.



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

- Remco van Zanten, Investor NLC

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

<sup>3</sup> Momentum I, Stepping Stone Fund and Health Impact Fund

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.

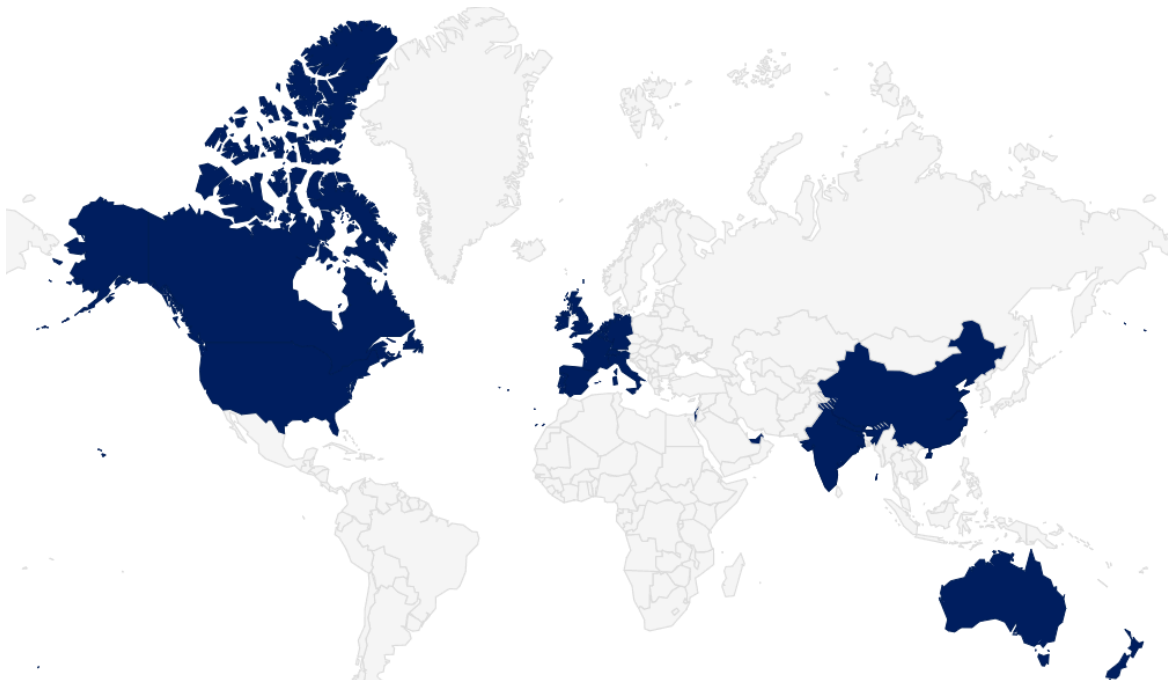


Figure 2.2 Distribution of country of origin of NLC investors

## Attracting and developing entrepreneurial talent

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.

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 founders ([footnote](#)) and 15% of health tech companies have female CEOs ([footnote](#)). 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%.



“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

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 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.

Age of recruited CEOs

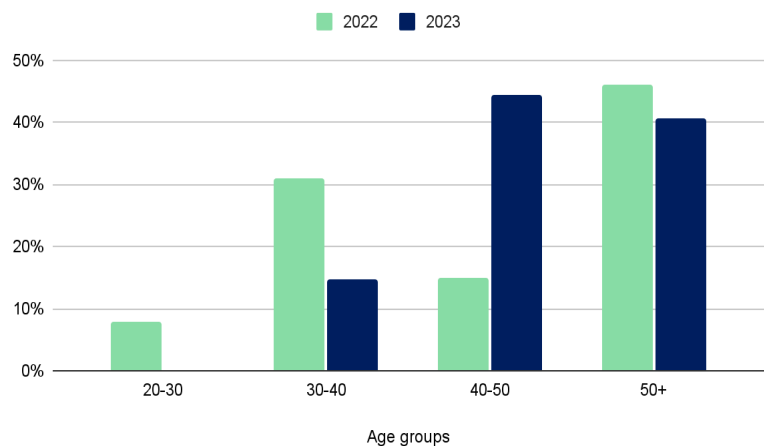


Figure 3.2 Age distribution of attracted CEOs in 2022 (green) and 2023 (blue)

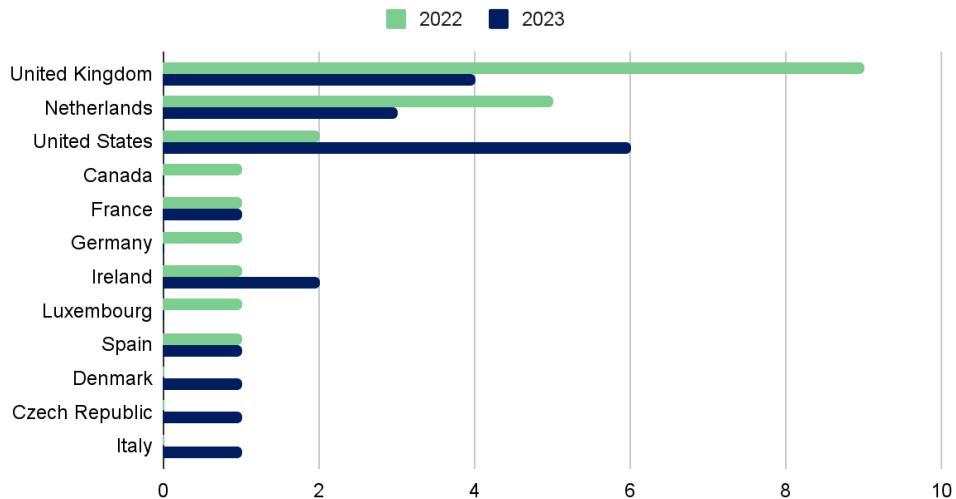
## Mobilizing networks and partners

### 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



"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

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.

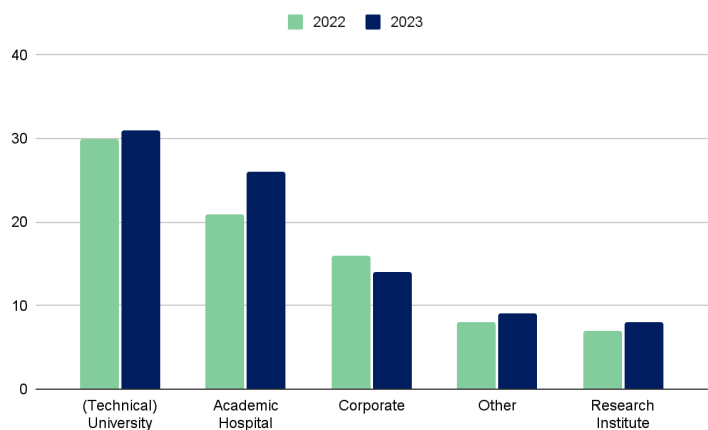


Figure 4.3 Number of ventures in portfolio and the source of their technology in 2022 (green) and 2023 (blue)

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.