

## Johnson & Johnson to Acquire V-Wave

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V-Wave's Novel and Minimally Invasive Interatrial Shunt is Designed to Treat Heart Failure and Addresses Significant Treatment Gap

Device Further Strengthens Johnson & Johnson MedTech's Position in Cardiovascular

NEW BRUNSWICK, N.J.--(BUSINESS WIRE)-- Johnson & Johnson <sup>1</sup> (NYSE: JNJ) today announced that it has entered into a definitive agreement to acquire V-Wave Ltd., a privately-held company focused on developing innovative treatment options for patients with heart failure. Under the terms of the agreement, Johnson & Johnson will acquire V-Wave for an upfront payment of \$600 million, subject to customary adjustments, with the potential for additional regulatory and commercial milestone payments up to approximately \$1.1 billion. V-Wave will join Johnson & Johnson as part of Johnson & Johnson MedTech.

The planned acquisition of V-Wave will extend Johnson & Johnson MedTech's position as an innovation leader in addressing cardiovascular disease. It will further accelerate its shift into high-growth and high-opportunity markets and will deepen its relationships with structural interventional cardiologists and heart failure specialists.

Heart failure is a global health burden associated with impaired quality of life, frequent hospitalizations, increasing health-care costs, and high rates of premature death. <sup>2</sup> V-Wave's cardiovascular implant technology specifically targets heart failure with reduced ejection fraction (HFrEF). In HFrEF, a patient's heart muscle has insufficient ability to pump blood containing oxygen and nutrients to the body. V-Wave's Ventura® Interatrial Shunt (IAS) is a novel implantable device designed to decrease elevated left atrial pressure seen in congestive heart failure by creating a shunt between the left and right atrium, thereby reducing cardiovascular events and heart failure hospitalizations. More specifically, the device:

- Is placed in the heart through a minimally invasive catheter-based procedure and has the potential to fill a significant treatment gap between guideline directed medical therapies (GDMT) as a first line therapy and highly invasive cardiac replacement therapies, including left ventricular assist devices (LVADs) and heart transplantation.
- Received FDA Breakthrough Device Designation in 2019 and CE mark in 2020 and has the potential to be the first device of its kind to market.
- Addresses an unmet need for approximately 800,000 patients who experience HFrEF in the U.S every year, representing a market opportunity for significant sustainable growth and meaningful impact.<sup>3</sup>

Tim Schmid, Executive Vice President and Worldwide Chairman of Johnson & Johnson MedTech, said, “We are excited to welcome V-Wave to Johnson & Johnson MedTech and to take another meaningful step toward transforming the standard of care for cardiovascular disease. We recognize the importance of identifying more diverse and effective treatments for heart failure, and our recent track record demonstrates our focus on accelerating our impact on the most urgent and pressing unmet needs. We know V-Wave well, with our relationship dating back to our original investment in the company in 2016, and we have a deep understanding of the technology and science, as well as the company’s commitment to patients. We look forward to working with the V-Wave team at this pivotal stage of its evolution to bring the Ventura® Interatrial Shunt technology to patients.”

“At V-Wave, we are dedicated to achieving our vision to help patients around the world – and we know Johnson & Johnson MedTech shares this mission,” said Dr. Neal Egler, Chief Executive Officer of V-Wave. “We are confident that Johnson & Johnson MedTech is well-positioned to ensure V-Wave’s breakthrough ideas and technology reach patients in need as quickly and effectively as possible. I couldn’t be prouder of the V-Wave team, and the commitment it has taken to achieve this milestone. We look forward to continuing to build a world where cardiovascular disease is prevented, treated, and cured.”

## Transaction Details, Path to Completion, and Financial Impact

Under the terms of the agreement, Johnson & Johnson will acquire V-Wave for an upfront payment of \$600 million, subject to customary adjustments, with the potential for additional regulatory and commercial milestone payments up to approximately \$1.1 billion. The transaction is expected to close before the end of 2024, subject to the receipt of applicable regulatory approvals and other customary closing conditions.

In accordance with U.S. GAAP, the transaction will be accounted for as an asset acquisition, resulting in a non-tax deductible in-process research and development charge of approximately \$600 million in the period the transaction closes. Johnson & Johnson expects the transaction to dilute adjusted earnings per share (EPS) by approximately \$0.24 in 2024 and approximately \$0.06 in 2025. Johnson & Johnson will provide an update to its full-year financial outlook when it reports third quarter 2024 results on October 15, 2024.

Following the completion of the transaction, V-Wave will be part of Johnson & Johnson MedTech, and financials will be reported within Johnson & Johnson MedTech's Cardiovascular portfolio. Michael Bodner, Group President, Heart Recovery & Intravascular Lithotripsy, will assume responsibility for the V-Wave team upon close.

## 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/>.

## About V-Wave

V-Wave is a privately held medical device company that was established in 2009 and is focused on developing innovative treatment options for people living with heart failure and cardiovascular disease. The company was built on a foundation of science, engineering, and medicine and has decades of experience in these fields. The company has offices in Israel and the U.S. For more information, please visit [www.vwavemedical.com](http://www.vwavemedical.com) or V-Wave on LinkedIn.

## Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements regarding the acquisition of V-Wave. 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. 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 of the Johnson & Johnson family of companies to successfully integrate the products and employees/operations and clinical work of

V-Wave, as well as the ability to ensure continued performance or market growth of V-Wave'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. Johnson & Johnson does not undertake 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> Legal entity, Biosense Webster (Israel) Ltd.

<sup>2</sup> Khan, M.S., Shahid, I., Bennis, A. et al. Global epidemiology of heart failure. *Nat Rev Cardiol* (2024).  
<https://doi.org/10.1038/s41569-024-01046-6>

<sup>3</sup> Market size derived from internal market analysis and analyst estimates

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