CLOSER LOOK

MEMORANDUM

Lilly partners with AI platform Chai Discovery to accelerate biologics discovery – January 9, 2026

Chai Discovery to build AI model exclusively for Lilly; partnership expected to accelerate early drug discovery from a period of months to weeks

San Francisco, CA-based Chai Discovery announced today a collaboration with Lilly to accelerate biologics discovery using artificial intelligence (AI). Chai will build an AI model exclusively for Lilly's use by training on the company's proprietary discovery data and customized to its workflows. This seems pretty exciting!

Upon completion, Lilly will employ Chai's AI platform to design novel biologic therapeutics across multiple targets in its discovery platform. The formal collaboration follows an evaluation period between the two companies, in which Lilly tested a set of model-generated designs from Chai.

Table of Contents

Chai Discovery builds AI models to predict biochemical interactions

Chai Discovery, founded in 2024 (yes, like, last year) and led by CEO Mr. Josh Meier, is building a computer-aided design suite for new molecules and biologics (e.g. antibodies) using target information and structure-aware, all-atom generative modeling. Since its founding, the company has developed two publicly described models, Chai-1 and Chai-2. Both models have reported double-digit experimental hit rates[1] on difficult targets – which are regarded as notoriously difficult to design effective drugs or antibodies against because of their shape or behavior.

In practice, Chai provides a computer-aided design platform where partners, like Lilly, can propose targets and rapidly receive computationally designed antibodies and binding molecules, with the potential to reduce the early discovery timeline from months to weeks.

To date, Chai Discovery has raised more than $225 million in funding, including a $130 million Series B financing round in December 2025 that valued the company at a whopping $1.3 billion. Series B investing was led by highly-respected organizations like Oak HC/FT and General Catalyst, with additional participation from OpenAI, Thrive Capital, and Menlo Ventures among others.

We will say, although details are scant on Mr. Meier, anyone who counts gene therapy and virology, organic chemistry, nanoscale materials science, multivariable calculus, organic chemistry, and, oh, say, data structures and algorithms as classes taken in high school – *this* must be quite an exceptional person!

Lilly is actively integrating AI into drug discovery and commercialization

Lilly has pursued many efforts to incorporate AI into its R&D and commercialization efforts.

Lilly uses Alphabet's **Isomorphic Labs** platform focused on small molecules and has entered a partnership with a AI/ ML-driven drug discovery company Superluminal Medicines to idetify G protein-coupled receptor targets. In September 2025, Lilly launched TuneLab, an AI/ ML platform that provides biotechnology companies with access to drug discovery models trained on years of Lilly's proprietary datasets. Lilly plans to expand the platform to include *in vivo* small molecule predictive models in future updates. Most recently, in October 2025, Lilly announced a collaboration with NVIDIA to build a supercomputer that would power its "AI factory" to support drug discovery,

clinical development, and manufacturing. These initiatives reflect a broader trend of increasing role of AI in the pharmaceutical industry.

Close Concerns' Questions

1. What molecular targets will Lilly prioritize for its drug discovery platform?
2. When does Chai Discovery anticipate completing Lilly's AI discovery platform?
3. Is Chai Discovery discussing other pharmaceutical collaborations? We assume it is not exclusive, or we would surely know from the press release.

-- by Elizabeth Rose, Kat Moon, Esther Min, and Kelly Close

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[1] "Double-digit experimental hit rates" signify that when the model-designed molecules are experimentally tested in real-lab settings, more than 10% function as intended.