

Johnson & Johnson Strengthens Pipeline to Lead in Atopic Dermatitis With the Completion of the Acquisition of Yellow Jersey Therapeutics, Gaining Ownership of NM26

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NM26 is a Phase 2-ready, first-in-class bispecific antibody targeting two clinically proven pathways in atopic dermatitis (AD)

The Company is leveraging a multi-pathway approach to transform treatment in atopic dermatitis and other immune-mediated diseases

NEW BRUNSWICK, N.J.--(BUSINESS WIRE)-- Johnson & Johnson¹ (NYSE: JNJ) announced today that it has successfully completed the acquisition of Yellow Jersey, a demerged subsidiary of Numab Therapeutics to secure the global rights to NM26, a novel, investigational first-in-class bispecific antibody, in an all-cash transaction of approximately \$1.25 billion, as **announced** on May 28, 2024.

NM26, which is ready to enter Phase 2 studies in atopic dermatitis (AD), targets two clinically proven pathways, IL-4R alpha subunit (IL-4R α) and IL-31, which trigger Th2-mediated skin inflammation and skin itch, respectively.

"NM26 is designed to help different subpopulations of patients by targeting two disease-driving pathways, which is key when treating a heterogeneous disease like AD," said David Lee, Global Immunology Therapeutic Area Head, Johnson & Johnson Innovative Medicine. "We are excited about the potential this represents to transform the standard of care for AD, as well as other inflammatory skin diseases involving Th2 inflammation and itch."

AD is the most common inflammatory skin disease². It causes itching and inflammation which are made worse by

scratching. It can lead to increased risk of skin infections, skin pain, difficulty sleeping, anxiety, stress, depression and even an increased risk of suicide.

“Nearly three-quarters of people with AD are not achieving remission with currently available treatments³. The unmet need is high, and we must do better for patients,” said Candice Long, Worldwide Vice President, Immunology, Johnson & Johnson. “Our investment in NM26, and other bispecific antibodies, is another important step towards our mission of durable, symptom-free remission for all patients living with immune-mediated diseases.”

¹ Legal entity, Cilag Holding AG

² <https://pubmed.ncbi.nlm.nih.gov/27690741/>

³ <https://pubmed.ncbi.nlm.nih.gov/27690741/>

About Atopic Dermatitis

Atopic dermatitis (AD), also referred to as eczema, is a chronic inflammatory skin disorder affecting more than 9.6 million children and 16.5 million adults in the United States. AD is characterized by an overactive immune system that causes damage to the skin barrier, leaving it dry, itchy, and prone to rashes. AD may come and go throughout life and patients can experience severe flares of their disease. The condition can cause poor quality of life by causing social stigma impacting the ability to interact with family and friends, interrupting sleep due to intense itching and/or painful skin, and leading to anxiety, stress and depression with an increased risk of suicide.

About the agreement

Under the terms of the transaction Johnson & Johnson (the Company) has acquired Yellow Jersey Therapeutics which includes the NM26 program, and which was formed through a demerger with Numab. J&J entered a separate agreement with Kaken Pharmaceutical to secure rights in the Asia Pacific Region.

In accordance with US GAAP, the transaction is being accounted for as an asset acquisition, resulting in an in-process research and development charge of approximately \$1.25B in the third quarter of 2024 and full year Adjusted EPS dilution of \$0.56 in 2024 and approximately \$0.10 in 2025. The 2024 impact will be reflected in updated guidance at the second quarter earnings call on July 17, 2024.

About Johnson & Johnson

At Johnson & Johnson, we believe health is everything. Our strength in healthcare innovation empowers us to build a world where complex diseases are prevented, treated, and cured, where treatments are smarter and less invasive, and solutions are personal. Through our expertise in Innovative Medicine and MedTech, we are uniquely positioned to innovate across the full spectrum of healthcare solutions today to deliver the breakthroughs of tomorrow, and profoundly impact health for humanity. Learn more at <https://www.jnj.com/> or at www.janssen.com/johnson-johnson-innovative-medicine. Follow us at @JanssenUS and @JNJInnovMed. Janssen Research & Development, LLC and Janssen Biotech, Inc. are both Johnson & Johnson companies.

Cautions concerning Forward-Looking Statements

This press release contains “forward-looking statements” regarding the acquisition of NM26 from Numab. 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 Cilag Holding AG, Janssen Research & Development, LLC, Janssen Biotech, Inc., 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, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new products; manufacturing difficulties and delays; product efficacy or safety concerns resulting in product recalls or regulatory action; economic conditions, including currency exchange and interest rate fluctuations; the risks associated with global operations; competition, including technological advances, new products and patents attained by competitors; challenges to patents; changes to applicable laws and regulations, including tax laws and global health care reforms; adverse litigation or government action; change in behavior and pending patterns or financial distress of purchasers of health care services and products; and trends toward health care cost containment. 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, 2023, including in the sections captioned “Cautionary Note Regarding Forward-Looking Statements” and “Item 1A. Risk Factors,” and in Johnson & Johnson’s subsequent Quarterly Reports on Form 10-Q, and other filings by Johnson & Johnson with the SEC. Copies of these filings are available online at www.sec.gov, at www.jnj.com or on request from Johnson & Johnson. None of Cilag Holding AG, Janssen Research & Development, LLC, Janssen Biotech, Inc. nor Johnson & Johnson undertakes to update any forward-looking statement as a result of new information or future events or developments, except as required by law.

Non-GAAP Financial Measures

This press release includes Adjusted EPS, which represents a non-GAAP financial measure. The Company believes

that providing this non-GAAP financial measure enhances the Company's and investors' understanding of our financial performance. Non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP. The Company's definitions of its non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies. The most directly comparable GAAP measure to Adjusted EPS is earnings per share, or EPS. The Company is not providing a reconciliation of Adjusted EPS to EPS, however, because Johnson & Johnson does not provide GAAP financial measures on a forward-looking basis as the Company is unable to predict with reasonable certainty the ultimate outcome of adjusted items, such as legal proceedings, unusual gains and losses, acquisition-related expenses, and purchase accounting fair value adjustments without unreasonable effort. These items are uncertain, depend on various factors, and could be material to Johnson & Johnson's results computed in accordance with GAAP.

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