

# SPAC DEAL OVERVIEW

## 23ANDME GOES PUBLIC VIA VIRGIN GROUP BACKED SPAC



ACQUIRER	Virgin Group Acquisition Corp. (NYSE: VGAC)	
ACQUIRER DETAILS	<ul style="list-style-type: none"> <li>• VGAC is a Special Purpose Acquisition Company (SPAC) backed by British multinational venture capital conglomerate, Virgin Group</li> <li>• VGAC raised \$480 million in an IPO, exceeding its 2020 target of \$400 million</li> <li>• Founded in 2008, headquarters in New York, USA</li> <li>• VGAC has 35 institutional owners and shareholders</li> </ul>	
ACQUIRER FINANCIAL INFORMATION	<ul style="list-style-type: none"> <li>• Market Cap: \$257.2 million</li> <li>• P/E Ratio: N/A</li> <li>• Day Range: 14.02 - 14.60</li> <li>• Share Outstanding: 50.86 million</li> </ul>	<ul style="list-style-type: none"> <li>• Future Growth: 13.8% (1-3 years)</li> <li>• Past Performance: 14.5% (5 years)</li> <li>• Dividend Yield: N/A</li> </ul>
TARGET	23andMe (privately held company)	
TARGET DETAILS	<ul style="list-style-type: none"> <li>• 23andMe is a biotechnology company that offers personalised health and wellness experience</li> <li>• The first and only direct-to-consumer DNA test that includes reports meeting FDA requirements</li> <li>• Founded in 2006, headquarters in Sunnyvale, California, USA</li> <li>• Employees – 650+</li> </ul>	
TARGET FINANCIAL INFORMATION	<ul style="list-style-type: none"> <li>• Market Cap: €3.743 billion</li> <li>• P/E Ratio: N/A</li> <li>• Investors: 61</li> <li>• Total funding amount: \$868.6 million</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage Ratio: N/A</li> <li>• Cost-to-income Ratio: N/A</li> <li>• Dividend Yield: N/A</li> </ul>
DEAL POINTS	<ul style="list-style-type: none"> <li>• Deal announced – 04/02/2021</li> <li>• Deal expected to close – Q2 2021</li> <li>• Deal points – 23andMe &amp; VGAC have entered into a definitive merger agreement, which will combine the company's securities and trade under the NYSE ticker symbol "ME". The transaction will value the outstanding shares of capital stock of 23andMe at an aggregate enterprise value of approximately \$3.5 billion.</li> <li>• Acquirer Advisor – Credit Suisse (financial advisor), Davis Polk &amp; Wardwell LLP (legal counsel)</li> <li>• Target Advisor – Citibank (financial advisor), Morgan, Lewis &amp; Bockuis LLP (legal counsel)</li> </ul>	
RATIONALE	<ul style="list-style-type: none"> <li>• 23andMe believes that the two big problems healthcare is currently facing are a lack of personalised healthcare and limited use of data to understand the human genome. Therefore, through the company's genetics-based approach, Anne Wojcicki (CEO) believes that they can transform the continuum of healthcare.</li> <li>• It comes as no surprise that Virgin Group, known to shake up the status quo, decided to merge with 23andMe resulting in the creation of a business that "lift experiences out of the ordinary". There are more than 40 Virgin branded businesses worldwide, employing over 60,000 people in more than 30 countries and generating in aggregate over \$22 billion of revenue in their latest financial year.</li> <li>• The transaction is expected to deliver up to \$759 million of gross proceeds through the contribution of up to \$509 million of cash held in VGAC's trust account and a concurrent \$250 million PIPE of common stock, priced at \$10.00 per share.</li> <li>• Backed by billionaire Richard Branson, 23andMe stands heads and shoulders above the rest. Branson tweeted that the company has enormous growth potential and is driven by its will to make a positive difference in many people's lives.</li> <li>• Overall, 23andMe should come out of this SPAC deal with \$984 million in cash to fund its operations. More than that, their current shareholders will continue to be the majority after the merger with an 81% stake in the company.</li> </ul>	