Press Release

Variational AI Enters Collaboration with Merck to Apply Generative AI to Drug Discovery

Collaboration aims to discover and develop novel small molecule therapeutics against two targets designated by Merck

VANCOUVER, Canada, [September 23, 2025] – *Variational AI, Inc., a generative AI drug discovery company, today announced a collaboration with Merck, known as MSD outside of the United States and Canada, to apply Variational AI's Enki™ platform to design and optimize novel small molecule candidates against two undisclosed targets.*

Under the agreement, Variational AI will use a fine-tuned version of its Enki™ platform trained on Merck's proprietary data to generate and optimize small molecule candidates against therapeutic targets designated by Merck. Merck will have the exclusive right to develop and commercialize compounds arising from the collaboration. Variational AI will receive an upfront payment and is eligible to receive milestones with a total potential deal value of up to USD$349 million.

"We are excited to apply our proprietary machine learning algorithms to Merck's extensive and valuable datasets to create unique, fine-tuned generative models of unprecedented power and accuracy," said Handol Kim, CEO of Variational AI. "This is a compelling framework that has the potential to significantly accelerate and redefine the unit economics of drug discovery."

"At Merck, we are working to harness the potential of AI to improve efficiency, speed, and quality of candidates earlier in the discovery continuum," said Robert M. Garbaccio, Ph.D., Vice President and Head of Discovery Chemistry, Merck Research Laboratories. "We look forward to working with Variational AI to apply their Enki™ platform to challenging therapeutic targets."

✉ info@variational.ai   @ variational.ai   📍 1825 Quebec Street, #201, Vancouver, BC V5T 2Z3, Canada

Variational AI's Enki™ platform is based on a foundation model trained on Variational AI's internal data, curated version of the totality of all publicly-available data, and proprietary generative models to create and optimize small molecules leads based on partner target product profiles.

About Variational AI

Variational AI is a venture-backed generative AI drug discovery company based in Vancouver, Canada. Founded by machine learning researchers from MIT, Caltech, Google Research, Microsoft Research, and D-Wave Quantum, its proprietary Enki™ platform uses state-of-the-art generative AI models to design novel, optimized small molecules with improved probability of success, thereby accelerating the discovery and development of transformative therapeutics. For more information, please visit www.variational.ai.

Media Contacts:

Variational AI
Handol Kim, CEO
handol@variational.ai
604-761-7199

Valentin Beuchillot, Senior Manager BD & Marketing
valentin@variational.ai
236-818-8624