



ODDITY invests \$100M to bring pharma's AI based molecule discovery technology to beauty and wellness.

April 23, 2023

With the acquisition of Boston-based Revela, a leading biotech startup, and the establishment of ODDITY LABS, the company is at the vanguard, bringing a proven drug discovery technology into beauty and wellness.

NEW YORK--(BUSINESS WIRE)--ODDITY, the consumer technology platform built to transform the global beauty and wellness market, today announces the \$76M acquisition of Boston-based Revela, an industry leading biotechnology startup and forerunner in Artificial Intelligence-based molecule discovery for beauty and wellness indications. With the acquisition, the company will establish ODDITY LABS in Boston with an additional \$25M investment for its frontier lab. The business combination will boost the development and expansion of proprietary, science-backed, clinically tested, and highly efficacious products, for the benefit of consumers around the world.

"ODDITY is deploying its strong balance sheet to continue reinventing the beauty and wellness market and cement our competitive advantage and technology moat." said Oran Holtzman, ODDITY's co-founder and CEO. "With 40M+ users, 1B+ data points and dozens of machine learning algorithms, we believe ODDITY is years ahead of our industry when it comes to technology. With the acquisition of Revela, we are doubling down on innovation but this time around science-backed product development and bringing proven pharma-grade technology to beauty and wellness. Not just for one ingredient or to solve one pain point – but with a platform that spans categories, use cases, and form factors. We believe the combination of ODDITY's dominant direct to consumer platform and scaling machine with Revela's biotechnology will be a game changer for the industry. Together we will redefine product efficacy via AI-based molecule discovery engines for the benefit of consumers worldwide. Revela's multi-category pipeline will be launched via ODDITY's current and future brands to support future growth."

Founded in 2021, Revela is revolutionizing beauty and wellness as one of the industry's most advanced biotechnology platforms, and a leader in AI-based molecule discovery.

"Advances in computation and molecular biology have ushered in a new era of discovery and development. We can now far better understand the biological pathways that drive the behavior of cells, and we can also identify novel molecules that influence that behavior to deliver desired outcomes, in ways that were never possible before," says Dr. Evan Zhao, Revela co-founder and CEO, "We believe this technology, which is already widely used in pharma for drug discovery, allows us to create targeted and highly efficacious products across a unlimited range of consumer needs, and do it with a speed and efficiency that the industry has never seen before".

Revela already has patent-pending molecule ingredients proven to have significant step-wise improvements in efficacy for skin and hair based on clinical testing. Revela has hundreds of molecules in its development pipeline today, spanning a wide range of beauty and wellness applications. Its existing suite of new molecules will be integrated into ODDITY's current and future brands, and further developed to find next generation solutions.

"We founded Revela to change the beauty and wellness industry, which has stagnated from underinvestment in science and technology," says Dr. Zhao, founder and CEO of Revela, "While biotechnology has broken new ground in molecule discovery, beauty and wellness has fallen behind for decades, and is serving consumers repackaged versions of sub-optimal ingredients that have been used for decades. Together with ODDITY and its technology platform and online capabilities, we believe we will change this paradigm and redefine the industry."

The transaction was signed and is subject to the satisfaction of customary closing conditions, including satisfaction of applicable regulatory waiting periods. The transaction is expected to close in the second quarter of 2023.

ODDITY LABS

With the acquisition of Revela, ODDITY will build ODDITY LABS in Boston, MA with a \$25M investment for its frontier lab. ODDITY LABS will be a biotechnology research and development center to power ODDITY's product innovation for the future, through the discovery and development of molecules, probiotics, peptides, and other biological modalities. It is being built to revolutionize the market through patented, proprietary technologies and capabilities, including AI-based molecule discovery, and what we believe is the world's most advanced phenotypic database to understand the biological mechanisms that drive cellular behavior for beauty and wellness indications.

ODDITY LABS will be led by the Revela founding team. Dr. Zhao joins ODDITY as Chief Scientific Officer. Dr. David Zhang, Revela's CSO, joins as Head of Bioengineering and Mr. Avi Boppana, Revela's CTO, joins as Head of Platform.

"We have seen the transformational powers of biotechnology and artificial intelligence on drug discovery, and are unleashing these technologies in the beauty and wellness space with massive investment," said Holtzman. "While our competitors are stuck in the past, adding Revela will allow us to build the future of R&D for the category, just as we did with our technology center in Tel Aviv."

AI-Based Molecule Discovery

AI-based molecule discovery is a transformative frontier in product development, enabled by the advancements of technologies including synthetic biology, genomic sequencing, robotics, and artificial intelligence. The technological approach is already proven and widely used in the field of

biotechnology for drug discovery. Revela is the forerunner in implementing and scaling AI-based molecule discovery for beauty and wellness, which allows Revela to identify small molecules that are both highly efficacious and safe, and to do it cost efficiently, with accelerated lead times.

This multi-step process leverages biological and computational technologies to drive discovery and optimization:

- High throughput screening of tens of thousands of molecules is conducted using biological assays
- Results are fed through an ensemble of deep learning models to scale screening across millions of potential molecules
- Lead molecules are identified with *in vitro* validation
- Comprehensive safety testing is conducted both *in silico* and *ex-vivo* prior to product development
- Human clinical testing is conducted to validate results

After a winner is identified, molecules are continuously optimized to find the best-in-class, using medicinal chemistry and biological mechanism-based optimization through RNA sequencing, molecular docking, and molecule representation algorithms.

Revela's Ingredients that are already In-Market

ProCelinyl

ProCelinyl is a novel small molecule that supports the dermal papilla cells and brings hair follicles to a more vibrant state. Procelinyl's powerful efficacy has been validated in clinical studies. In consumer studies, formulations with this ingredient have consistently outperformed market leading competitors in terms of user satisfaction and efficacy - not just in hair, but also in brow and lash. We believe the ingredient has the potential to redefine the entire hair growth category, which has not seen meaningful innovation in 40 years.

Fibroquin

Fibroquin is a novel small molecule that supports the pro-collagen pathway in skin to promote skin elasticity and plumpness. In a human clinical study, subjects using the Fibroquin essence had a 2X improvement in skin elasticity compared to subjects using a gold-standard 0.5% retinol serum, in just 8 weeks. Fibroquin formulas resulted in superior anti-aging effects to a best-in-class retinol, without the irritation effects of retinol.

About Revela

Revela is a biotechnology platform that discovers new molecules for consumer wellness applications using AI for molecular discovery and advanced biological models. Revela's world-class team has expertise out of Harvard and MIT in synthetic biology, high-throughput screening, assay and model development, and machine learning. Revela is backed by Khosla Ventures, Maki.VC, Montage Ventures, and other top venture funds. Revela was founded by Dr. Evan Zhao, Dr. David Zhang, Avi Boppana, and Ying Tung (Evelyn) Chen.

Dr. Evan Zhao, CEO and co-founder of Revela, is a synthetic biologist with a long history of utilizing the newest biotechnologies to disrupt stagnant spaces. He received his B.S. in Chemical Engineering from Caltech and Ph.D. in Chemical Engineering from Princeton where he pioneered the use of optogenetics in metabolic engineering and protein therapeutics, and was a Maeder Graduate Fellow in Energy and the Environment. Evan is lead author of publications in *Nature*, *Nature Biotechnology*, *Nature Chemical Biology*, *Nature Communications*, etc. He was most recently a Schmidt Science Fellow (~20 postdoctoral scientists selected by the Rhodes Trust annually) at the Wyss Institute for Biologically Inspired Engineering at Harvard University. There, Evan developed a revolutionary approach to selectively activate therapeutics based on the RNA of the cell of interest.

Dr. David Zhang, CSO and co-founder of Revela, is an expert in immunology and bioengineering with a record of developing translational technologies. He has published in top journals including *Nature Biotechnology*, *Nature Materials*, and *Nature Communications*. He has a B.S. from McGill University, a M.A.Sc from the University of Toronto, and a PhD from Harvard University, where he developed next-generation cancer therapy technologies with one of Revela's scientific advisors – Professor David Mooney, the Robert P. Pinkas Family Professor of Bioengineering at the Harvard John A. Paulson School of Engineering and Applied Sciences at Harvard University and a leader in the fields of immuno-engineering and mechanotransduction. These technologies are currently licensed to a clinical-stage biopharma company.

Avinash Boppana, CTO and co-founder of Revela, is a computer scientist with expertise in computational methods for molecule discovery and systems biology. He has a B.S.E from Princeton University where he created novel algorithms for genomics-informed therapeutic development, and has published in top journals including *Nature Cell Biology*, etc. He has previously worked with the Harvard Medical School, the NIH, and with Professor Connor Coley, the Henri Slezynger (1957) Career Development Assistant Professor in Chemical Engineering & Electrical Engineering and Computer Science at the Massachusetts Institute of Technology - Revela's principal scientific advisor and a Forbes' 30 under 30 scientist leading the computational chemical engineering space.

About ODDITY

ODDITY is a consumer tech company which builds and scales digital-first brands to disrupt the offline-dominated beauty and wellness industries. The company owns IL MAKIAGE and SpoiledChild. ODDITY, with a US HQ in New York City and an R&D center in Tel Aviv, Israel, has built one of the industry's most advanced technology platforms, which leverages data science, machine learning and computer vision capabilities to deliver a better online experience for consumers. The company uses cutting-edge data science to identify consumer needs and develops solutions in the form of beauty, wellness, and tech products.

As part of its technology platform, which currently serves its own brands and over 40 million users, ODDITY has developed several key consumer-facing technology products, including:

- POWERMATCH – an AI- and Machine Learning-driven matching engine to deliver consumers the perfectly-matched products for them
- Kenzza – a patented creator-powered in-house media platform that represents one of the largest libraries of bespoke beauty media content in the world
- Hyperspectral Vision – A patented hyperspectral image recovery software, catapulting the company into the forefront of innovation in computer vision
- SpoiledBrain – an AI- and Machine Learning-driven matching engine to pair consumers with wellness products

The company is developing tools to offer its technology products to external companies.

Contacts

Michael Braun
michaelb@oddiy.com