23andMe Announces Business Restructuring to Streamline Operations, Reduce Costs and Position Company for the Future

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Reduces workforce by roughly 40%; expects annualized cost savings of more than $35 million

Discontinues development of therapeutics division and commences strategic alternatives process for all in-house therapeutic programs

SUNNYVALE, Calif., Nov. 11, 2024 (GLOBE NEWSWIRE) -- 23andMe Holding Co. (Nasdaq: ME) (the “Company” or “23andMe”), a leading human genetics and preventive health company, today announced a business restructuring to streamline operations and reduce costs. In addition, 23andMe is discontinuing further development of all its therapeutics programs, while evaluating strategic alternatives for its clinical and preclinical assets.

The Company is reducing its overall headcount by over 200 employees, representing approximately 40% of the workforce. The business restructuring is expected to substantially reduce operating expenses and result in annualized cost savings of more than $35 million. The Company expects to incur up to $12 million in costs and expenses primarily related to one-time severance, transition and termination-related costs.

“We are taking these difficult but necessary actions as we restructure 23andMe and focus on the long-term success of our core consumer business and research partnerships,” said Anne Wojcicki, 23andMe’s CEO, Co-Founder, and Chair of the Board. “I want to thank our team for their hard work and dedication to our mission. We are fully committed to supporting the employees impacted by this transition.”

Strategic Alternatives Process for Therapeutics Programs

In parallel with the discontinuation of its therapeutics division, the Company is actively exploring all strategic options for a limited time to maximize the value of its therapeutics programs, including licensing agreements, asset sales or other transactions. 23andMe intends to wind-down its ongoing clinical trials as quickly as practical, while the strategic alternatives process is ongoing.

“We continue to believe in the promise shown by our clinical and preclinical stage pipeline and will continue to pursue strategic opportunities to continue their development. We remain deeply grateful to the patients, investigators and study staff for their participation in our clinical trials,” said Wojcicki.

The Company’s therapeutic programs include 23ME-00610 (a Phase 1/2a therapeutic antibody that is designed to restore the immune system’s ability to kill cancer cells by blocking the immune checkpoint CD200R1), 23ME-01473 (a Phase 1 therapeutic antibody that targets ULBP6, which can be expressed and secreted by tumor cells to suppress immune activity), and other preclinical immunology and inflammation programs. 23ME-00610 has demonstrated early monotherapy responses, potential patient selection biomarkers, and combination potential for patients across multiple difficult-to-treat solid tumors and 23ME-01473 has yielded promising preclinical data with a novel NK-cell-activating mechanism.

There can be no assurance that the strategic alternatives process for the therapeutics assets will result in any course of action and there is no definitive timeline for completion.

About 23ME-00610 (Phase 1/2a)
23ME-00610 is a monoclonal antibody that binds to CD200R1 to prevent the interaction of CD200R1 with CD200. Using the world’s largest proprietary database of health and genetic information, 23andMe identified genetic variants of CD200R1, CD200, and DOK2, the downstream signaling protein, associated with higher risks of immune disease and lower risks of cancer, pinpointing CD200R1 as a promising immuno-oncology target.

23ME-00610 has demonstrated preliminary evidence of clinical benefit as monotherapy, including partial responses by RECIST criteria in patients with neuroendocrine tumors and clear-cell renal-cell carcinomas in the Phase 1/2a clinical trial. Additional preclinical data and recent literature validate the CD200-CD200R1 pathway as a potential oncology target for reversing immune tolerance, as a monotherapy or in combination (e.g., with anti-PD-1, anti-VEGF, CAR-T cell therapies). Higher tumor expression of CD200 and human genetics correlated with increased clinical benefit, suggesting potential value as patient selection biomarkers.

23ME-00610 has shown favorable pharmacokinetics (PK) for dosing once every three weeks, expected on-target pharmacologic activity, and a promising safety and tolerability profile suggesting amenability to combination therapies.

About 23ME-01473 (Phase 1)
23ME-01473 targets ULBP6 to restore anti-tumor immunity through NK and T cells. ULBPs are stress-induced ligands found on the surface of cancer cells that bind to their receptor, NKG2D, on NK and T cells. Cancers escape immune cell recognition by shedding decoy ULBP ligands from their cell surface. ULBP6 has the highest binding affinity to NKG2D, potentially 30 times higher than MICA.

Blocking the binding of soluble ULBP6 to NKG2D through ‘1473 may restore immune cell recognition and killing of cancer cells. ‘1473 is also Fc-effector enhanced, which further enables NK cells to induce cell death of ULBP6-expressing cancer cells.

ULBP6 was identified as a potential cancer drug target using the 23andMe immuno-oncology (I/O) genetic signature, an approach developed by 23andMe to identify evidence for genetic variants that increase immune function while decreasing cancer risk. Using genetic data, 23andMe can identify immune-related genes that are expected to have an impact on cancer biology. Specifically, germline genetics can reveal which of the immune-related genes harbor genetic variants that also alter an individual's predisposition for developing cancer.

About 23andMe

23andMe is a genetics-led consumer healthcare company empowering a healthier future. For more information, please visit www.23andMe.com.

Contact
press@23andme.com
investors@23andme.com
bd@23andme.com

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included or incorporated in this press release are forward-looking statements. The words “believes,” “anticipates,” “estimates,” “plans,” “expects,” “intends,” “may,” “could,” “should,” “potential,” “likely,” “projects,” “predicts,” “continue,” “will,” “schedule,” and “would” or, in each case, their negative or other variations or comparable terminology, are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are predictions based on 23andMe’s current expectations and projections about future events and various assumptions. 23andMe cannot guarantee that it will actually achieve the plans, intentions, or expectations disclosed in its forward-looking statements and you should not place undue reliance on 23andMe’s forward-looking statements. These forward-looking statements involve a number of risks, uncertainties (many of which are beyond the control of 23andMe), or other assumptions that may cause actual results or performance to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company’s filings with the Securities and Exchange Commission, including under Item 1A, “Risk Factors” in the Company’s most recent Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, and as revised and updated by the Company’s Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The statements made herein are made as of the date of this press release and, except as may be required by law, the Company undertakes no obligation to update them, whether as a result of new information, developments, or otherwise.