



News Release

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Janssen to Acquire Investigational Bermekimab from XBiotech

*Clinical Stage, First-in-Class Anti-IL-1a Antibody for Atopic Dermatitis and
Hidradenitis Suppurativa*

HORSHAM, PENNSYLVANIA, December 7, 2019 – Janssen Biotech, Inc., a Janssen Pharmaceutical Company of Johnson & Johnson, announced today that it has entered a definitive agreement to acquire all rights to the investigational compound bermekimab from XBiotech Inc. Bermekimab is an anti-IL-1alpha monoclonal antibody (mAb) in Phase 2 development for the treatment of atopic dermatitis and hidradenitis suppurativa. It is the only antibody targeting IL-1a currently in clinical development and has the potential for superior efficacy and safety compared to the current standard of care.

“Janssen is a world leader in immunology, and we are particularly proud of our long legacy of helping patients with dermatological disease, including psoriasis,” said David M. Lee, M.D., Ph.D., Immunology Therapeutic Area Head, Janssen Research

& Development, LLC. “The acquisition of bermekimab allows us to build on our expertise in immuno-dermatology, while expanding to atopic dermatitis and hidradenitis suppurativa, immune-mediated disease areas that have incredible unmet need.”

Under terms of the agreement, Janssen will assume responsibility for the clinical program, working closely with XBiotech as it completes the ongoing Phase 2 studies in atopic dermatitis and hidradenitis suppurativa. Janssen will pay XBiotech a purchase price of \$750 million for the rights to bermekimab; should Janssen pursue bermekimab indications outside of dermatology, XBiotech may be eligible to receive additional payments upon the receipt of certain commercialization authorizations.

“This an important step to enhancing our ability to help patients, leveraging our decades-long heritage and deep expertise in immunology,” said Mathai Mammen, M.D., Ph.D., Global Head, Janssen Research & Development. “It’s that heritage that drives us to seek the best solutions from within our own laboratories as well as from the exciting and innovative work happening in companies like XBiotech.”

The transaction is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino (HSR) Antitrust Improvements Act, and is expected to close shortly after HSR approval.

About Bermekimab

Bermekimab is an investigational antibody that blocks the action of IL-1a, a cytokine thought to drive inflammation associated with chronic skin diseases including atopic dermatitis and hidradenitis suppurativa.

About Atopic Dermatitis

Atopic dermatitis leads skin conditions with the highest worldwide disability burden and is second only to acne as the most common skin condition treated by dermatologists, with an adult prevalence in the United States of 7.3 percent. Atopic dermatitis is a chronic, immune-mediated disease, characterized by intense itching

and inflamed skin, and subsequent scratching and skin damage. There are few treatment options available for those with moderate to severe disease.

About Hidradenitis Suppurativa

Hidradenitis suppurativa is a chronic, progressive, and recurrent immune-mediated skin disease characterized by inflamed, painful cystic lesions in armpits, groin, and anal area that burst and weep. Tunnels can form under the skin between lesions, and lesions are prone to chronic inflammation often leading to scar formation. Patients are physically and emotionally impacted by the disease and often feel isolated. Treatment options are limited, particularly for those with moderate to severe disease, where there is only one advanced therapy; many resort to debilitating surgeries and rely on long-term antibiotic use.

About the Janssen Pharmaceutical Companies of Johnson & Johnson

At Janssen, we're creating a future where disease is a thing of the past. We're the Pharmaceutical Companies of Johnson & Johnson, working tirelessly to make that future a reality for patients everywhere by fighting sickness with science, improving access with ingenuity, and healing hopelessness with heart. We focus on areas of medicine where we can make the biggest difference: Cardiovascular & Metabolism, Immunology, Infectious Diseases & Vaccines, Neuroscience, Oncology, and Pulmonary Hypertension.

Learn more at www.janssen.com. Follow us at www.twitter.com/JanssenGlobal.

Janssen Biotech, Inc. and Janssen Research & Development, LLC are members of the Janssen Pharmaceutical Companies of Johnson & Johnson.

Cautions Concerning Forward-Looking Statement

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding the potential acquisition of bermekimab from XBiotech. 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 Janssen Research & Development, LLC, any of the other Janssen Pharmaceutical Companies and/or Johnson & Johnson. Risks and uncertainties include, but are not limited to: the satisfaction of closing conditions for the

acquisition, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act; the possibility that the transaction will not be completed in the expected timeframe or at all; the potential that the expected benefits and opportunities of the acquisition, if completed, may not be realized or may take longer to realize than expected; challenges inherent in new product research and development, including uncertainty of clinical success and obtaining regulatory approvals; risks that the ongoing Phase 2 studies for bermekimab may not be successful; uncertainty of commercial success for new products; impact of business combinations and divestitures; challenges to patents; changes in behavior and spending patterns or financial distress of purchasers of health care products and services; and global health care reforms 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 30, 2018, including in the sections captioned "Cautionary Note Regarding Forward-Looking Statements" and "Item 1A. Risk Factors," and in the company's most recently filed Quarterly Report on Form 10-Q, and 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 Janssen Research & Development, LLC 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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