

Health tech Spacs drift downwards



[Elizabeth Cairns](#)

2021 has seen a startling rise in the number of deals between special-purpose acquisition companies and medical technology, digital health and diagnostics groups seeking a fast and easy way to go public. A flurry of these deals in February was followed this week by Somalogic reversing into CM Life Sciences II in a transaction worth \$651m, including a \$375m PIPE investment. Somalogic specialises in protein analysis, and plays in three industries: clinical diagnostics, with its SomaSignal assays for cardiovascular disease, diabetes and cancer; aiding drug development; and basic research. Its revenues in 2020 were just \$55m, but the Spac deal will bring Somalogic's pro forma enterprise value to \$1.2bn. News of the deal pushed CM's share price up 10%, but this is an outlier among the class of 2021 - most have seen their valuation fall since announcing deals. Indeed the shine is perhaps coming off Spacs, at least in the health tech space. VG Acquisition Corp, the blank-cheque company backed by Virgin, has lost nearly a quarter of its value since announcing its intent to buy 23andMe - a fall rendered all the steeper by the fact that its value had [soared 31% on the day of the announcement](#).

Health tech Spac deals in Q1 2021

Target	Spac (main backer)	Focus	Deal announced	Share price since announcement
Somalogic	CM Life Sciences II (Casdin Capital and Corvex Management)	Proteomics	Mar 29	10%
Humacyte	Alpha Healthcare Acquisition Corp (AHAC Sponsor)	Bioengineered vascular grafts	Feb 17	4%
Owlet Baby Care	Sandbridge Acquisition Corp (Sandbridge Capital and Pimco)	Digital health	Feb 16	(6%)
Sharecare	Falcon Capital Acquisition Corp (Falcon Equity Investors)	Telehealth	Feb 12	(15%)
Sema4	CM Life Sciences (Casdin Capital and Corvex Management)	Genomics	Feb 10	(4%)
Nautilus Biotechnology	Arya Sciences Acquisition Corp III (Perceptive Advisors)	Proteomics	Feb 8	23%
23andMe	VG Acquisition Corp (Virgin Group)	Genetic testing	Feb 4	(24%)
Talkspace	Hudson Executive Investment Corp (Hudson Executive Capital)	Telehealth	Jan 13	(14%)

Source: company announcements.

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