



# Making access to healthcare last

The search for sustaining solutions  
toward reliable healthcare for all



Philips  
Foundation

Annual Report 2023

# About Philips Foundation

Philips Foundation was established as a registered non-profit organization in July 2014. In 2021, Philips Foundation Impact Investments B.V. was established, a wholly-owned subsidiary dedicated to social impact investments. The mission of both entities is to reduce healthcare inequality by providing access to quality healthcare for underserved communities worldwide. This is achieved via donations and in-kind support, coupled with financial instruments such as loans and equity investment to support innovative healthcare ventures. Through Philips Foundation's charitable activities and Philips Foundation Impact Investments B.V.'s initiatives, we aim to effectively address diverse healthcare needs around the globe.

This report details the achievements of Philips Foundation in 2023 in delivering on its mission.

Philips Foundation works to improve healthcare accessibility by leveraging Philips' healthcare innovations and expertise and investing in financially viable healthcare delivery models. To that end, we forge partnerships with non-profit organizations, universities, and other like-minded partners and we team up with innovative social entrepreneurs globally – specifically, those who have demonstrated proof-of-concept and are rooted in a local ecosystem that aims to establish sustainable healthcare in underdeveloped regions.

By combining Philips' experience and expertise with that of non-governmental organizations, community-focused initiatives and impact-driven enterprises, Philips Foundation helps create innovative, sustainable pathways that ensure affordable healthcare is available to those most in need – promoting healthy lives and well-being for everyone of all ages.

We aim to increase access to healthcare for 100 million people a year in underserved communities by 2030, and we invite partners to join us and accelerate our impact.

Learn more at [www.philips-foundation.com](http://www.philips-foundation.com)

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Cover photo: Children in Manila who were part of a screening program for rheumatic heart disease



# Message from Ronald de Jong



## Philips Foundation's impactful journey and future direction

In the face of escalating geopolitical tensions, the relentless march of climate change, and persistent military conflicts around the globe, the challenges of our times loom larger than ever. These pressing issues have profound implications, impacting the most vulnerable among us with devastating severity. In these turbulent times, Philips Foundation continues to stand firm in its commitment to addressing the critical needs of those most affected by these challenges.

As we reflect on the past year, it becomes increasingly clear that the individuals and communities on the margins of society bear the brunt of these global crises. From displaced populations struggling to access basic healthcare in conflict zones, and marginalized communities grappling with the effects of climate change, to those struggling to get by in remote areas and low-income settings – the need for support and intervention has never been more urgent. Philips Foundation strives to make a tangible difference to the lives of those who need it most.

Despite the numerous obstacles we face, we take pride in the progress we have made in delivering on our mission. Thanks to our team's unwavering dedication and collaborative spirit, we have been able to implement impactful initiatives providing essential healthcare services to underserved populations worldwide. However, we remain acutely aware that there is much work yet to be done.

I made the decision to step down as Chair of Philips Foundation, effective December 31, 2023. It has been an honor to serve in this role, and I am immensely grateful for the opportunity to have contributed to our collective mission. As I pass the torch to Marnix van Ginneken, I do so with utmost confidence in his leadership abilities and the exceptional operational team of the Foundation.

Together, with the generous support of Royal Philips and the invaluable partnerships we have forged with social entrepreneurs, NGOs, and governments worldwide, I am confident that Philips Foundation will continue to drive positive change, providing people with vital healthcare access, regardless of their circumstances. It is through our collective efforts that we will navigate the challenges ahead and strive towards a future where healthcare is a universal right accessible to all people.

**Ronald de Jong,**  
**Chair of Philips Foundation Board until January 1, 2024**

# Message from Marnix van Ginneken



## Continuing the good work

As the newly appointed Chair of the Board of Philips Foundation, I am honored to support the vital work of driving sustainable development in healthcare, and look forward to us further building on the significant contributions they have made over the years.

I would like to start by thanking our former Chair of the Board, Ronald de Jong, who served for almost a decade working tirelessly to improve health outcomes for underserved communities. His drive to advance health equity and build innovative partnerships for lasting social impact reflected his determination to help resolve global social and environmental challenges.

I stepped into this role after the period discussed in this report. The Foundation's future activities will extend my remit as Chief ESG & Legal Officer and member of the Board of Management and Executive Committee of Royal Philips. In performing this role, I will continue the integrated approach I have taken over my 17 years at Philips, embedding the values of social responsibility and sustainability ever deeper in the way we do business.

My parents spent most of their lives, including my formative years, working in foreign aid organizations in the healthcare sector, and my upbringing has shaped my outlook on the importance of universal health coverage. I am personally committed to working with our public and private stakeholders to enable sustainable healthcare and expand access to care for underserved communities.

We can be proud of what Philips Foundation has accomplished in the past year. The mission to create access to quality healthcare for millions of people around the globe will continue into 2024 and far beyond. I look forward to leading the Board of Philips Foundation and to helping bring about lasting, positive change.

**Marnix van Ginneken,  
Chair of Philips Foundation Board as of January 1, 2024**

# The Board of Philips Foundation\*



**Marnix van Ginneken**  
Chair as of 2024

Executive Vice President and Chief ESG & Legal Officer of Royal Philips. He has been a member of the Board of Management since 2017 and the Executive Committee since 2014. He is responsible for driving Environmental, Social and Governance efforts across the company, including sustainability. Marnix is also responsible for Legal, Intellectual Property & Standards, and Government & Public Affairs.



**Ann Aerts**

Head of Novartis Foundation since 2013. Before joining Novartis as a medical doctor, Ann worked for many years at the International Committee of the Red Cross. She has authored numerous publications on digital health, infectious and non-communicable diseases, and multisector partnerships that address global health challenges.



**Nancy Bocken**

Professor in Sustainable Business at Maastricht University, Maastricht Sustainability Institute (MSI). Nancy is also a Fellow at Cambridge Institute for Sustainability Leadership and an advisor to TNO. She co-founded her own circular and sustainable business called HOMIE.



**Allert van den Ham**

From 2011 until 2021 Allert worked for SNV Netherlands Development Organization as CEO, Chair of SNV USA and SNV Country Director in Laos & Myanmar. Currently Allert serves on several boards as non-executive member and serves as advisor to various organizations.



**Robert Metzke**

Robert is currently the Global Head of Sustainability at Philips, where he drives the company's strategy towards innovative, sustainable business models, embedding sustainable and circular ways of working, and fostering sustainable and equitable healthcare. Before joining Philips, Robert worked at McKinsey & Company gaining substantial experience in strategy and innovation in tech, healthcare, and public sectors.



**Liesbeth Rutgers**

Consultant Risk & Financial Management and Impact Investment Strategies at Triple-R, Supervisory Board of Pension Fund Wolters Kluwer NL and Board Member of Jane Goodall Institute in the Netherlands.



**Bernard van der Vyver**

Bernard is an entrepreneur and investor. He spent his early career founding and managing multiple successful startups. In 2005, he sold his startup in the HR tech domain to Deloitte. As a partner at Deloitte until retiring in 2021, he served as a strategic advisor on people and the future of work to the boards of industry-leading companies.

# Key figures 2023

In 2023, Philips Foundation with its partners, provided access to care to over

## 28 million people

in some of the most underserved regions across the globe.\*



In 2023, our investments and network facilitated the **unlocking of 5 co-investments** at an approximate value of €1.4 million.

## 4 investments

were initiated in 2023: three new investments and one follow-on investment, totaling more than € 1.65 million.

## 17 new projects

around the world were initiated in 2023. Philips Foundation continued to roll out projects with strategic partners to leverage health technology for more sustainable healthcare delivery.

We supported **13 social enterprises**, forming an ecosystem aimed at accelerating their growth and impact in underserved communities.

Operational team Philips Foundation is **composed of 7 members**, whose capacity is an in-kind donation by Royal Philips to Philips Foundation, next to its annual financial contribution (see financial statements). The team joins forces with Philips professionals around the world.

\*The *access to care metric* is documented and defined per project and per social enterprise. For example, newly established general healthcare services are relevant for every person in the catchment area; improved access to antenatal pregnancy screening are only relevant to those women who are using the service, leading to a lower count. The numbers are provided by and discussed with the project partners and social entrepreneurs concerned.





# Locations where Philips Foundation provided access to quality healthcare in 2023

An overview of strategic projects and impact investments covered in this report

## United States

We partnered with March of Dimes to offer ultrasound screening to expectant mothers, enhancing prenatal care in underserved communities. The March of Dimes initiative aims to address significant maternal and infant health challenges across the United States.

## Netherlands

We teamed up with Voeding Leeft's 'Reverse Diabetes2 Now' program, which helps vulnerable groups in the Netherlands manage their diabetes through lifestyle changes, supported by health professionals. Integrated into the Netherlands' health insurance, it offers accessible, app-supported help, to support long-term health management.

## Brazil

In collaboration with SAS Brasil, we deployed digital healthcare solutions in remote villages by installing virtual care units equipped with connectivity solutions and medical equipment. The project enables access to tele-ultrasound exams and expanded access to specialist health services in Brazil.

A world map with a teal background. Four callout boxes are connected to specific regions on the map by black lines. The callout boxes are: 1. China (top left), 2. The Philippines (top right), 3. Kenya (bottom left), and 4. Egypt (bottom right).

## China

We introduced high-risk pregnancy referral cards in rural China alongside the Chinese Red Cross Foundation and Tsinghua University, with the aim of reducing neonatal mortality by empowering mothers to identify risks and seek timely care. The cards enhance communication and healthcare decision-making for expectant mothers.

## The Philippines

We partnered with the World Heart Federation to address rheumatic heart disease by training healthcare workers and screening thousands of children using handheld ultrasounds. We also educated teachers to enhance early diagnosis and raise awareness.

## Kenya

Through Philips Foundation Impact Investments B.V., we invested in iMedrix to deploy the enterprise's CardioScreen cloud-connected mobile ECG solution in Kenya, enhancing the Kenyan population's access to cardiovascular care. CardioScreen empowers local healthcare workers to effectively diagnose and manage heart conditions, improving access to care and reducing the need to travel to specialist units.

## Egypt

Supported with impact investment through Philips Foundation Impact Investments B.V., Cairo-based Rology is revolutionizing healthcare with its AI-assisted teleradiology platform. The platform connects hospitals to leading radiologists worldwide, improving diagnostic accuracy and speed, and benefiting over 750,000 patients across Africa and the Middle East.

# Message from the Director



## Support beyond donations

Apart from earthquakes and floods, the past few years have mainly been marked by man-made disasters, and more turmoil lies ahead. When this happens, Philips Foundation will again be asked to respond, to help relieve the suffering of people urgently needing medical help. In such cases, we are able to provide medical equipment to support those impacted, often with the help of donations from Philips employees.

Philips Foundation's focus is, nevertheless, not on responding to crises: our mission is to create lasting access to healthcare services for underserved communities worldwide.

We do this in two ways:

- We support projects (donation-based), where we explore, in partnership with healthcare-providing organizations and academic parties, whether new technology-assisted ways of working can save lives. For instance, by taking portable screening devices closer to the patient for earlier detection of cardiovascular diseases, tumors, or risks during pregnancies. The aim is then to scale these ways of working when the project proves that it brings better outcomes for patients.
- We create lasting access to healthcare services through our impact investments. We invest in social enterprises with innovative approaches that can make healthcare affordable and accessible for underserved populations. By issuing loans and equity, we help ventures with the same mission in healthcare for underserved communities to get to the point where they can attract the extra capital needed to start scaling their business.

Together with our partners, we unlocked medical services for 28 million people in 2023. Our goal to provide access to healthcare to 100 million people in underserved communities by 2030 means that we still need to speed up to make a substantial impact.

Technology can help accelerate healthcare provision, and build bridges between the communities where people live and medical specialists elsewhere, if not available in the local environment. Artificial intelligence enables non-medically educated people – given proper training – to collect healthcare data from patients, while maintaining the highest standards of quality and safety.

Good entrepreneurship implies looking beyond financial returns alone, and adding value for people and our planet as well. Considering the challenging socio-economic situation of underserved populations, we focus on the viability of the ventures and their envisioned impact at the same time, helping create access to medical services that people can rely on.

**Margot Coijmans,**  
**Director of Philips Foundation and Philips Foundation Impact Investments B.V.**



On a field trip in the suburbs of Nairobi, Kenya

## Message from the Operational team

### A year of united efforts and achievements in global health

This 2023 report reflects our journey as a team, marked by significant achievements and challenges. They highlight the remarkable strength of our joint efforts with partners and underscore the critical nature of our mission to improve access to healthcare worldwide. Our initiatives in 2023 made a tangible difference to underserved communities around the world. By sharing these success stories we celebrate our accomplishments and hope to inspire others to join our cause.

Developing sustainable healthcare solutions suitable for deployment in low-resource environments requires a comprehensive approach that includes local needs assessments, skills training, policy development, and financial vehicles. Our focus is on creating robust, adaptable, scalable healthcare systems that meet current and future needs.

Central to our efforts is the transformative power of knowledge. By defining, acquiring, and disseminating mission-critical information, we aim to catalyze change and improve healthcare access for underserved populations. Continuous learning and knowledge sharing is crucial as we work to reshape healthcare landscapes across the globe.

Innovation and collaboration have been our guiding principles, especially in developing regions where we are pushing for universal health coverage through financially sustainable models. Our partnerships with social entrepreneurs and impact investors have been particularly rewarding in helping forge new paths in healthcare.

We express our admiration and gratitude to all the partners and collaborators who have joined us on this journey. We also owe a tremendous thank you to everyone within Philips who has contributed to our efforts. Without your support and dedication, our impact in 2023 would not have been possible. With your and our partners' continued support, we are confident our collective impact will keep growing, bringing us closer to our vision of a healthier world for all.

**Eddine Sarroukh, Victor de Boer, Caroline Gitonga, Karthik Govind, Eline Houwen, Timea Nemeth and Yannick Eshuijs**

# Making healthcare last

Over half the world's population lacks access to essential health services, the greatest burden falling on low- and middle-income countries. Around 100 million people are pushed into extreme poverty every year due to the need for out-of-pocket spending on healthcare – a number that is set to increase <sup>1</sup>.

It is estimated that up to 8.4 million deaths per year can be attributed to poor quality care in low- and middle-income countries. It represents up to 15% of these countries' total deaths<sup>2</sup>. Despite advances in global health, health disparities are increasing. As a result, the world remains significantly off track to achieve universal health coverage.

Through its transformative programs, Philips Foundation is proud to take a leading role in facilitating sustainable access to healthcare in underserved communities. We prioritize equitable access to mother and child health, essential non-communicable disease services, acute and emergency services, and disaster response initiatives.

Our enduring results are driven by integrated models that leverage innovation, technology, and sustainable business models to improve healthcare system capacity and maximize accessibility. Our programs leverage Philips' technology and expertise, combining it with the skills and solutions of our partners to develop robust solutions that strengthen healthcare systems where they are most needed.

The following sections of this Annual Report summarize the variety of activities we supported in 2023. In particular, they highlight activities that include our investments in our focus areas: non-communicable diseases, mother and child health, acute and emergency care, and disaster relief. They also highlight key initiatives and learnings in virtual care and artificial intelligence (AI), healthcare workforce capacity building, and provide examples of scalability and sustainability efforts we support.





# Addressing the rise of non-communicable diseases in underserved communities

Non-communicable diseases (NCDs) are the leading cause of death globally, accounting for nearly three-quarters of all deaths<sup>3</sup>. The main types are cardiovascular diseases, cancers, chronic respiratory diseases, and diabetes, which together account for 80% of all premature NCD deaths, the majority of which occur in low- and middle-income countries<sup>4</sup>.

Underserved populations in high-income countries also suffer disproportionately from NCD risk factors and typically face worse disease outcomes.

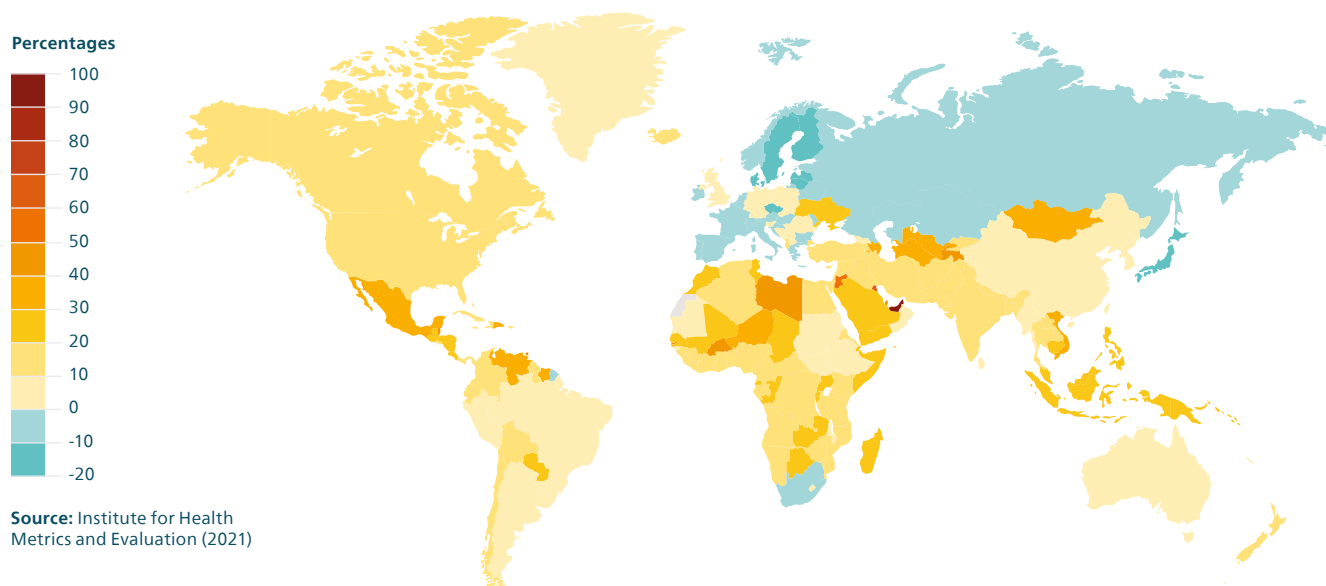
NCDs are typically caused by a combination of genetic, physiological, environmental, and lifestyle factors. At Philips Foundation, we believe that strengthening the capacity to effectively screen, triage, and manage NCDs and their risk factors is essential for improving

NCD outcomes and preventing premature deaths, especially in underserved communities. Effective primary care and the use of technology to improve the reach of impactful interventions are necessary to reverse these NCD trends.

In 2023, we worked with our partners to improve access to NCD services in underserved communities. Below are highlights of some of our activities.

## Global premature deaths from NCDs have increased

Percentage change from 2011 to 2019 in before-age-seventy deaths from NCDs







## Developing a cardiovascular disease (CVD) care model for primary healthcare in Kenya

In collaboration with NCD Alliance Kenya, we are implementing a project in Kenya to pilot a cardiovascular primary care approach recommended by the World Health Organization (WHO)<sup>5</sup> aimed at reducing the burden of cardiovascular disease (CVD). The model aims to strengthen the primary healthcare system by providing comprehensive integrated CVD prevention, risk factor mitigation, and early detection, referral, and treatment of CVD. The project also explores the use of tele-electrocardiogram and point-of-care ultrasound at the primary care level to enhance early detection, triage, and referral of CVD patients.

The model has already enabled screening of over 6,000 patients for CVD, management of CVD risk factors such as hypertension and diabetes, and referral of patients diagnosed with CVD. The early learnings have allowed the model to be replicated in other counties in Kenya. With the support of the Philips Foundation, a similar pilot will be implemented in India in 2024.

The Kenyan pilot project demonstrated the feasibility and effectiveness of integrating advanced diagnostic tools into primary care and highlighted the importance of local partnerships in scaling healthcare innovations.

“Through the project, we have demonstrated the feasibility and advantages of integrating tele-ECG and point-of-care cardiac ultrasound at primary healthcare level by facilitating access to effective triage, early detection, and referral of CVD patients. Scaling up introduction of such technologies and strengthening the capacity of primary healthcare providers has the potential to reduce CVD morbidity and mortality in Kenya.”

**Dr. Catherine Karekezi,**  
Executive Director,  
NCD Alliance Kenya



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alliance (K)



## Using teleradiology for early detection of lung cancer in Argentina

The use of appropriate and effective technology can improve both the early detection of non-communicable diseases and access to NCD services in underserved communities. Together with Philips Argentina and Fundación para la Investigación, Docencia y Prevención del Cáncer (FUCA) we are supporting an innovative teleradiology initiative to accelerate early lung cancer diagnosis in underserved and remote areas of Argentina.

FUCA collaborates with Instituto Alexander Fleming (IAF), which operates as the central hub in a hub-and-spoke model, to provide specialized expertise and training. The 13 regional hospitals participating in the initiative function as spokes, extending access to advanced radiology services in remote areas. The model ensures efficient resource utilization and streamlines communication across the network, significantly enhancing the network's diagnostic capabilities and bringing critical healthcare services closer to patients.

The project will train 50 healthcare workers in the teleradiology system, which is expected to positively impact between 20,000 and 25,000 people annually. It marks a major step forward in improving the early diagnosis and management of lung cancer for patients who previously had little or no access to these services.



“One of our main objectives is to offer our experience as a multidisciplinary team dedicated to the early detection of lung cancer, training technical and medical human resources at the regional hospitals that require it so that they can achieve increasing autonomy over time and then become trainers of other people, thus achieving a multiplier effect for this project.”

**Dr. Lisandro Paganini, Deputy Chief of the Imaging Department at IAF**



# Reversing type 2 diabetes through effective lifestyle change

More than half a billion people are currently living with diabetes worldwide, affecting men, women, and children of all ages in every country. That number is projected to more than double to 1.3 billion people in the next 30 years, with every country seeing an increase<sup>6</sup>. While the burden of this non-communicable diseases is rising, medical research has shown that most prediabetes and type 2 diabetes cases can be prevented through diet and lifestyle changes<sup>7</sup>.

Since 2014, Voeding Liefert has developed a scientifically-based program, Keer Diabetes Om, to successfully and permanently reverse type 2 diabetes through sustainable behavior change. Under the guidance of a nurse, dietician, and coach, participants work on their lifestyle for two years and learn to take control of their lives. Five thousand people have participated. Since 2023, Keer Diabetes Om has been reimbursed through basic health insurance.

Philips Foundation is supporting Voeding Liefert in the development of a mobile app with intelligent nudging to support healthy behaviors. This app can be used as support in the program and is currently in the final stage of development. With successful results from participants and updates on the app's status, further rollout will follow, with the goal of creating a path to reach even larger groups.



“Facing the alarming reality that over 500 million people globally suffer from diabetes – a number expected to more than double by 2050 – Voeding Liefert, in collaboration with Philips Foundation, has proudly supported the further development of the ‘Reverse Diabetes2 Now’ program.”

**Emma Coles, Director at Voeding Liefert**





# Enhancing access to quality healthcare for mothers and children

Sustainable Development Goal (SDG) 3 aims to reduce maternal mortality and end the preventable death of newborns and children under five years of age by 2030<sup>8</sup>. Achieving this goal is challenging but possible with significant improvements in healthcare systems. Currently, most low- and middle-income countries are far from meeting the SDG 3 targets.

For example, sub-Saharan Africa accounted for approximately 70% of all global maternal deaths in 2020<sup>9</sup>, highlighting the need for substantial efforts to improve maternal health in this region. Underserved communities in high-income countries also suffer disproportionately from poor maternal and child health (MCH) outcomes. Ineffective coverage of maternal, child, and neonatal health services, barriers to access, and poor quality of care have been shown to contribute to poor MCH outcomes in underserved communities.

Philips Foundation believes that these poor outcomes can be reversed by addressing delays in seeking and

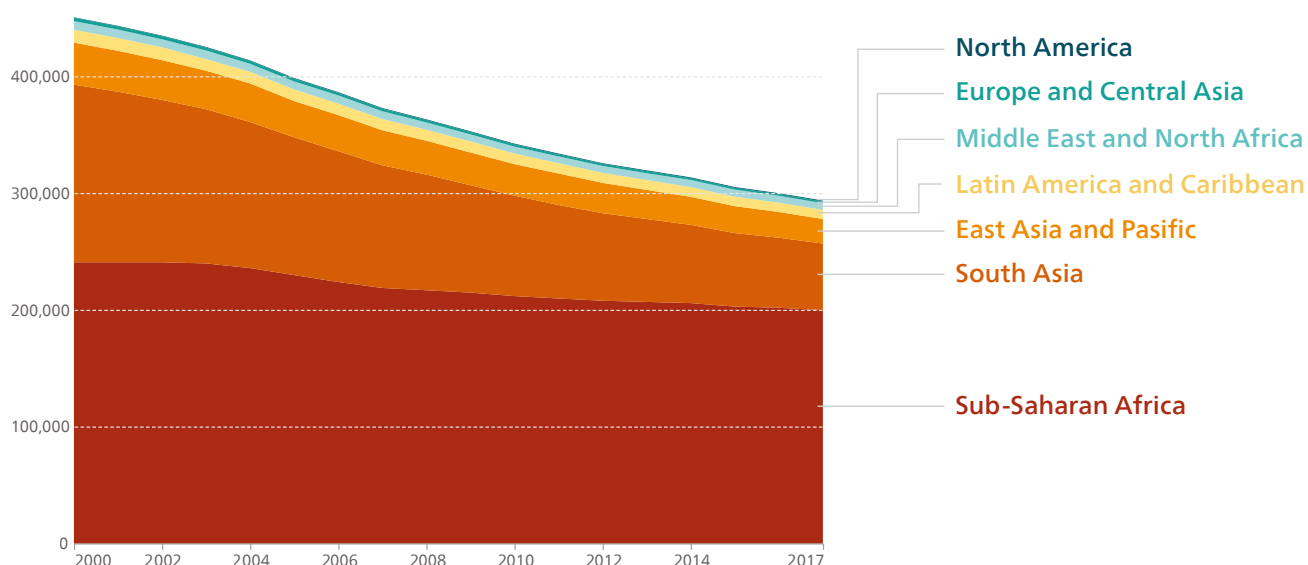
receiving care, improving the quality of care, and addressing the social determinants of health.

Through innovation and collaboration with like-minded partners, Philips Foundation has been supporting initiatives focused on gaps in maternal and child healthcare. They include collaborations to promote awareness and healthcare-seeking behavior at the community level and improving access to quality services and technology.

Below is a highlight of some of the collaborations in 2023.

## Improvement over time, but differences between regions persist

Number of maternal deaths by region, from 2000 to 2017



Source: World Health Organization (via World Bank) – processed by Our World in Data: Maternity Mortality (Last updated: May 29, 2023)



## Improving access to obstetric ultrasound for early detection in Yemen

The majority of maternal and child deaths occur in the poorest parts of the world and regions affected by conflict<sup>10</sup>.

In Yemen, the 2022 UN-brokered truce between the warring parties provided some stability and relief for the country's civilians, but local needs remain high after nine years of conflict. An estimated 17.8 million people in Yemen still need healthcare assistance, 24% of them women<sup>11</sup>. In addition, Yemen's healthcare facilities face challenges in delivering services due to staff shortages and inadequate supplies and equipment, including essential diagnostic tools. These shortages are particularly acute in primary healthcare settings that provide basic maternity and obstetric care, including antenatal care.

Philips Foundation partnered with Save the Children to enable midwives across Yemen to better support expectant mothers during antenatal care visits by administering free-of-charge obstetric ultrasound scans. The collaboration delivered comprehensive training and mentorship to 23 midwives, who scanned 3,656 pregnant women. Collaboration with Yemen's Ministry of Health successfully integrated the project into existing healthcare structures and garnered support from local authorities to ensure sustainability.



"Thanks to our partnership with the Philips Foundation, we were able to support nine healthcare facilities in Yemen with much-needed antenatal care via mobile ultrasound devices. Mortality rates of expectant women in Yemen are still too high. After intensive remote training for female health workers and doctors, Save the Children and the Philips Foundation were able to directly impact thousands of expectant mothers at risk."

**Pim Kraan, CEO of Save the Children**





## Helping address US maternal and infant health challenges

The US has the highest maternal mortality rate among high-income countries, recording significant increases in maternal mortality between 2000-2024<sup>12</sup>. High-quality prenatal care is an essential component of maternal health and positive birth outcomes, yet more than 550,000 women receive inadequate prenatal care in the US every year<sup>13</sup>.

To improve the availability of maternal services in underserved areas, the Philips Foundation is facilitating access to prenatal care through March of Dimes Mom & Baby Mobile Health Centers<sup>®</sup> in Phoenix, Tucson, and Washington, DC. The partnership provides point-of-care ultrasound and telehealth services in three mobile health centers. It also provides support for staffing and operational needs, and allowances for local healthcare partners and community health workers.

To ensure sustainability, the mobile clinics are staffed by local healthcare workers. March of Dimes also engages local clinical partners to provide care, education, and support in communities with little or no access to maternity care. Mobile healthcare delivery is a proven model to improve access to care.



“Together, we are ushering in a new chapter of innovation within maternal and infant mobile health by delivering advanced ultrasound technology to the doorstep of moms in Phoenix, Tucson and Washington, DC.”

**Dr. Elizabeth Cherot, President and CEO of March of Dimes**

# Expanding ultrasound access in low-resource settings

To improve pregnancy outcomes, the WHO recommends at least one ultrasound scan during pregnancy<sup>14</sup>. However, in resource-poor settings access to antenatal ultrasound is limited by inadequate equipment availability, a shortage of sonographers, and cost constraints. Recent advances in ultrasound devices present an opportunity for broader access to safe and reliable ultrasound services through use of these devices by non-specialist point-of-care health workers.

Philips Foundation has supported non-profit organization Imaging the World to make ultrasound accessible to rural communities in Uganda, Malawi, and Kenya. Imaging the World has designed, set up and operationalized a state-of-the-art ultrasound facility in Kampala (Uganda) to train rural clinical officers, nurses, and midwives. In 2023, there were 58,000 direct beneficiaries, including the health workers who were trained and the patients they subsequently scanned. The training is key to identifying complications, some of which are life-threatening and require specialized interventions that pregnant women would not otherwise have received. The Imaging the World training facility ensures a sustainable and scalable model for improving access to ultrasound services.



“A hub-and-spoke model that provides an antenatal ultrasound ‘screen and refer’ approach from rural primary care facilities to hospitals efficiently addresses urgent needs and ensures timely referrals for patients requiring high-risk scans.”

**Dr. Kristen Destigter, Professor of Radiology and Co-Founder of Imaging the World**





# Accelerating access to acute and emergency care

Providing timely care to acutely ill and injured patients is a critical health intervention that can significantly reduce mortality rates and healthcare costs. However, in low- and middle-income countries (LMICs) timely access to care is often severely limited.

A global health project called the Disease Control Priorities, which involves the University of Washington Department of Global Health, the World Bank, the World Health Organization, among others, concluded that effective emergency care could prevent over half of all deaths and one-third of disabilities in LMICs. In 2019, injuries alone resulted in 4.4 million deaths globally, accounting for 8% of all mortalities<sup>15</sup>. Emergency care not only saves lives but also enhances the efficiency of healthcare systems. It therefore plays a crucial role in the strategic development of healthcare services. However, many LMICs lack a well-developed emergency care system, leading to high mortality rates that are largely preventable. Improved emergency care systems can make the use of critical resources more effective, enhancing patient outcomes and alleviating the economic burden on communities and families.

Through innovative care delivery models and technological solutions, Philips Foundation helps healthcare providers in LMICs to respond more quickly and effectively in acute (emergency) situations. In 2023, we helped to strengthen acute care in Latin America and East Africa by collaborating with local organizations to enhance responsiveness and medical outcomes in emergency situations.







## Training healthcare providers in neurologic emergency in Colombia

Traumatic Brain Injury (TBI) is a major health problem worldwide. Fast and timely intervention could save many lives, but the lack of appropriate education and training in most regions of the world stands in the way. This issue is particularly acute in low- and middle-income countries, where challenges include TBI prevention, limited access to healthcare, and the lack of clinical guidelines suited for resource-limited settings<sup>16</sup>. In Latin America, for example, TBI is one of the leading causes of death.

To address this major health issue, Philips Foundation has partnered with the Global Neuro Foundation to develop a sustainable, scalable education and training model together with advanced diagnostic tools for use in areas of Colombia that have extremely limited access to healthcare and healthcare education. Enabled by health professionals and supported by teams specialized in neurotrauma, the initiative leverages

portable diagnosis and monitoring technology to improve decision-making skills in clinics, community health centers, ambulances, trauma centers, and public hospitals.

In addition, Global Neuro Foundation has created education materials, training courses, and a comprehensive handbook to standardize education in acute care. By the end of 2023, 80 healthcare workers had been trained. The train-the-trainer education model, which ensures sustainability, is easily transferable to other geographical areas.



Global Neuro



“The training program for pre-hospital and emergency healthcare workers, in partnership with the Philips Foundation, addresses one of the biggest challenges faced by low- and middle-income countries: the lack of appropriate training and resources for pre-hospital healthcare providers.”

**Andres M. Rubiano, President of Global Neuro Foundation**



## Facilitating access to emergency heart care on Italy's remote islands

If someone experiences a cardiac arrest and immediately receives re-animation they are two to four times more likely to survive<sup>17</sup>. Despite the effectiveness of re-animation and defibrillation with an automated external defibrillator (AED), people experiencing cardiac arrest are rarely rescued by witnesses or bystanders. Bystanders may not act due to their lack of resuscitation skills and knowledge, a lack of equipment, cultural barriers, or fear of causing harm.

In Italy, bystanders initiated re-animations in only 32% of cases<sup>18</sup>. The situation is worse in island territories, where geographical barriers, seasonal inhabitants, poor transport systems, and poor AED availability prevent a timely response. Philips Foundation has partnered with Philips Italy and the Italian Red Cross to provide AEDs and life-saving CPR training to the island of Procida and the Aeolian Islands.

The initiative includes a comprehensive awareness and training campaign for the local community, focusing on both the prevention and effective management of adverse cardiac events. Personnel from the Italian Red Cross provided free first aid courses, with the aim to engage over 450 residents of the islands as well as local small businesses.



Croce Rossa Italiana

“Through this initiative, we will provide the tools and skills needed to save lives. The collaboration between Philips Italy, Philips Foundation, and the Italian Red Cross allows us to combine the know-how of these entities and put it at the service of those who, when struck by cardiac arrest, need a targeted and swift intervention. The supply of AEDs and the training of qualified personnel effectively allow us to make entire communities more aware and capable of making a difference when needed.”

**Rosario Valastro,**  
President of the  
Italian Red Cross



# Pediatric critical care in low-resource settings

Every year, around 5 million preventable child deaths occur globally<sup>19</sup>. Approximately half are due to suboptimal pediatric care, such as delays in accessing care, staff shortages, inadequate training, and a lack of essential medical equipment.

Philips Foundation Impact Investments B.V. invests in impact-driven social enterprises such as GOAL 3 to enhance access to critical care. GOAL 3 developed the IMPALA system, a combination of a vital signs monitor wirelessly connected to the IMPALA software, to help clinical workers analyze patient data, identify trends in a patient's vital signs, and pinpoint high-risk patients. The IMPALA system facilitates improved care and efficient patient management without increasing clinical workload. The IMPALA patient monitor is specifically designed for use in low-resource settings, with an Android tablet-based application and a server providing real-time data analysis and clinical decision support.

The IMPALA system enables a shift from reactive to proactive care, including early detection of patient deterioration and identification of critical patients. Early implementation results from the pediatric ward at St. Luke's Hospital in Zomba, Malawi, demonstrate a 59% reduction in mortality and a 16% reduction in admission time. Furthermore, the use cost is significantly lower than conventional healthcare interventions, indicating a potentially high value for the IMPALA system.

Since clinical trials started, GOAL 3 has saved 55,000 hours of admission time, improved care for 1,250 patients, and empowered 100 health workers.



“Many e-health applications that are developed and tested successfully on a small scale fail to be scaled up due to the lack of an appropriate plan. Philips Foundation acts as a key partner by supporting GOAL 3 in the scale-up.”

**Niek Versteegde, Co-Founder and CEO of GOAL 3**





# Transforming access to healthcare through digital technologies and AI

The healthcare industry has undergone significant digital transformation over the past decade – a process accelerated by COVID-19, which highlighted the urgent need for increased digitalization and improved access to healthcare services, especially in underserved communities.

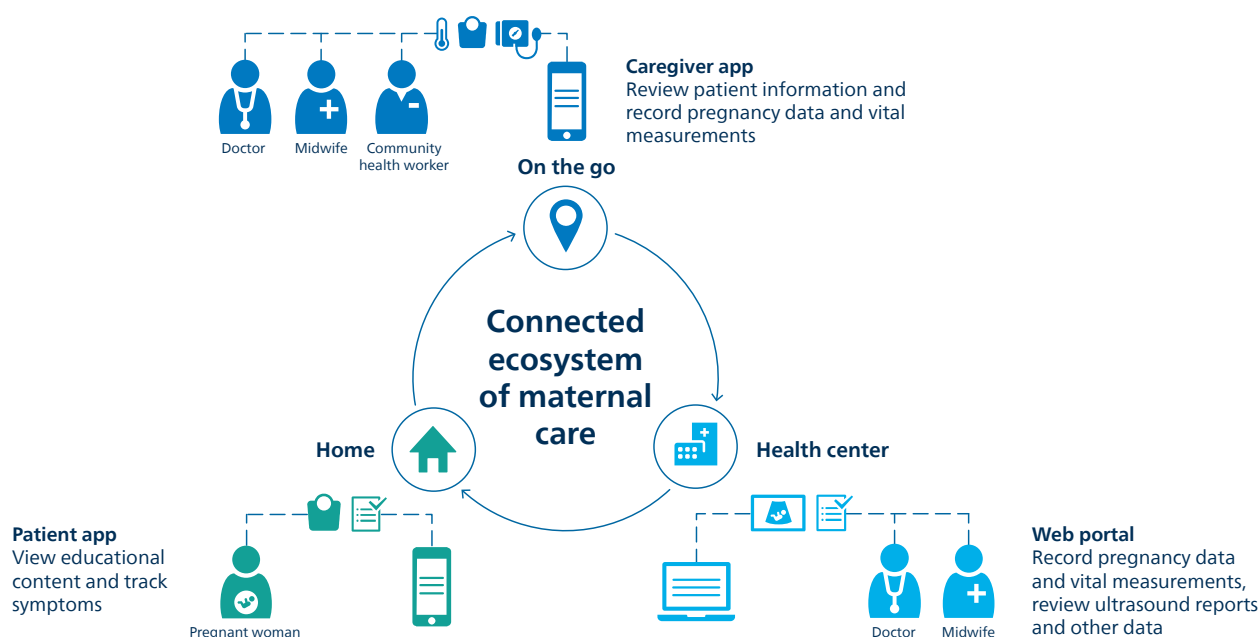
Digital tools, such as virtual health solutions, are now crucial to enabling caregivers to reach out to patients remotely and provide care more efficiently. Healthcare leaders and entrepreneurs are increasingly collaborating to break down technology barriers, integrate data across providers, and deliver more cohesive care that enhances patient outcomes. Innovations such as electronic medical records, integrated data solutions, clinical decision support systems, and point-of-care diagnostics have both boosted efficiency and improved the standard of care.

Artificial Intelligence (AI) is now revolutionizing healthcare by enhancing decision-making and transforming learning and reasoning. AI is now a daily tool for 56% of healthcare and life science professionals<sup>20</sup>, aiding in everything from medical record keeping to diagnosing diseases by interpreting radiology images via cloud-based services.

These technological advances are setting new standards in healthcare efficiency, cost reduction, and patient experiences.

## The power of virtual health and AI

What a connected ecosystem in the maternal care continuum could look like





## Making care accessible in remote areas of Brazil through telehealth

To improve primary healthcare in hard-to-reach areas of Brazil, Philips Foundation and SAS Brasil deployed a digital connected healthcare solution. We installed virtual care units equipped with connectivity, medical equipment, and computers to empower local health workers in rural areas. The success of this collaboration paved the way for further expansion, allowing mobile health units to reach more people in remote regions.

Brazil is a country of continental dimensions in which the public health system works well in delivering basic healthcare. The system's greatest weakness is access to specialized health, especially in remote regions, because most of the country's specialists are located in Brazil's major cities.

Virtual care is one of the best ways to ensure that patients from remote regions have access to specialist doctors. Virtual care units that are managed by local healthcare professionals and equipped with

connectivity, medical equipment, and computers allow the local population to remotely connect with specialists. By partnering with the Philips Foundation, SAS Brasil was the first organization to perform a tele-ultrasound exam in Brazil.

By empowering local health workers and enabling specialized health services through telehealth, we were able to facilitate almost 30 thousand consultations in 2023, bringing much-needed care to some of Brazil's most remote communities.



"To make it happen, we combine the know-how of over a decade of SAS Brasil's operation with cutting-edge technology and partners such as Philips Foundation who believe in developing solutions for the healthcare access challenge."

**Sabine Zink, CEO of SAS Brasil**



## Expanding heart health from hospitals to primary and community care

Globally, cardiovascular diseases (CVDs) remain the leading cause of death, contributing to approximately 20.5 million deaths in 2021<sup>21</sup>. They accounted for 32% of all global deaths in 2019, with over three-quarters taking place in low- and middle-income countries (LMICs)<sup>22</sup>. Timely accurate diagnosis is crucial for improving CVD outcomes. However, health systems in LMICs often lack the necessary resources and infrastructure to effectively manage the increasing burden of CVDs.

In our ongoing efforts to enhance access to healthcare, we have invested in iMedrix through Philips Foundation Impact Investments B.V. to more widely deploy its KardioScreen mobile-connected electrocardiography technology. This strategic collaboration is designed to empower primary healthcare workers and providers in LMICs to effectively triage, screen, test, and treat CVDs and mitigate CVD risk factors. KardioScreen significantly reduces the need for patients to travel long distances to specialized and often costly hospitals for cardiac screening and consultations.

KardioScreen is a mobile, cloud-connected, fully digital platform. Its digital component allows healthcare providers to promptly diagnose and manage underlying cardiovascular conditions either at the bedside or remotely, revolutionizing cardiac care delivery. Through its technology, iMedrix serves over 700,000 patients across 18 countries, primarily in Africa, India, and Southeast Asia, making a significant impact on improving healthcare outcomes and accessibility in resource-limited settings.



“Proud to support the world’s largest telecardiology networks with KardioScreen, revolutionizing cardiovascular care and accessibility globally.”

**Srikanth Jadcherla, Founder and CEO of iMedrix**

# AI-assisted teleradiology platform

Through Philips Foundation Impact Investments B.V., we partner with Rology to positively impact health in Africa and the Middle East by integrating AI-assisted teleradiology into their hospitals and clinics. It addresses the severe shortage of radiologists in these regions, which often results in delayed or incorrect diagnoses that drive up costs and worsen patient outcomes. Rology's teleradiology platform quickly connects hospital cases with expert radiologists globally, overcoming geographical barriers and providing immediate access to specialized diagnostic services.

The AI-driven Rology platform improves the efficiency and affordability of radiological services and showcases how crucial teleradiology can be, serving both as a data feeder and communication medium. When a medical image is taken, it is uploaded together with the patient's history to the Rology platform, which identifies and assigns the case to the best available radiologist. The radiologist then reviews the materials, makes a diagnosis, writes a report, and sends it back to the originating hospital or physician.

Over the past three years, Rology has dramatically expanded access to quality radiology services. To read more about Rology, please consult the chapter on our impact investments later in this report.

"We don't celebrate fundraising; we celebrate being able to diagnose a million patients in an accurate [...] and fast way."

**Amr Abodraiaa,**  
Founder & CEO of Rology





# Optimizing health worker roles to improve access and strengthen the workforce

Completing the last mile to connect people living in remote communities with their formal health system is often a challenge in limited-resource settings. Long distances to health facilities, a shortage of professional healthcare workers, and lack of medication or other critical healthcare amenities lead to inadequate community-based care.

The 'last mile' connection between people living in remote communities and formal healthcare services is often a challenge in limited-resource settings. The need for long-distance travel to healthcare facilities, shortages of professional healthcare workers, and limited supplies of medication and other critical healthcare resources often lead to inadequate community-based care. The WHO estimates a projected shortfall of 10 million health workers by 2030, mostly in low- and middle-income countries<sup>23</sup> which typically lack enough specialized healthcare professionals and have limited diagnostic infrastructure. To strengthen and expand the health workforce, one strategy being explored is task shifting.

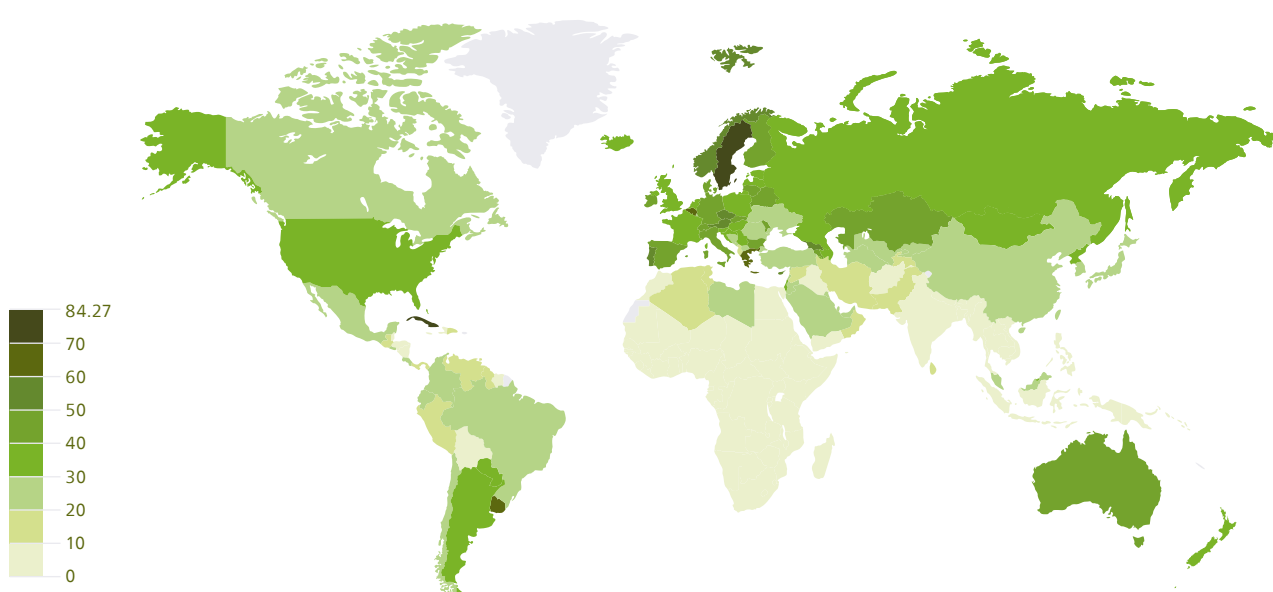
Philips Foundation is exploring ways to empower health workers with tools, technologies, and skills that enable

them to perform more advanced tasks, boost their motivation, and increase their capacity to help bridge existing healthcare gaps. Several innovative healthcare models have been developed in recent years to address gaps in the availability of care in underserved regions. One example is compact, portable, digitally connected ultrasound equipment that allows trained nurses or midwives to perform ultrasound scans, remotely supported by specialists in urban hospitals.

In 2023, together with healthcare experts, NGOs, and social entrepreneurs worldwide, Philips Foundation helped pioneer several task-shifting models to enhance access to care. The work included exploration of aspects such as care delivery, referral, and remuneration to ensure the model's sustainability.

## A clear shortfall of health workers in low- and middle-income countries

Innovations embedded at the local level can address these shortages



Source: WHO (2023). Medical doctors (per 10,000 population)





## Training health workers across the world through real-time distance education

Philips Foundation has embarked on a multi-year intercontinental partnership with RAD-AID to promote access to diagnostic ultrasound services in 11 countries. By leveraging the virtual care capabilities of Philips' ultrasound solutions, RAD-AID is rolling out a highly scalable, remote 'train-the-trainer' model. The goal is to improve access to diagnostic and point-of-care ultrasound through curriculum-based education and clinical hands-on teaching.

A key element of the collaboration is the provision of training to first-generation sonographers who can then teach second- and third-generation ultrasound users. This approach integrates RAD-AID's educational curriculum and educational model, while leveraging the functionalities of Philips' real-time tele-ultrasound education platform.

The program will co-create innovative educational strategies that combine tele-ultrasound with virtual and on-site educational resources, such as models and simulators. Through the program, RAD-AID and Philips Foundation will learn how to overcome barriers to limited healthcare accessibility and create mechanisms for improving the quality and efficiency of medical imaging education.



"We at RAD-AID are excited and grateful to be collaborating with Philips Foundation on innovative outreach strategies for diagnostic and point-of-care ultrasound. Our collaboration bridges educational curriculum, on-site training, equipment, and tele-ultrasound to achieve a comprehensive program towards sustainable health equity."

**Daniel Mollura,**  
Founder and CEO of RAD-AID





## Empowering health workers in the Navajo Nation through point-of-care ultrasound education

Stretching across the states of Arizona, New Mexico, and Utah, the Navajo Nation represents one of the most underserved healthcare settings in the United States. A structured point-of-care ultrasound (POCUS) longitudinal training program is being established in the Navajo Nation that leverages Philips' portable ultrasound system. The program includes integrated software-based tele-ultrasound services delivered through collaboration with experts at the University of California San Francisco (UCSF) Medical Center and UCSF's HEAL initiative.

The education program's goal is to train local providers to become competent POCUS users. In 2023, it provided additional mentorship to help physicians become leaders in POCUS education, allowing them to implement a sustainable education program for the Navajo Nation. The aspiration is that this approach will increase the number of physicians and nurses trained to use POCUS each year.



"POCUS is uniquely positioned to improve healthcare capacity and clinical care in lower resource settings given its portability and ability to deliver answers to a wide variety of clinical questions in numerous clinical scenarios. This partnership between UCSF, HEAL Initiative, and Philips Foundation has enabled deployment of this incredibly useful handheld technology to US providers who have themselves identified POCUS as important to improving their capacity to deliver quality healthcare – training them in the skills they need for their own clinical work and for further education of additional healthcare providers around them."

**Trevor Jensen, MD, Associate Clinical Professor  
in the Division of Hospital Medicine at UCSF**



# Empowering community health workers

Many health issues can be effectively addressed at the community level. Healthy Entrepreneurs, part of Philips Foundation Impact Investment B.V.'s portfolio, steps in with a sustainable and scalable model that seamlessly integrates within existing healthcare systems to offer business opportunities for community health workers in rural areas. Active in Uganda, Kenya, Tanzania, Burundi, Burkina Faso, DRC, and Nigeria, the enterprise has a robust network of 15,000 community health entrepreneurs reaching 18 million people in isolated regions.

This innovative business model empowers individuals to take care of their own health and the health of other people in their communities, improving health awareness, preventing illness, and promoting sustainable health practices. Community health entrepreneurs receive training that equips them to establish small businesses within their communities that deliver essential health services directly to households.

Starter kits include essential health products and a smartphone, which enable continued health education and consultations and allow them to educate and advise other members of their community. Each entrepreneur makes an initial investment and commits to repaying the product costs on a credit-basis within a year. The program ensures the accessibility of affordable and reliable health products and health education for the community.

The approach not only fosters strong, healthy, sustainable communities but also allows Healthy Entrepreneurs to operate a fully integrated end-to-end supply chain, strategically meeting the healthcare needs of underserved populations through trusted local providers.



“By scaling our impact and leveraging innovative approaches, we aim to empower more communities, improve healthcare access, and foster economic opportunities for individuals across Africa.”

**Joost van Engen, Founder and CEO of Healthy Entrepreneurs**



In focus: Disaster relief efforts

# Providing medical support to those in urgent need

## Türkiye and Syria

Following the devastation caused by the magnitude 7.7 and 7.6 earthquakes that struck Türkiye and Syria on February 6, 2023, Philips Foundation, in collaboration with Philips and local partners, deployed critically needed medical equipment.

In response to the urgent need for screening and monitoring equipment communicated by doctors on the ground, Philips Foundation organized the provision of mobile ultrasound systems, patient monitors, and essential mother and childcare and personal health products to the areas most affected. These initiatives made a significant impact, providing critical healthcare to countless individuals and families at a time of great need.

As we look to the future, we remain committed to supporting the restoration of healthcare infrastructures in those regions impacted by these devastating earthquakes.



# Ukraine

The 2022 conflict in Ukraine created an emergency situation that required urgent healthcare support. Together with Philips, international organizations, and local partners, Philips Foundation provided medical equipment, field hospitals, mother and childcare products, and medical support to those most in need.

Through a fundraiser organized by Philips Foundation, Philips employees supported the cause, contributing to relief efforts for families affected by the situation and helping restore medical services.

Our collective efforts in 2023 resulted in the provision of image-guided therapy systems to Ukraine's Unbroken National Rehabilitation Center. The center provides life-changing interventions, including the removal of foreign objects from shrapnel wounds, reconstructive surgery, cardiovascular interventions, and Ukrainian-made bionic prosthetics.





# Fostering financially sustainable and scalable healthcare delivery models

While countries across the world face major healthcare challenges, including their aging populations and increased prevalence of chronic and non-communicable diseases, the current global economic downturn is squeezing healthcare budgets<sup>24</sup>.

The World Bank estimates that 41 governments around the world will spend less on healthcare between 2023 and 2027 than they did in the pre-COVID-19 pandemic period<sup>25</sup>. As a result, currently available resources typically amount to a fraction of what is needed for healthcare systems to maintain essential services. It will have an even greater impact on low- and middle-income countries that rely on aid budgets to deliver care<sup>26</sup>.

As Philips Foundation makes further progress in securing healthcare access to underserved communities around the world, our emphasis will shift towards forging impacts that outlast our funding. For example, while we empower communities by helping them recognize early signs of cardiovascular disease and pregnancy-related risks, achieving sustainable outcomes extends beyond only providing tools

and technology. A holistic approach that includes training, staffing, policy support, financial strategies, insurance schemes, and the fostering of digital health practices is essential. All these elements must be harmoniously integrated to ensure comprehensive, lasting health improvements.

In 2023, the investments made via Philips Foundation Impact Investments B.V. into social enterprises were aimed at managing all these pre-conditions for sustainable success, allowing the deployment of healthcare services that can scale up and endure for the people who need them. Through our grant-based partnerships, we have explored new ideas, solutions, and models for scaling access to care in underserved communities. The following pages provide an overview of some of these activities.





## An innovative approach to combat rheumatic heart disease

Rheumatic heart disease (RHD) affects more than 40 million people worldwide and kills around 300,000 annually<sup>27</sup>. However, if latent RHD can be detected and diagnosed before it progresses to acute rheumatic fever, it can be prevented using antibiotic prophylaxis<sup>28</sup>.

In 2023, Philips Foundation partnered with the World Heart Federation and Heart Healers International to curb the high prevalence and mortality rates due to RHD in the Philippines and Uganda. The collaborations built on insights gained during an earlier partnership between Philips Foundation and Heart Healers International in Uganda in 2018, which looked at the pivotal role of penicillin in the early intervention and management of RHD.

Thousands of children across Uganda and the Philippines are now being screened for RHD using Philips' handheld point-of-care ultrasound devices.

Additionally, hundreds of health professionals are receiving education on RHD, in the hope that greater awareness will increase the likelihood of children and young adults seeking early diagnosis and treatment.

Both partnerships aim to develop scalable programs for RHD. Innovative decentralized models of RHD care allow diagnosed children to receive follow-up treatment within their local community. The approach ensures the treatment models are sustainable while respecting existing healthcare infrastructures – a critical factor for suitability in other parts of the world.



“The partnership showcases a strong commitment to education and training of healthcare workers, ensuring that they are equipped with cutting-edge technology for RHD detection. Our goal is to set a precedent for the Asia-Pacific region and the world.”

**Professor Liesl Zühlke, Vice President of the South African Medical Research Council and World Heart Federation Board Member**



去医疗机构产检



Fetal malpresentation



按时服药  
(仅在咨询医务人员的情况下)

## Improving maternity care in rural China

Initially introduced in sub-Saharan Africa in collaboration with the ICRC, the High-Risk Pregnancy (HRP) Referral cards help prevent health complications for mother and baby by guiding mothers to make sure they get referred to a doctor if necessary. By facilitating better understanding between health workers and expectant mothers, the cards allow women to understand the reasons behind certain healthcare decisions and encourage them to seek the necessary help. Rather than treating them as passive recipients they actively engage mothers in protecting their and their baby's health.

Having reached over 280,000 women in countries in Africa, the solution was recognized by the Design Business Association in 2023 as the Grand Prix winner<sup>29</sup>.

Given their effectiveness, expanding this simple but highly effective tool into rural China was a logical next step. In collaboration with the Chinese Red Cross Foundation and Tsinghua University, Philips Foundation has introduced high-risk pregnancy referral cards in rural China, aiming to reduce neonatal mortality rates. These easy-to-understand visual aids empower expectant mothers in rural communities to identify potential pregnancy risks and seek timely medical care. Preventable neonatal deaths accounted for 75% of total neonatal deaths in rural areas of China in 2018<sup>30</sup>, highlighting the urgency and necessity of effective interventions.



“The pilot program of referral cards in western China is poised to have a positive impact on improving the maternal and child health conditions in our country's western regions. Particularly through the integration of projects with scientific research, it will generate evidence-based findings, providing empirical support and policy backing for enhancing public health standards in rural China.”

**Kun Tang, Associate Professor  
at the Tsinghua University  
Vanke School of Public Health**





# Adapting philanthropic strategies for sustained impact

Over almost a decade, Philips Foundation has supported over 300 projects addressing the healthcare needs of underserved populations worldwide. Throughout this journey, we have acquired critical insights into effective philanthropic strategies for sustainable impact. We have learned that traditional grants often do not guarantee long-term sustainability. Many projects stumble once the initial funding is exhausted.

To amplify our impact and ensure sustainability, we have evolved our approach to one in which we prioritize partnerships and projects designed for lasting impact. Importantly, we have developed strategies to support the transition to sustainable post-partnership models, which we believe to be crucial for success in global healthcare initiatives.

We have diversified our portfolio by allocating grants to collaborative projects with NGOs and providing catalyzing capital to social entrepreneurs. Our focus is on selecting initiatives that promote the development of scalable healthcare models and support locally self-sustaining ecosystems. This has led to the creation of the Philips Foundation Impact Investments B.V. – an impact investment vehicle that enables us to invest in and collaborate closely with social entrepreneurs, the objective being to scale promising initiatives that increase access to care.

This report highlights several exemplary ventures from our portfolio, including Access Afya, Rology, iMedrix, and Healthy Entrepreneurs, all of which contribute to our mission to provide quality healthcare to 100 million people in underserved communities a year by 2030.

## Our journey from traditional grants to strategies for sustained impact



# Partnering with healthcare transformers in underserved communities across the globe

Small businesses that are scalable can become profitable businesses and have a solid impact at the same time. Philips Foundation supports social entrepreneurs who are solving healthcare challenges through disruptive approaches and innovative technologies.

We believe that technology can help accelerate access to quality healthcare for 100 million people a year in underserved communities by 2030. For example, telehealth solutions can build bridges between communities where people live and medical specialists who are not available locally. Technology can also enable non-medically educated local community health workers to collect healthcare data from patients by measuring vital signs such as blood pressure – all with proper training and adherence to a high standard of quality and safety.

Considering the challenging socio-economic conditions in most of the world's medically underserved populations, we constantly examine ways to create financially sustainable initiatives.

Philips Foundation Impact Investments B.V. takes an integrated approach to assessing the scalability of enterprises by not only looking at their technologies and business models, but also by examining their overall readiness to make a meaningful impact within the healthcare systems in which they operate.

Beyond an entrepreneur's technologies and business model, there needs to be business acumen, stamina, and a genuine willingness to make a meaningful and lasting impact in places where others don't or won't go.

Philips Foundation Impact Investments B.V. aims to close the gap in the investment market between donations and grants on the one hand, and long-term investors on the other. The geographical footprint of our current portfolio spans Asia, in India, Cambodia, Indonesia, the Philippines, Thailand, Vietnam and Saudi Arabia; Africa and Middle East in Kenya, Uganda, Rwanda, Malawi, Egypt, Ghana, Tanzania, Burundi, Burkina Faso, Democratic Republic of Congo, Nigeria and South Sudan; and North America.



Philips  
Foundation  
Impact Investments



“Entrepreneurs striving to provide healthcare for underserved communities embody the essence of our unwavering commitment, driven by a mission to help bridge the vast inequality in healthcare access worldwide. They can fill in the gaps where others fall short, blending determination, business acumen, and efficiency to create a lasting impact. In the face of adversity and limited resources, they can leverage digital technologies and drive innovation locally, to bring life-saving healthcare to millions across the globe.”

**Margot Cooijmans, Director of Philips Foundation Impact Investments B.V.**

# Advancing impact investing in healthcare for those who need it most



In my early years, I experienced the devastating consequences of limited access to healthcare. At just 5 years old, I lost my 1-year-old brother due to a lack of timely care – a memory that has deeply shaped my commitment to ensuring first-time-right screening and early diagnosis. While this personal tragedy has been a private burden, it is a reminder of the global reality.

Healthcare disparities remain a pressing challenge. Recent health crises, including the pandemic, have exacerbated existing health inequalities, threatening our progress towards universal health coverage. Breakthrough innovations will be required to bridge the gaps and address the systemic challenges within our healthcare systems.

Firstly, innovative models are needed to address the human resource gap in health, leveraging technology effectively in low-resource settings. Secondly, we must innovate around supply chain challenges, recognizing that a one-size-fits-all approach will not reach communities in remote areas. Lastly, we need to redesign primary healthcare infrastructure to align with evolving needs, ensuring access to healthcare anytime, anywhere.

According to the WHO, 90% of essential interventions for universal health coverage can be delivered by improving healthcare at the primary care level. Technology plays a pivotal role in achieving this. To address the pressing healthcare access issues that underserved communities face, sustainable business models are essential for efficient scaling, and collaborative efforts are crucial for systemic change in primary healthcare systems. We need change-makers who can revolutionize solutions, building upon public sector efforts. Social venturing has shown its potential to address many issues at grassroots level. It's not just about sustainability for philanthropic capital; it's about accelerating scalable impact.

Since we began our journey in impact investing, we have adopted a holistic approach to assemble a portfolio of high-potential enterprises. We assessed these enterprises based on their technology or business model and their overall capacity to generate meaningful and sustainable impact within the healthcare systems they serve. The social ventures highlighted in this report are a testament to this approach.

Developing a robust impact investment portfolio to enhance healthcare access for the underserved requires an ecosystem approach. This involves social ventures addressing complementary areas, focusing on early screening and diagnosis to prevent mortality and complications. Leveraging digital solutions is key to supporting procurement, clinical operations, telehealth, specialist access, education, and patient engagement. This ecosystem aims to reduce healthcare costs while maintaining quality through a network that facilitates hub-and-spoke integration. It is built on complementarity and the interoperability of technologies, ensuring continuity of care through strategic collaborations and effective referrals.

Impact investing requires organizational change and readiness. While financial return is an essential consideration in evaluating investment opportunities in venture capital, true impact investing prioritizes social return. This emphasizes the importance of valuing societal impact alongside financial performance to drive change and foster a more equitable and sustainable world.

**Bahaa Eddine Sarroukh,**  
Impact Investing Lead



## A healthcare operating system for emerging economies

In low-resource settings, poor quality care creates significant healthcare challenges, contributing to an estimated 5 million deaths annually from treatable conditions in low- and middle-income countries. An additional 3.6 million deaths are attributed to non-utilization of healthcare services<sup>31</sup>. Primary healthcare social enterprise Access Afya offers a compelling solution by combining high-quality affordable healthcare with a deep understanding of community needs.

Despite the vibrancy of Nairobi, many clinics operate below acceptable standards or lack proper credentials, especially in the city's densely populated, low-income areas. In 2019, only one in nine health facilities in Nairobi County was registered and licensed<sup>32</sup>. Access Afya sets itself apart by bridging healthcare gaps through a social, entrepreneurial, and community-centric approach.

People working in Nairobi's informal sectors often reach out to Access Afya for reliable healthcare that is within their budgets. The organization enhances healthcare access through a scalable operating system and a franchise model that empowers local practitioners. This approach fosters a sense of ownership and accountability among local health professionals, enabling them to provide tailored services including family planning, vaccinations, and emergency care through a "clinic in a box" model.

In addition, Access Afya's mDaktari digital platform transforms healthcare delivery by enabling real-time tele-consultations via an app. This virtual doctor system offers health advice, medication prescriptions, and health coaching without patients having to leave their homes. The app also features self-screening tools, medication pick-up coordination, and follow-up checks, supported by data analytics that refine healthcare approaches.

In 2023, we made a follow-on investment in Access Afya, building on our initial 2022 investment. Through collaboration with multiple impact investors, we continue to support Access Afya's growth. Partners, including the UBS Optimus Foundation and the Bayer Foundation, contribute grant money via the We Share Forward Foundation to support the 'clinic in a box' model. Together, we aim to help Access Afya achieve its growth plans and milestones.



# Helping primary care clinics across Africa deliver better healthcare

Kenya-based health technology enterprise Ilara Health has been a transformative force in healthcare since joining our impact investments portfolio in 2023. The company integrates financial models and technology to equip primary care clinics across Africa with essential diagnostic tools, pharmaceuticals, and digital health platforms. With strategic support from Boehringer Ingelheim and DOB Equity, Ilara Health is redefining accessible and affordable healthcare in Kenya and beyond, democratizing healthcare by making it more accessible, affordable, and reliable for millions of people.

At the core of Ilara Health's mission is the empowerment of small, independent clinics – the backbone of healthcare access for many people living in Africa. By offering access to essential equipment and digital services, Ilara Health recognizes these local providers as crucial entrepreneurs and facilitates their service expansion and patient care improvement.

Ilara Health also merges technology with specialized financial mechanisms, such as embedded loans, that allow healthcare facilities to defer payments, enabling them to generate revenue with new equipment before significant payments are due. This strategy not only encourages clinical expansion but also enhances financial stability, marking a transformative shift in healthcare delivery.

The organization also focuses on enhancing the diagnostic capabilities of primary care clinics. The WHO reports that only 50% of healthcare facilities in sub-Saharan Africa have reliable electricity<sup>33</sup>, complicating the use of advanced diagnostic equipment or digital health records. Ilara Health provides the necessary technological solutions and financial support to overcome these obstacles, advancing digitization and aligning with the goal of achieving universal health coverage in Africa.

Ilara Health's ambition reaches beyond Kenya, with plans to partner with thousands of clinics across the African continent. Currently, the organization partners with over 3,000 clinics, serving more than 5 million patients annually. This extensive network attests to Ilara Health's effective model and its scalable impact on healthcare delivery.

Our investment in Ilara Health, together with other co-investors who share our belief in its mission, underscores the vast improvements that can be achieved in healthcare through collaborative efforts. With this support, Ilara Health is well-positioned to redefine primary healthcare in Africa.





## Combatting childhood pneumonia with intuitive technology

Philips Foundation Impact Investments B.V. partnered with NLC Health Ventures to update and introduce the Children's Automated Respiration Monitor (ChARM) to the global healthcare market. Originally developed by Philips, this innovative technology was transferred to Philips Foundation Impact Investments B.V. and its partners to continue developing and deploying its life-saving potential.

Pneumonia remains a devastating global health challenge, claiming the lives of over 700,000 children annually – more than AIDS, malaria, and tuberculosis combined<sup>34</sup>. Most of these deaths occur in low-resource settings where access to accurate diagnostic tools is limited.

ChARM aims to revolutionize the diagnosis and treatment of pneumonia, particularly in low-resource countries. The device assists community health workers in accurately measuring a sick child's breathing rate – a crucial step in pneumonia diagnosis. In many emerging markets, health workers rely on manual counting through visual inspection, a method often compromised by the challenges of detecting shallow breaths, children's movements, and other distractions.

Utilizing advanced algorithms, ChARM converts chest movements detected by an accelerometer into precise breathing counts. In addition to providing quantitative data, the monitor offers qualitative feedback based on the WHO's Integrated Management of Childhood Illness (IMCI) guidelines.

Accurate diagnosis facilitated by ChARM empowers health workers to promptly administer the necessary antibiotics, potentially preventing countless pneumonia-related deaths. Moreover, the precise diagnostic capability of ChARM could help optimize antibiotic usage, curb unnecessary costs, and mitigate the rise of drug-resistant diseases – a pressing global health concern.

Established in 2023, Philips Foundation and NLC Health Ventures' agreement to update the ChARM technology underscores the transformative power of innovation and collaboration in global health. Production of the ChARM is scheduled for the second half of 2024.



# Addressing radiologist shortages with teleradiology and AI

Integrating technology is crucial to addressing healthcare disparities, especially in regions with significant resource constraints. In 2023 our impact investment arm invested teleradiology provider Rology – an organization at the forefront of transformation that is merging AI with teleradiology in hospitals and clinics across Africa.

The healthcare challenges resulting from a shortage of trained radiologists are stark. In Kenya, for example, there are as few as 10 interventional radiologists to service the country's population of 54 million. Latin America only has an average of 29 interventional radiologists in each country<sup>34</sup>. This severe global shortage too often leads to delayed or inaccurate diagnoses, increased costs, and compromised patient outcomes. Rology's mission addresses this issue by providing high-quality radiology services where they are most needed.

Rology's innovative teleradiology platform efficiently connects hospital cases to the most suitable radiologists, regardless of geographical location, enabling prompt and accurate diagnostic reports.

Central to Rology's platform is the integration of AI, which enhances the efficiency and cost-effectiveness of radiological services. After a medical image or scan is uploaded along with the patient's history, the AI-assisted system matches each case with the appropriate radiologist, who reviews the uploads, makes a diagnosis, compiles a report, and sends it back to the hospital or primary physician.

Rology's impact is profound. The platform has already expanded access to high-quality radiology services to over 750,000 patients across Africa and the Middle East. In 2023 alone, more than 250,000 patients benefited from its services. Rology's teleradiology system, approved by the United States Food and Drug Administration (FDA), autonomously matched nearly 80% of cases with remote radiologists specialized in the relevant subspecialty. This demonstrates its transformative impact on healthcare outcomes in resource-limited settings.

First launched in Egypt, Rology has expanded its services to eight different countries, including Kenya and Saudi Arabia. It is reshaping healthcare narratives by setting new standards for accessibility, efficiency, and quality of care through the power of teleradiology and AI. The platform fills critical healthcare gaps and revolutionizes healthcare delivery, ensuring accurate and timely diagnoses for millions, regardless of their location.



# Building an ecosystem

Philips Foundation Impact Investments B.V. collaborates closely with and invests in social enterprises to scale promising healthcare initiatives for underserved populations. We aim to create an ecosystem of innovative healthcare solutions that enhance essential service access for those with limited affordable healthcare options.

Our approach encourages synergies, enabling social enterprises within our portfolio to collaborate and address critical healthcare gaps effectively.

Central to our strategy is fostering collaboration to improve healthcare access in underserved areas, with an emphasis on early screening and diagnosis to reduce mortality and complications. Social enterprises can leverage digital innovations in procurement, clinical operations, telehealth, specialist access, education, and patient engagement to lower costs, while maintaining quality through a supportive hub-and-spoke network.

These complementary enterprises enhance care continuity through interoperable technologies and strategic collaborations for effective referrals and care management. By integrating them into a physical and virtual ecosystem, Philips Foundation creates a supportive environment that helps them to scale and extend their reach. Our networking events, joint field visits, and round-table discussions enable entrepreneurs to exchange knowledge, cultivate collaborations, and support one another.

The ecosystem allows social enterprises to access resources that are typically beyond their reach, helping them innovate and tackle complex healthcare challenges. Since many enterprises operate in similar fields, they can share insights to improve their services and expand their impact. For example, a primary care clinic might benefit from a digital health startup specializing in smart procurement. Similarly, an enterprise with radiology equipment could enhance its services by partnering with an enterprise like Rology that provides remote radiologists and AI for better diagnosis and treatment planning.

Furthermore, the ecosystem offers a platform for social enterprises to showcase their impact and attract further funding. Sharing their success stories and collaborations raises awareness of their work and demonstrates its value to underserved communities. It also alleviates the isolation that entrepreneurs often feel in their global health efforts.

Ultimately, we are dedicated to creating a supportive environment that empowers these enterprises to achieve their goals and significantly improve access to quality healthcare services.





# Fostering a collaborative healthcare ecosystem

Philips Foundation’s strategic approach builds a collaborative ecosystem supporting social enterprises in healthcare. Centered around Philips Foundation, the ecosystem is segmented into four key focus areas: community health, primary care, clinical operations for primary care, and technology for access to care.

These segments are divided between clinical and technology providers. Clinical providers, such as Access Afya and Penda Health, focus more on direct patient care, ensuring broad and immediate healthcare access within the community. Technology providers like Rology and iMedrix innovate with digital solutions that enhance diagnostic accuracy and operational efficiency, supporting the infrastructure of healthcare delivery.

Through partnerships with entities such as Healthy Entrepreneurs, Access Afya, and Rology, Philips Foundation enables the integration of innovative digital and clinical solutions across the healthcare spectrum. Our engagement with MIT Solve, the United Nations, and Engineering for Sustainable Development also play a crucial role in this effort by convening cross-sector leaders, new voices, and innovative tech-based solutions at the problem-solving table, which helps build and strengthen this ecosystem. This integrated network supports early screening, diagnosis, and continuous care management, leveraging technology to reduce costs while improving service quality. Fostering such an ecosystem not only promotes health equity but also empowers healthcare enterprises to scale effectively, innovate, and share insights to enhance their collective impact on global health.



Philips Foundation  
Impact Investments

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# Consolidated financial statements

## Consolidated balance sheet as of 31 December 2023

(in euros after result appropriation)

		2023	2022
		EUR	EUR
Financial assets	1	3,975,687	2,893,577
Intangible assets	2	151,250	-
<b>Total non-current assets</b>		<b>4,126,937</b>	<b>2,893,577</b>
Cash and cash equivalents	3	14,775,370	12,017,633
Short-term receivables	4	78,411	75,540
<b>Total current assets</b>		<b>14,853,781</b>	<b>12,093,173</b>
<b>Total assets</b>		<b>18,980,718</b>	<b>14,986,749</b>
Other reserves	5	12,468,100	7,477,759
<b>Total equity</b>		<b>12,468,100</b>	<b>7,477,759</b>
Long-term payables	6	1,811,922	2,818,754
<b>Total non-current liabilities</b>		<b>1,811,922</b>	<b>2,818,754</b>
Accounts payable	7	521,460	316,822
Accrued expenses	8	4,179,236	4,373,414
<b>Total current liabilities</b>		<b>4,700,696</b>	<b>4,690,236</b>
<b>Total equity and liabilities</b>		<b>18,980,718</b>	<b>14,986,749</b>

## Consolidated statement of income and expenses 2023

		2023	2022
		EUR	EUR
Cash contribution from Koninklijke Philips N.V.	10	6,866,551	7,065,999
In-kind contribution from Koninklijke Philips N.V.	11	1,267,318	1,154,654
Other contributions	12	339,270	442,063
Financial income	1	220,196	18,481
<b>Total income</b>		<b>8,693,335</b>	<b>8,681,197</b>
Donations	13	2,217,695	3,205,481
Personnel expense	11	1,268,602	1,154,654
Other expenses	14	207,479	141,983
Financial expenses	15	9,218	474,189
Impairment loss on long term loan		-	-
<b>Total expenses</b>		<b>3,702,994</b>	<b>4,976,306</b>
<b>Result</b>	16	<b>4,990,341</b>	<b>3,704,890</b>

# Notes

## Notes to the Consolidated balance sheet and statement of income and expenses

### General

Stichting Philips Foundation ('Philips Foundation'), registered at the Dutch Chamber of Commerce with number 61055379, is a foundation under Dutch law, based in Amsterdam, Amstelplein 2, 1096 BC.

On September 15, 2021, Philips Foundation established its wholly owned subsidiary 'Philips Foundation Impact Investments B.V.' ('Impact Investments BV'). The purpose and mission of Impact Investments BV are in line with those of Philips Foundation: to contribute to Sustainable Development Goal 3: *Ensure healthy lives and promote well-being for all at all ages* and Goal 17: *Revitalize the global partnership for sustainable development*, formulated by the United Nations General Assembly, through providing affordable qualitative healthcare to underserved populations and everything related to the goals or conducive thereto. Impact Investments BV tries to achieve this goal by investing in social enterprises relevant to its purpose and mission, providing (share) capital and/or (convertible) loans to, and otherwise participating in, the aforementioned enterprises and organizations, as well as non-financial support (expertise, board positions, advice, volunteers).

Impact Investments BV is organized under Dutch law, is based at Amstelplein 2, 1096BC Amsterdam, and is registered at the Dutch Chamber of Commerce with number 83915427. The financial information of Impact Investments BV is consolidated in the financial statements of Philips Foundation.

#### Financial reporting period

These consolidated financial statements cover the year 2023, which ended 31 December 2023.

The comparative figures cover Philips Foundation and Impact Investments BV, for the year 2022, which started on 1 January 2022 and ended 31 December 2022. Impact Investments BV started operating from November 2021, which is included in the period ended 2022.

#### Basis of preparation

The consolidated financial statements have been prepared in accordance with the Guideline for annual reporting 640 *Not-for-profit organizations*.

#### Going concern

These consolidated financial statements have been prepared based on the going concern assumption.

#### Basis of consolidation

The consolidated financial statements include the financial information of Philips Foundation and its wholly owned subsidiary Impact Investments BV at 31 December of the financial year.

Philips Foundation and Impact Investments BV are fully consolidated as from the date on which control is obtained and until the date that control ceases. The items in the consolidated financial statements are determined in

accordance with consistent accounting policies. Profits and losses resulting from intragroup transactions are eliminated in full.

### Accounting policy

#### General

The principles applied for the valuation of assets and liabilities and result determination are based on the historical cost convention.

Unless stated otherwise, assets and liabilities are shown at nominal value. Valuation takes place at nominal value less any provision deemed necessary.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Provisions for receivables are determined based on individual assessments of the collectability of receivables.

A liability is recognized in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognized in the statement of income and expenditure when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably.

Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Income and expenses are allocated to the period to which they relate.

Impact Investments BV is not expected to make distributions on its issued shares, held by Philips Foundation.

Contributions are recognized in the Statement of income and expenses when the amount can be determined in a reliable manner, and collection of the related contribution to be received is probable.

#### Use of estimates

The preparation of the consolidated financial statements requires the Board of the Philips Foundation and of Impact Investments BV to make judgments, estimates and assumptions that affect the application of accounting principles and reported amounts of assets, liabilities and income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are continually reviewed. The earnings impact of revised estimates is reflected in the period in which the estimate is revised.

### **Functional currency**

The consolidated financial statements are presented in euros, which is the Philips Foundation's functional currency. Transactions denominated in foreign currency are translated into euros at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency are recognized in the Consolidated statement of income and expenses in the period in which they arise.

### **Financial instruments**

Financial instruments comprise only primary financial instruments, such as receivables, cash and cash equivalents, unlisted securities and accounts payable. For the principles applying to these instruments, please refer to the treatment of each relevant consolidated balance sheet item.

### **Non-current other securities**

Non-current other securities included under financial assets are initially recognized at fair value plus directly attributable transaction costs.

After initial measurement, other unlisted securities not held to maturity are carried at cost net of any impairment losses.

Gains and losses arising on other securities are recognized in the Consolidated statement of income and expenses when the investments are transferred to a third party or in the event of an (reversal of) impairment. Dividends and interest received are recognized in the Consolidated statement of income and expenses.

### **Derivatives**

Following initial measurement, other derivatives with underlying securities other than listed shares or bonds are carried at cost or lower fair value. If the fair value is negative, this amount is recognized in full. In determining the lower fair value, the effect of accrued interest is not taken into consideration. Gains and losses are recognized in the Consolidated statement of income and expenses when the derivatives are transferred to a third party or an (reversal of) impairment is recognized.

Embedded derivatives included in other unlisted securities are not bifurcated from the host contract as derivatives are not measured at fair value.

### **Non-current loans**

Non-current loans are recognized initially at fair value plus directly attributable transaction costs, and subsequently stated at amortized cost based on the effective interest method. Gains and losses are recognized in the Consolidated statement of income and expenses when the receivables are transferred to a third party or an (reversal of) impairment is recognized, as well as through the amortization process.

### **Intangible assets**

An intangible asset is recognized in the balance sheet if:

- It is probable that the future economic benefits that are attributable to the asset will accrue to the Group
- The cost of the asset can be reliably measured

Intangible assets are carried at cost of acquisition or production net of accumulated amortization and accumulated impairment losses where applicable.

Intangible assets are amortized on a straight-line basis over their expected useful economic lives. The useful economic life and the amortization method are reviewed at each financial year-end.

### **Costs of acquisition of patents, trademarks and other rights**

Costs of acquisition of patents, trademarks and other rights are capitalized net of accumulated amortization and if applicable, accumulated impairment losses.

Costs of acquisition of patents, trademarks and other rights are amortized on a straight-line basis over their estimated useful economic lives of ten years.

### **Receivables**

Receivables are measured at fair value at initial recognition. After initial recognition, the assets are measured at amortized cost using the effective interest method, less an allowance for uncollectible debts. This allowance is determined by individual assessment of the receivables.

### **Cash and cash equivalents**

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

### **Current liabilities**

At initial recognition, current liabilities are measured at fair value. After initial recognition, the liabilities are measured at amortized cost using the effective interest method.

### **Income Tax Expense: Current taxes**

Taxes for Impact Investments BV are calculated on the result as disclosed in the income statement based on current tax rates, allowing for tax-exempt items and cost items which are non-deductible, either in whole or in part.

Tax assets and liabilities are netted if the general conditions for offsetting are met.

### **Income Tax Expense: Deferred taxes**

A deferred tax liability for Impact Investments BV is recognized for all taxable temporary differences between the valuation for tax and financial reporting purposes. A deferred tax asset for Impact Investment BV is recognized for all deductible temporary differences between the valuation for tax and financial reporting purposes and carryforward losses, to the extent that it is probable that future taxable profit will be available for set-off.

Deferred tax liabilities and deferred tax assets are carried on the basis of the tax consequences of the realization or settlement of assets, provisions, liabilities or accruals and deferred income as planned by the group on the balance sheet date. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

### **Other reserves**

Other reserves consist of the results of the previous years as well as the current year.

# Notes to the Consolidated balance sheet

## 1. Financial assets

### Non-current other securities

Unlisted securities – shares and participation certificates:

<i>Movements in investments in unlisted securities</i>	2023	2022
	EUR	EUR
Opening balance	2,209,063	-
Acquisitions	608,031	2,209,063
Disposals	-	-
Impairments	-	-
<b>Total</b>	<b>2,817,094</b>	<b>2,209,063</b>

All investments in unlisted securities are held through Impact Investments BV. Impact Investments BV does not hold more than 20% shareholding in any of the investee companies and has no power (directly, jointly or through significant influence) to control the financial and operating policies of the investee companies. After initial measurement, the non-current other (unlisted) securities are carried at cost net of any impairment losses.

The investments consist of shares in the capital of, or loans to, companies that are active in providing affordable qualitative healthcare to underserved populations. The investee companies' headquarters are primarily located in the Netherlands, Africa and the United States of America.

### Summary of unlisted security investments:

Social entrepreneur (unlisted entities)	Type of security	Size of investment	Significant contractual arrangements
<b>Healthy Entrepreneurs B.V.</b>	Unlisted shares	EUR 1,500,337	<ul style="list-style-type: none"> <li>Impact Investments BV holds one supervisory board seat in the social entrepreneur.</li> <li>Under certain conditions (change of control event and/or change in the directions of the social entrepreneur), Impact Investments BV, in line with the other investors, has the right to transfer its shares back to the social entrepreneur at fair market value.</li> </ul>
<b>iMedrix</b>	Unlisted shares	EUR 476,099 (USD 500,000)	<ul style="list-style-type: none"> <li>Impact Investments BV holds one (non-voting) observer board seat.</li> <li>If the social entrepreneur issues new equity with contractual registration rights, Impact Investments BV has the right to participate in the equivalent new equity contractual registration rights.</li> <li>If the social entrepreneur issues any securities with voting rights in the election of the Board of Directors of the social entrepreneur or securities evidencing an ownership interest in the social entrepreneur, Impact Investments BV shall be offered its ratable portion of the securities.</li> </ul>
<b>Access Afya</b>	Simple agreement for future equity – SAFE note	EUR 373,029 (USD 400,000)	<ul style="list-style-type: none"> <li>Impact Investments BV converted a SAFE note with a value of USD 250,000 in the social entrepreneur.</li> <li>Separately, Impact Investments BV invested in the preferred stock of the social entrepreneur to the value of USD 150,000.</li> <li>Impact Investments BV holds one voting seat and one non-voting seat on the Board of Directors of the social entrepreneur.</li> </ul>

**Rology**

Simple agreement for future equity – SAFE note  
 EUR 467,626  
 (USD 500,000)

- Impact Investments BV holds one (non-voting) observer board seat.
- Depending on the conversion events (being either: change of control, initial public offering, termination of operations, liquidation or capital raising events), the SAFE note can be converted (automatically or through the option of Impact Investments BV) into unlisted preferred stock shares of the social entrepreneur. Under certain circumstances (being either: liquidation, change of control or initial public offering events), the SAFE note includes a 'cash-out' option.
- The SAFE note conversion price depends on the method of conversion, whereby one of the conversion price methods would result in the conversion into the social entrepreneur's shares at a discount.

**Non-current loans**

<i>Movements in issued loans</i>	2023	2022
	EUR	EUR
Opening balance	684,514	130,000
Loans issued	500,000	600,000
Interest receivable on issued loans	31,579	18,481
Impairments	-	-
Less short-term portion of loans presented under Short Term Receivables	(57,500)	(63,967)
<b>Total</b>	<b>1,158,594</b>	<b>684,514</b>

As a potential alternative to donations (by Philips Foundation) or share capital investments by Impact Investments BV, Impact Investments BV may issue loans to social enterprises. Loans may be used to incentivize and promote the self-sustainability of certain social initiatives. As of 31 December 2023, four loans to social entrepreneurs were outstanding, which generated financial income of EUR 41,997. 3 loans are repayable within five years and 1 loan is a convertible promissory note for equity that earns interest. One loan was fully impaired in 2021, and as of 31 December 2023, remains impaired. The loans have interest rates of between 3% to 13% per annum. With the exception of the impaired loan and the convertible promissory note, all loans are issued in euros. The convertible promissory note is not considered a monetary item for foreign exchange accounting. Two loans include equity-based derivative conversion features which are not bifurcated as derivatives are held at the lower cost or lower fair value.

Credit risk

Given the nature of the social enterprises, the loans are considered to have a high credit risk. The maximum credit risk of the loans is equal to the amount of loans issued.

**2. Intangible assets**

Intangible assets represent purchases of patents from Koninklijke Philips N.V. related to mobile medical monitoring devices for children. The purpose of the patent purchase is to further develop and commercialize the medical monitoring devices which will be used for social impact, notably in under-developed countries. With a view to such future development and commercialization, subsequent to the patent purchase from Koninklijke Philips N.V., Impact Investments BV licensed the patents to ChARM Healthcare B.V., a joint venture between Impact Investments BV and NLC Ventures Netherlands B.V. The patents have an average useful life of 9 years.

	2023	2022
	EUR	EUR
Cost – 1 January 2023	-	-
Accumulated amortization – 1 January 2023	-	-
<b>Net carrying value – 1 January 2023</b>	-	-
Purchases	151,250	-
Sales	-	-
Impairment	-	-
<b>Total movement</b>	<b>151,250</b>	-
Cost – 31 December 2023	151,250	-
Accumulated amortization – 31 December 2023	-	-
<b>Net carrying value – 31 December 2023</b>	<b>151,250</b>	-

### 3. Cash and cash equivalents

Cash and cash equivalents mainly relate to current account balances on Philips Foundation's and Impact Investments BV's bank accounts. Cash and cash equivalents are available without restrictions. The cash balances available to Philips Foundation and Impact Investments BV are primarily utilized for donations or investments in social enterprises. The majority of the cash balances are either committed or in the negotiation phase of being committed to further the social mission of Philips Foundations and Impact Investments BV.

### 4. Short-term receivables

The short-term receivables as per 31 December 2023 primarily relate to interest and repayments to be received on the loans.

### 5. Equity

#### Other reserves

	2023	2022
	EUR	EUR
Opening balance	7,477,759	3,772,869
Additions (result for the year)	4,990,341	3,704,890
<b>Total</b>	<b>12,468,100</b>	<b>7,477,759</b>

The other reserves consist fully of the results of previous years as well as the current year. Philips Foundation's capital in 2014 at its establishment was EUR 1,500,000.

### 6. Long-term payables

The RAD-AID contract liability, which covers several years, totals EUR 4,255,456 (2022 5,167,000) of which EUR 2,443,534 (2022 2,349,000) is current and disclosed under Accrued expenses and Accounts payable, while EUR 1,811,922 (2022 2,819,000) is non-current and disclosed under long-term payables.

### 7. Accounts payable

	2023	2022
	EUR	EUR
Payables in EUR	521,460	316,822
<b>Total</b>	<b>521,460</b>	<b>316,822</b>

The Accounts payable position on 31 December 2023 relates mostly to equipment invoices received in 2023 relating to a number of projects, to be paid in 2024.

### 8. Accrued expenses

	2023	2022
	EUR	EUR
Accruals related to strategic projects with global NGOs	2,932,739	3,483,954
Accruals related to Market CSR projects	1,172,317	851,071
Accruals related to employee fundraisers	-	-
Accruals other	74,180	38,390
<b>Total</b>	<b>4,179,236</b>	<b>4,373,414</b>

### 9. Off-balance sheet commitments and assets

#### Contributions:

For 2024, Philips Foundation will receive a committed contribution of EUR 50,000 from private donors.

#### Deferred tax assets:

In 2023, Impact Investments BV incurred current year losses. No related deferred tax assets were recognized on the consolidated balance sheet due to the uncertainty around Impact Investments BV generating any short-term future taxable profits for deferred tax asset set off.



## Notes to the Consolidated statement of income and expenses

### 10. Cash contribution Koninklijke Philips N.V.

In 2023, Koninklijke Philips N.V. donated EUR 6,700,000 (2022: EUR 6,700,000) to Philips Foundation. Separately, Koninklijke Philips N.V. donated to a fundraising program for Ukraine, Syria, and Turkey which Koninklijke Philips N.V. matched as a cash contribution (included in Other contributions – note 12). Furthermore, Koninklijke Philips N.V. seconded a number of employees to the Philips Foundation's operational team, as a contribution in kind (please refer to note 11 below).

### 11. In-kind contribution from Koninklijke Philips N.V. / Personnel expenses

In 2023 and 2022, Philips Foundation employed no staff members. The Board members receive no remuneration for their duties. Members of the Board receive a fixed allowance of EUR 250 per Board meeting to cover their expenses. The Philips Foundation's operational team consists of employees of Koninklijke Philips N.V. who are seconded to the Philips Foundation. Their salaries and expenses are paid by Koninklijke Philips N.V. for EUR 1,268,602 (2022: EUR 1,154,654) to carry out Philips Foundation activities. The related costs have been included as 'In-kind contribution' and 'Personnel expense.'

### 12. Other contributions

For 2023, the other contributions relate to fundraising for Ukraine, Syria, and Turkey as well as a EUR 50,000 donation secured from private donors.

### 13. Donations

	2023	2022
	EUR	EUR
Donations related to strategic projects with global NGOs	903,654	2,290,256
Donations related to Market CSR projects	1,014,791	915,225
Donations other	299,250	-
<b>Total</b>	<b>2,217,695</b>	<b>3,205,481</b>

The donations made by Philips Foundation can be categorized as follows: the first type relates to strategic projects with NGOs. The second type of donation relates to projects proposed and implemented by Philips country offices with local partners. The NGOs received the donation after sending an invoice according to the agreement. In-kind donations containing Philips equipment are purchased from Philips at below-market prices and donated to NGOs. Donations related to strategic projects with global NGOs and Market CSR projects, also include initiatives that have supported the people of Ukraine affected by the war started in 2022. Donations other primarily relate to donations for disaster relief.

### 14. Other expenses

Other expenses in 2023 and 2022 consist of audit fees, including audit of non-financial statements, consultancy expenses, communications and subscription costs, Board expenses and representation costs.

### 15. Financial expenses

The financial expenses in 2023 and 2022 consist of banking fees and exchange rate differences.

### 16. Appropriation of result

The 2023 result has been added to the Other reserves in accordance with the proposal approved by the Board of the Philips Foundation

## Subsequent events

### ChARM Healthcare B.V:

In 2023, Impact Investments BV established a new business venture with NLC Ventures Netherlands B.V. called ChARM Healthcare B.V. with the primary business aim to use, further develop, manufacture and commercialize a respiration monitor for children in underdeveloped countries, based on Philips' ChARM technology. The ChARM Healthcare B.V. shareholders agreement was signed in 2023, with the payment of Impact Investments BV equity share in ChARM Healthcare B.V. planned for 2024 for an amount of EUR 250,000.

### Contribution Agreement:

During February 2024, Koninklijke Philips N.V. and Philips Foundation signed a contribution agreement under which Koninklijke Philips N.V. committed to contribute EUR 6.7 million to the Philips Foundation to be paid over the course of the 2024 financial year. The contribution agreement commits the specific monetary contribution between Koninklijke Philips N.V. and Philips Foundation and references the Framework Agreement signed between Koninklijke Philips N.V. and Philips Foundation dated 8th October 2014.

# Stichting Philips Foundation financial statements

## Philips Foundation balance sheet as at 31 December 2023

(in euros after result appropriation)

		2023	2022
		EUR	EUR
Financial assets	1	6,934,755	4,942,248
<b>Total non-current assets</b>		<b>6,934,755</b>	<b>4,942,248</b>
Cash and cash equivalents	2	12,026,113	10,038,084
Receivable from Group Companies		-	-
Short-term receivables	3	19,850	6,373
<b>Total current assets</b>		<b>12,045,963</b>	<b>10,044,456</b>
<b>Total assets</b>		<b>18,980,718</b>	<b>14,986,704</b>
Other reserves	4	12,468,100	7,477,759
<b>Total equity</b>		<b>12,468,100</b>	<b>7,477,759</b>
Long-term payables	5	1,811,922	2,818,754
<b>Total non-current liabilities</b>		<b>1,811,922</b>	<b>2,818,754</b>
Accounts payable	6	521,460	316,822
Accrued expenses	7	4,179,236	4,373,370
<b>Total current liabilities</b>		<b>4,700,696</b>	<b>4,690,191</b>
<b>Total equity and liabilities</b>		<b>18,980,718</b>	<b>14,986,704</b>

## Philips Foundation statement of income and expenses 2023

		2023	2022
		EUR	EUR
Cash contribution from Koninklijke Philips N.V.	9	6,866,551	7,065,999
In-kind contribution from Koninklijke Philips N.V.	10	1,267,318	1,154,654
Other contributions	11	339,270	442,063
Financial income		178,199	-
<b>Total income</b>		<b>8,651,338</b>	<b>8,662,716</b>
Donations	12	2,217,695	3,205,481
Personnel expense	10	1,267,318	1,154,654
Other expenses	13	160,128	100,808
Financial expenses	14	8,363	439,132
<b>Total expenses</b>		<b>3,653,504</b>	<b>4,900,074</b>
Share in results of participating interests (loss)	1	7,493	57,752
<b>Result</b>	15	<b>4,990,341</b>	<b>3,704,890</b>

# Notes

## Notes to the Philips Foundation balance sheet and statement of income and expenses

### General

Stichting Philips Foundation ('Philips Foundation'), registered at the Dutch Chamber of Commerce with number 61055379, is a foundation under Dutch law, based in Amsterdam, Amstelplein 2, 1096 BC.

#### Financial reporting period

For the details of the financial reporting period, please refer to the consolidated financial statements.

#### Basis of preparation

For the details of the basis of preparation, please refer to the consolidated financial statements.

#### Going concern

For the details of the going concern, please refer to the consolidated financial statements.

A subsequently obtained share of the profit of the participating interest is recognized only if and to the extent that the accumulated share of the previously unrecognized loss has been compensated.

Results from transactions with or between participating interests that are carried at net asset value are recognized proportionally.

#### Share in results of participating interest

The share in results of a participating interest is the amount by which the carrying amount of the participating interest has changed since the previous financial statements as a result of the earnings achieved by the participating interest to the extent that this can be attributed to the Philips Foundation.

### Accounting policies

For the accounting policies, please refer to the accounting policies of the consolidated financial statements, unless stated otherwise below.

#### Financial assets

Participating interests in group companies are valued using the net asset value method. Under this method, participating interests are carried at the entity's share in their net asset value. The net asset value increases with its share in the results of the participating interest and its share in the changes recognized directly in the equity of the participating interest as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements. The net asset value decreases with the entity's share in the dividend distributions from the participating interest. The entity's share in the results of the participating interest is recognized in the Statement of income and expenses. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve. The entity's share in direct equity of participating interests, both increases and decreases, is also included in the legal reserve – except for asset revaluations recognized in the revaluation reserves.

If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil as long as the net asset value remains negative. In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the participating interest, are included. A provision is recognized if and to the extent the entity is liable for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts. The provision is carried at the present value.

## Notes to the Philips Foundation balance sheet

### 1. Financial assets

Philips Foundation's investment in Impact Investments BV is generated through the contribution of EUR 10,000 in share capital and a share premium of 5,000,000. An additional amount has been invested of EUR 2,000,000 in 2023.

Investments in participating interests – Impact Investments BV

	2023	2022
	EUR	EUR
Opening balance	4,942,248	-
Investments	2,000,000	5,000,000
Disposals	-	-
Impairment loss	-	-
Share in results of participating interest	(7,493)	(57,752)
<b>Total</b>	<b>6,934,755</b>	<b>4,942,248</b>

### 2. Cash and cash equivalents

For details on Cash and cash equivalents, please refer to the note on Cash and cash equivalents in the consolidated financial statements.

### 3. Short-term receivables

The short-term receivable position primarily relates to prepayments which will be settled in the delivery of goods and services.

### 4. Equity

#### Other reserves

	2023	2022
	EUR	EUR
Opening balance	7,477,759	3,772,869
Additions (result for the year)	4,990,341	3,704,890
<b>Total</b>	<b>12,468,100</b>	<b>7,477,759</b>

The other reserves consist fully of the results of previous years as well as the current year. Philips Foundation's capital in 2014 at its establishment was EUR 1,500,000.

### 5. Long term payables

For details on the Long-term payables, please refer to the note on Long-term payables in the consolidated financial statements.

### 6. Accounts payable

	2023	2022
	EUR	EUR
Payables in EUR	521,460	316,822
<b>Total</b>	<b>521,460</b>	<b>316,822</b>

### 7. Accrued expenses

	2023	2022
	EUR	EUR
Accruals related to strategic projects with global NGOs	2,932,739	3,483,954
Accruals related to Market CSR projects	1,172,317	851,071
Accruals related to employee fundraisers	-	-
Accruals other	74,180	38,345
<b>Total</b>	<b>4,179,236</b>	<b>4,373,370</b>

## 8. Off-balance sheet commitments and assets

For details on the off-balance sheet commitments and assets, please refer to the note on Off-balance sheet commitments and assets in the consolidated financial statements.

## Notes to the Philips Foundation statement of income and expenses

### 9. Cash contribution Koninklijke Philips N.V.

For details on the Cash contribution Koninklijke Philips N.V., please refer to the note on Cash contribution Koninklijke Philips N.V. in the consolidated financial statements.

### 10. In-kind contribution from Koninklijke Philips N.V. / Personnel expenses

For details on the In-kind contribution from Koninklijke Philips N.V. / Personnel expenses, please refer to the note on In-kind contribution from Koninklijke Philips N.V. / Personnel expenses in the consolidated financial statements

### 11. Other contributions

For details on the Other contributions, please refer to the note on In-kind contribution from Other contributions in the consolidated financial statements.

### 12. Donations

	2023	2022
	EUR	EUR
Donations related to strategic projects with global NGOs	903,654	2,290,256
Donations related to Market CSR projects	1,014,791	915,225
Donations related to employee fundraisers	-	-
Donations other	299,250	-
<b>Total</b>	<b>2,217,695</b>	<b>3,205,481</b>

For details on the Donations, please refer to the note on Donations in the consolidated financial statements.

### 13. Other expenses

For details on the Other expenses, please refer to the note on Other expenses in the consolidated financial statements.

### 14. Financial expenses

The financial expenses in 2023 and 2022 consist of banking fees and exchange rate differences.

### 15. Appropriation of result

The 2023 result has been added to the Other reserves in accordance with the proposal approved by the Board of the Philips Foundation.

## Subsequent events

For details on subsequent events, refer to the Subsequent events disclosure included in the consolidated financial statements.

The Board:

Marnix van Ginneken

Robert Metzke

Ann Aerts

Liesbeth Rutgers

Bernard van der Vyver

Allert van den Ham

Nancy Bocken

Amsterdam, May 21, 2024

# Other information

## Independent auditor's report

To: the board of Stichting Philips Foundation

### Report on the audit of the financial statements 2023 included in the annual report

#### Our opinion

We have audited the financial statements 2023 of Stichting Philips Foundation, based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Philips Foundation as at 31 December 2023 and of its result for 2023 in accordance with 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

- the consolidated and foundation balance sheet as at 31 December 2023
- the consolidated and foundation statement of income and expenses for 2023
- the notes comprising a summary of the accounting policies and other explanatory information

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Philips Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information, including the board report in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

## Description of responsibilities regarding the financial statements

### Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board). Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting, unless the Board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The Board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Eindhoven, 21 May 2024

Ernst & Young Accountants LLP

Signed by Eric Kuijer



# Philips Foundation