



Johnson & Johnson Announces Agreement to Acquire Auris Health, Inc.

February 13, 2019

Auris Health's Robotic Platform Expands Johnson & Johnson's Digital Surgery Portfolio

NEW BRUNSWICK, N.J., Feb. 13, 2019 /PRNewswire/ -- Focused on creating the next frontier of surgery, Johnson & Johnson (NYSE: JNJ), today announced that Ethicon, Inc., entered into a definitive agreement to acquire Auris Health, Inc. for approximately \$3.4 billion in cash. Additional contingent payments of up to \$2.35 billion, in the aggregate, may be payable upon reaching certain predetermined milestones. Auris Health is a privately held developer of robotic technologies, initially focused in lung cancer, with an FDA-cleared platform currently used in bronchoscopic diagnostic and therapeutic procedures. This acquisition will accelerate Johnson & Johnson's entry into robotics with potential for growth and expansion into other interventional applications.

"In this new era of health care, we're aiming to simplify surgery, drive efficiency, reduce complications and improve outcomes for patients, ultimately making surgery safer," said Ashley McEvoy, Executive Vice President, Worldwide Chairman, Medical Devices, Johnson & Johnson. "We believe the combination of best-in-class robotics, advanced instrumentation and unparalleled end-to-end connectivity will make a meaningful difference in patient outcomes."

With this acquisition, Frederic Moll, M.D., CEO and Founder of Auris Health and a visionary in the field of surgical robotics, will be joining Johnson & Johnson upon completion of this transaction.

"We're thrilled to be joining Johnson & Johnson to help push the boundaries of what is possible in medical robotics and improve the lives of patients across the globe. Together, we will be able to dramatically accelerate our collective product innovation to develop new interventional solutions that redefine optimal patient outcomes," said Dr. Moll. "This combination is a testament to the incredible work of the Auris Health team and the innovation engine behind the Monarch Platform, which represents a huge step forward in endoluminal technology. We look forward to continuing to shape the future of intervention with the added expertise and resources of the world's largest healthcare organization."

Johnson & Johnson is continuously working to disrupt medical innovation. With Auris Health's current focus on lung cancer, the Monarch Platform robotic technology will play an important role within the Lung Cancer Initiative at Johnson & Johnson (LCI), enabling the development of a differentiated digital solution that addresses key steps in the lung cancer care journey, from diagnosis to early stage intervention, that are central to the company's commitment to develop solutions that prevent, intercept and cure this deadly disease.

Johnson & Johnson continues to make meaningful investments to transform the surgical experience, connecting digital solutions to enhance surgical performance. In addition to advancing the company's focused initiatives to combat lung cancer, Auris Health's technology will support Johnson & Johnson's vision of being a world leader across the continuum of surgical approaches, including open, laparoscopic, robotic and endoluminal. This move is also complementary to the acquisition of Orthotaxy's robotic technology for orthopaedics and the continued development of the Verb Surgical Platform, through a strategic partnership with Verily.

"We are very committed to our partnership with Verily on the development of the Verb Surgical Platform. Collectively, these technologies, together with our market-leading medical implants and solutions, create the foundation of a comprehensive digital ecosystem to help support the surgeon and patient before, during and after surgery," said Ms. McEvoy.

Johnson & Johnson is creating a connected digital ecosystem centered around using data to improve patient outcomes that leverages world-class robotic technology. This ecosystem will empower patients to take charge of their health, guide surgeons through procedures and help them advance their skills and enable healthcare systems to deliver more consistent procedures while also managing costs.

The closing is subject to antitrust clearance and other customary closing conditions. The transaction is expected to close by the end of the second quarter of 2019. The company will discuss the transaction further during its next quarterly earnings call on April 16, 2019.

About Johnson & Johnson

At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities and forward progress. That's why for more than 130 years, we have aimed to keep people well at every age and every stage of life. Today, as the world's largest and most broadly-based health care company, we are committed to using our reach and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere. We are blending our heart, science and ingenuity to profoundly change the trajectory of health for humanity.

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding the acquisition of Auris Health. The reader is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Ethicon, Inc., any of the other Johnson & Johnson Medical Devices Companies and/or Johnson & Johnson. Risks and uncertainties include, but are not limited to: the potential that the expected benefits and opportunities of the acquisition may not be realized or may take longer to realize than expected; challenges inherent in product research and development, especially at an early stage of the development program, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new products; competition, including technological advances, new products and patents attained by competitors; challenges to patents; and changes to applicable laws and regulations, including tax laws and global health care reforms. In addition, there are risks and uncertainties related to the ability of the Johnson & Johnson family of companies to successfully integrate the technology, operations and employees of Auris Health, as well as the ability to ensure continued development of Auris Health products. A further list and descriptions of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, including in the section captioned "Cautionary Note Regarding Forward-Looking Statements" and under "Item 1A. Risk Factors," in the company's most recently filed Quarterly Report on Form 10-Q, and in the company's subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov.

www.jnj.com or on request from Johnson & Johnson. Neither the Johnson & Johnson Medical Devices Companies nor Johnson & Johnson undertakes to update any forward-looking statement as a result of new information or future events or developments.



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