

THE WALL STREET JOURNAL. Genexa

◆ WSJ NEWS EXCLUSIVE | MARKETS

Medicine Startup Genexa Raises \$60 Million From VC-Led Group Including Gwyneth Paltrow, Don Cheadle

Maker of over-the-counter drugs is valued at roughly \$200 million



Genexa raised \$60 million of funding from venture-capital firms and celebrities including Gwyneth Paltrow.

PHOTO: JORDAN STRAUSS/ASSOCIATED PRESS

By [Corrie Driebusch](#)

July 14, 2021 9:00 am ET

Over-the-counter medicine company Genexa Inc. raised \$60 million of funding from venture-capital firms and celebrities including Gwyneth Paltrow and Don Cheadle. The round values the company at roughly \$200 million.

The company is the latest to capitalize on the so-called clean-health and wellness trend, in this case reducing synthetic ingredients in pain and fever, cold and flu, and allergy medicines for children and adults.

Genexa's medicines contain the same active ingredients as other over-the-counter options, and they are manufactured in accordance with Food and Drug Administration guidelines. The key difference, the company says, is that it has replaced the typical fillers with a patented preservative system that is free of artificial dyes and common allergens.

It is entering a space dominated by behemoths—including [Johnson & Johnson](#) [JNJ -0.12% ▼](#) and [GlaxoSmithKline](#) [GSK 0.40% ▲](#) PLC—and winning market share is an uphill battle, a concept that isn't lost on the two co-founders, David Johnson and Max Spielberg. Neither has a medical background, but they brought on Brian Perkins, a former Johnson & Johnson executive, as chairman.

“The industry that we're disrupting is a massive industry,” said Mr. Johnson. “For us to really effect change, capital is required.”

Jared Stein, co-founder and partner at Monogram Capital Partners, which led the funding round, reached out to Genexa late last year. Unilever Ventures, Verinvest, North Castle Partners and Point King Capital joined in, along with more than a dozen celebrities including Ms. Paltrow, Mr. Cheadle, Chris Pratt, Donald Glover and Regina Hall.

Mr. Stein told The Wall Street Journal that the company chose to raise more money than planned to have extra funds to spend on consumer education about the brand, something that is particularly important given how large Genexa's competitors are.

Genexa products are sold at stores including [Walmart](#) Inc., [WMT 0.38% ▲](#) [Target](#) Corp. [TGT -0.19% ▼](#) and Whole Foods, but Messrs. Johnson and Spielberg said they hope the money—and the new celebrity backers who have big social-media followings—will help increase brand awareness.

The clean-living trend has gained steam in recent years, particularly among celebrities and their followings. [Honest](#) Co. [HNST -5.95% ▼](#), the consumer-goods company co-founded by actress Jessica Alba that is known for its eco-friendly baby and cleaning products, [went public earlier this year](#). Its stock now trades below its IPO price.

[Oatly Group](#) [OTLY -5.75% ▼](#) AB is another recent IPO with celebrity backers. The Swedish oat-milk maker [raised money](#) from Ms. Paltrow and Oprah Winfrey in a [Blackstone Group](#) Inc. [BX -2.06% ▼](#) -backed funding round less than a year ahead of its May IPO. Oatly's stock trades more than 20% above its IPO price.