

Johnson & Johnson Innovation to Join NXT Biomedical Therapeutic Device Incubator to Accelerate Medical Device Innovation

Most Promising Device Candidates to be Advanced to Center for Device Innovation at Texas Medical Center for Further Development

NEW BRUNSWICK, NJ, January 8, 2019 – Johnson & Johnson Innovation, LLC (“JJI”) today announced it entered a definitive agreement to join NXT Biomedical Therapeutic Device Incubator (“NXT”) through a strategic investment facilitated by Johnson & Johnson Innovation – JJDC. Created in September 2018 by Deerfield Management Company, L.P. (“Deerfield”) and Stanton Rowe, CEO of NXT Biomedical, this next-generation medical device incubator is committed to developing transformational technologies to address significant unmet medical needs, helping patients to lead longer and healthier lives. It will develop, advance and de-risk cutting-edge technologies in a highly capital efficient manner.

As a key member of NXT Biomedical, Johnson & Johnson Innovation will have the right to migrate selected NXT projects that are strategically aligned to areas of interest to the Johnson & Johnson Medical Devices Companies for further development at the Center for Device Innovation at Texas Medical Center (“CDI @ TMC”). CDI @ TMC will accelerate the early-stage development of these projects using the depth and breadth of its state-of-the-art engineering facilities and its expert R&D team. Furthermore, access to GLP (Good Laboratory Practices) pre-clinical facilities, the MITIE™ Simulation Center and TMC Clinical Research Institute will drive device development through to commercialization.

“The CDI @ TMC model was created to enhance early-stage internal and external medical device innovation,” said William N. Hait, M.D., Ph.D., Global Head, Johnson & Johnson Innovation LLC. “Our collaboration with NXT Biomedical has the potential to further strengthen the CDI @ TMC pipeline with validated science coming through the NXT incubator, and to ensure that jointly we deliver best-in-class medical device innovation to patients around the world.”

“Through this strategic partnership with NXT Biomedical and Deerfield, we are creating a novel approach to the external funding of projects at CDI @ TMC,” said Bruce R. Rosengard, M.D., F.R.C.S., Vice President, Medical Devices, Johnson & Johnson Innovation LLC. “This will enhance our medical device pipeline and is an example of the industry-leading collaborations Johnson & Johnson Innovation is forging to secure funding for early-stage innovation.”

CDI @ TMC brings together the unique strengths, experiences and resources from across Johnson & Johnson and the Texas Medical Center to create a novel approach for medical device innovation. It spans the entire development pathway from needs-based ideation to rapid technology prototyping, pre-clinical and clinical testing all aimed at enhancing development timelines.

The CDI @ TMC team has a proven track record of successful medical device innovation. Since its launch in November 2017, the internal and external CDI @ TMC engineers have advanced six cutting-edge projects from early concept stage through multiple prototypes. This flexibility to engage in new opportunities across a spectrum of different services and needs, including independent development, collaborative co-development, machining / prototyping, design for manufacturing and strategic advising, make CDI @ TMC an ideal destination for projects coming through the NXT Biomedical incubator.

NXT Biomedical expects to invest up to \$25 million in cutting-edge technologies over the next five years. Deerfield has allotted up to an additional \$250 million for the formation and development of up to eight startup companies that emerge from the incubator.

The deal terms and amount of JJI’s investment in NXT Biomedical were not disclosed.

About Johnson & Johnson Innovation

Johnson & Johnson Innovation focuses on accelerating all stages of innovation worldwide and forming collaborations between entrepreneurs and Johnson & Johnson's global healthcare businesses. Johnson & Johnson Innovation provides scientists, entrepreneurs and emerging companies with one-stop access to science and technology experts who can facilitate collaborations across the pharmaceutical, medical device and consumer companies of Johnson & Johnson. Under the Johnson & Johnson Innovation umbrella of businesses, we connect with innovators through our regional Innovation Centers, JLABS, Johnson & Johnson Innovation – JJDC, Inc. and our Business Development teams to create customized deals and novel collaborations that speed development of innovations to solve unmet needs in patients. For more information please visit www.jnjinnovation.com.

About the Johnson & Johnson Medical Devices Companies

As the world's most comprehensive medical devices business, we are building on a century of experience, merging science and technology, to shape the future of health and benefit even more people around the world. With our unparalleled breadth, depth and reach across surgery, orthopaedics, vision and interventional solutions, we're working to profoundly change the way care is delivered. We are in this for life.

*Comprising the surgery, orthopaedics, vision and interventional businesses within the Johnson & Johnson's Medical Devices segment

Cautions Concerning Forward-Looking Statements

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding the agreement to join NXT Biomedical to accelerate medical device innovation. These forward-looking statements are based on current expectations and beliefs. However, there are substantial risks and uncertainties that could cause actual outcomes to vary materially from the expectations or projections expressed or implied by Johnson & Johnson Innovation LLC, Johnson & Johnson and their affiliated companies. Risks and uncertainties include, but are not limited to: the potential that the expected benefits and opportunities related to the collaborations may not be realized or may take longer to realize than expected; challenges and uncertainties inherent in research and development of new products, including the possibility that research might not yield beneficial results and the uncertainty of clinical success and obtaining regulatory approvals; competition, including technological advances, new products and patents attained by competitors; changes in behavior and spending patterns of purchasers of health care products and services; and global health care reforms and trends toward health care cost containment. Further discussion of the risks, uncertainties and other factors that could cause actual results to differ from the expectations expressed in this release can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended January 1, 2017, including under "Item 1A. Risk Factors," in its most recently filed Quarterly Report on Form 10-Q, including in the section captioned "Cautionary Note Regarding Forward-Looking Statements," 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. None of Johnson & Johnson Innovation LLC, any of the Johnson & Johnson Medical Devices Companies nor Johnson & Johnson undertake to update any forward-looking statement as a result of new information or future events or developments.

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