

## Johnson & Johnson to Acquire Proteologix, Inc. to Lead in Atopic Dermatitis Treatment

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Acquisition advances Johnson & Johnson's leading Dermatology portfolio with opportunity to address significant unmet need in atopic dermatitis (AD)

Includes bispecific antibodies targeting proven disease pathways and offers the potential to provide best-in-disease therapeutics for people with moderate to severe AD and asthma

These pipeline additions demonstrate the Company's strategic approach to build a portfolio of differentiated and complementary bispecifics to address multiple disease-driving pathways

NEW BRUNSWICK, N.J.--(BUSINESS WIRE)-- Johnson & Johnson (NYSE: JNJ) announced today that it has entered into a definitive agreement to acquire Proteologix, Inc., a privately-held biotechnology company focused on bispecific antibodies for immune-mediated diseases, for \$850 million in cash, with potential for an additional milestone payment.

Proteologix's portfolio includes PX128, a bispecific antibody targeting IL-13 plus TSLP, which is ready to enter phase 1 development for moderate to severe atopic dermatitis (AD) and moderate to severe asthma, and PX130, a bispecific antibody targeting IL-13 plus IL-22, which is in preclinical development for moderate to severe AD. Since AD and asthma are both heterogeneous diseases with different disease-driving pathways in distinct patient subpopulations, targeting multiple pathways offers the potential to deliver high-bar efficacy and remission.

PX128 inhibits IL-13-mediated Th2 skin inflammation, an important disease-driving pathway in AD and asthma, as well as TSLP, a mediator of tissue inflammation in AD and asthma. Like PX128, PX130 inhibits IL-13-mediated Th2 skin inflammation. PX130 also inhibits IL-22 to restore the skin barrier and prevent inflammation from

environmental triggers, such as allergens. Both assets are designed for infrequent dosing intervals, which offers convenience patients prefer. Together, these pipeline additions demonstrate a strategic approach to build a portfolio of differentiated and complementary bispecifics.

“Atopic dermatitis is the most common inflammatory skin disease, impacting more than 100 million adults worldwide,” said David Lee, Global Immunology Therapeutic Area Head, Johnson & Johnson Innovative Medicine. “About 70% of patients using existing standard of care therapies do not reach remission<sup>1</sup>. Current advanced therapies for AD either target a single pathway and have limited efficacy or are more broadly immunosuppressive, resulting in significant safety concerns. We see an opportunity for best-in-disease efficacy for both PX128 and PX130 as each bispecific antibody targets two different combinations of disease driving pathways that are mediating the skin inflammation in heterogenous subpopulations of AD patients.”

In addition to PX128 and PX130, the acquisition will provide J&J with other bispecific antibody programs with applications across a variety of other diseases, which further boosts the Company's capabilities to create novel bispecific programs.

“Integrating Proteologix bispecific antibodies into our pipeline is an important first step in fulfilling our commitment to people living with AD,” said Candice Long, Worldwide Vice President, Immunology, Johnson & Johnson. “We plan to continue expanding our reach and impact for people living with a wide variety of immune-mediated diseases, leveraging more targeted options for them to reach durable, symptom-free remission.”

## About Atopic Dermatitis

Atopic dermatitis (AD), also referred to as eczema, is a chronic inflammatory skin disorder affecting more than 102.8 million children and 101.3 million adults worldwide.<sup>2</sup> AD is characterized by an overactive immune system that causes skin inflammation and damage to the skin barrier, leaving it dry, itchy, and prone to subsequent skin infections. The condition can cause poor quality of life by impacting the ability to interact with family and friends, interrupting sleep due to intense itching and/or painful skin, leading to anxiety, stress and depression with an increased risk of suicide.<sup>3</sup>

## About Asthma

Asthma is a chronic lung disease affecting 262 million<sup>4</sup> people globally across all ages, sexes, ethnicities and races. The symptoms of asthma - coughing, wheezing, and difficulty breathing - are caused by inflammation and narrowing of the airways. Genetic and environmental factors have been linked to asthma development, and triggers, such as allergens and infections can start or worsen asthma symptoms. Severe asthma attacks can be life-threatening and may require emergency room visits and hospitalizations. While asthma can be managed by

medications and avoiding triggers for most patients, there is currently no cure, and the burden of asthma on patients' quality of life and on health resource utilization remains high.<sup>5</sup>

## About the Merger Agreement

Under the terms of the transaction Johnson & Johnson (the Company) will acquire Proteologix. The transaction is expected to close mid-year 2024, subject to antitrust clearance and other customary closing conditions. The transaction is expected to be accounted for as a business combination and we do not anticipate any impact to our previously disclosed 2024 adjusted EPS guidance range.

## 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](https://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 Proteologix Inc. 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 Johnson & Johnson or Proteologix Inc. 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; changes in behavior and spending patterns or financial distress of purchasers of health care services and products; and trends toward health care cost containment. In addition, there will be risks and uncertainties related to the ability to successfully integrate the products and employees/operations and clinical work of Proteologix Inc., as well as the ability to

ensure continued performance or market growth of Proteologix Inc.'s 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, 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](http://www.sec.gov), at [www.jnj.com](http://www.jnj.com) or on request from Johnson & Johnson. Neither Johnson & Johnson nor any of the Johnson & Johnson MedTech entities 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.

<sup>1</sup> <https://pubmed.ncbi.nlm.nih.gov/27690741/>

<sup>2</sup> Global epidemiology of atopic dermatitis: a comprehensive systematic analysis and modelling study, *British Journal of Dermatology* 2023 Dec 20;190(1):55-61.

<sup>3</sup> Association Between Atopic Dermatitis and Suicidality, A Systematic Review and Meta-Analysis, *JAMA Dermatology*, 2019, Feb; 155(2): 178-187.

<sup>4</sup> <https://www.who.int/news-room/fact-sheets/detail/asthma>

<sup>5</sup> <https://www.cdc.gov/asthma/about/index.html>

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