

Press release
Malmö, June 14th 2018

Arjo enters into exclusive R&D partnership with Next Step Dynamics

Arjo, a market-leading supplier of medical devices and solutions, has entered into an exclusive partnership with Next Step Dynamics, a Swedish technology company specialising in predictive analytics, for development and sales of solutions for preventive healthcare. According to the terms of the partnership, Arjo has committed to spend SEK 70 M on development projects for solutions within the area of predictive analytics.

“This partnership is very much in line with our digitalization strategy and offers a fantastic opportunity for us to develop innovations that can really make a difference for both the users and healthcare professionals, as well as for society in general, for example by reducing the cost of care,” says Joacim Lindoff.

For elderly people, falling presents a high risk of injuries such as hip fractures, which in turn are a common cause of more serious – and in many cases fatal – illnesses. Falls are the second leading cause of accidental or unintentional injury deaths worldwide. In the US, an elderly person dies every 20 minutes due to a fall and many more are badly injured*, resulting in high healthcare costs. Furthermore, the demographic changes in society leading to a growing elderly population could mean that fall-related injuries are expected to rise sharply in the next few years.

Together with Next Step Dynamics, Arjo will develop a range of solutions for predicting and preventing not only patient and resident injuries but also caregiver injuries. The partnership grants Arjo global exclusive rights to commercialise and distribute solutions generated from this collaboration. One such example is a smart wearable that analyses data indicative of patient and resident well being such as balance, lower body strength and sleep in order to predict the risk of a fall among, for example, elderly people or people with reduced mobility. This risk is then seamlessly shared with authorized care professionals, thereby enabling them to take preventive action based on a scientific deep learning algorithm. The solution has been reviewed by more than 160 healthcare professionals, and the product can be used by care units as well as in the home, and can be customised to individual needs.

“With joint resources, we will take the products for preventive healthcare to the next level. For us, the partnership with Arjo also means access to industry expertise, thus reduced time to market, enabling us to serve urgent needs on the global market faster”, says Karthik Srinivasan, founder of Next Step Dynamics.

Both parties are entering the partnership with a long-term view. As a first step, Arjo has committed to spend SEK 70 M over a period of 24 months on development projects for preventive and proactive care. The recently announced efficiency measures related to the San Antonio development function has enabled reallocation of resources into the digitalization area and these projects. Hence, the SEK 70 million are covered within Arjo's planned R&D spend during this period.

The collaboration to finalise and commercialise these new technologies begins as of July 1st 2018. Sales and distribution of the smart wearable and other innovations are planned to begin in 2019 and is expected to contribute to Arjo's net sales and results already in 2019.

Digitalisation is becoming an increasingly powerful enabler to make healthcare safer and more efficient, and Arjo is committed to defining how digital offerings can improve the everyday lives of people. Through this partnership, Arjo is taking an important step towards offering its customers some of the most innovative preventive solutions in the market.

** Source: CDC*

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About Next Step Dynamics

Next Step Dynamics is a company that helps prevent fall accidents among seniors using wearable technology and predictive analytics. Based in Malmö, Skåne and founded by Karthik Srinivasan, CEO in 2015 to help customers in the private and public elderly care market to improve the quality of care by reducing the number of fall accidents. NSD received 6 awards in 2017 including Startup of the Year 2017, Top Tech of the Year 2017 and Nordic Angel Choice Awards 2017. www.nextstepdynamics.com

About Arjo

At Arjo, we are committed to improving the everyday lives of people affected by reduced mobility and age-related health challenges. With products and solutions that ensure ergonomic patient handling, personal hygiene, disinfection, diagnostics, and the effective prevention of pressure ulcers and venous thromboembolism, we help professionals across care environments to continually raise the standard of safe

and dignified care. Arjo has approximately 6,000 employees worldwide and customers in over 100 countries. In 2017, Arjo sales amounted to approximately SEK 7.7 billion. Arjo is listed on Nasdaq Stockholm and its head office is located in Malmö, Sweden. Everything we do, we do with people in mind. www.arjo.com