Lilly to acquire Merida Biosciences to advance treatments for serious autoimmune and allergic diseases

August 31, 2026

Merida's antibody-engineering platform is designed to enable precise, durable removal of disease-causing antibodies, while preserving normal immune function

Initial Phase 1 data show MER511 achieved robust reductions in pathogenic thyroid-stimulating antibodies with a favorable initial safety profile

Acquisition strengthens Lilly's immunology capabilities and its opportunity to elevate the standard of care for immune-mediated conditions with high unmet need

INDIANAPOLIS and CAMBRIDGE, Mass., Aug. 31, 2026 /PRNewswire/ -- Eli Lilly and Company (NYSE: LLY) and Merida Biosciences, Inc. (Merida), a biotechnology company advancing a new class of precision therapeutics for serious autoimmune and allergic diseases, today announced a definitive agreement for Lilly to acquire Merida.

Merida is developing biologics engineered to selectively degrade pathogenic autoantibodies, the disease-causing agents behind a range of immune-mediated conditions. The precision degradation approach is intended to address the biological cause of these diseases, rather than broadly suppressing the immune system, as many current therapies do.

Merida's lead program, MER511, is in Phase 1 development for Graves' disease and thyroid eye disease (TED), conditions driven by thyroid-stimulating immunoglobulins, which are autoantibodies that activate the thyroid-stimulating hormone receptor. Graves' disease affects approximately 3 million people in the U.S., and patients face elevated cardiovascular risk and mortality. Roughly 25 to 40 percent of people with Graves' disease go on to develop TED, which can cause pain, disfigurement, and in severe cases, vision loss. While there are approved treatments for both conditions, none directly target the autoantibodies that cause them. Because pathogenic autoantibodies drive a wide range of serious diseases, Merida's platform has potential application well beyond its lead program. The company's pipeline also includes MER769, a preclinical program focused on food allergy, asthma, chronic spontaneous urticaria and other diseases driven by the antibody responsible for triggering allergic reactions, along with earlier-stage programs in kidney diseases such as membranous nephropathy and other immune-mediated conditions.

"We're building our pipeline around therapies that meaningfully change the course of disease, not just its downstream effects. Merida's lead program is designed to do exactly that: selectively and directly eliminating the autoantibodies causing Graves' disease and thyroid eye disease, while preserving normal immune function, with initial Phase 1 data already pointing to the potential for improved efficacy and safety," said Francisco Ramírez-Valle, M.D., Ph.D., senior vice president, Lilly immunology research and early clinical development. "We see potential to apply this precision approach across a broad range of antibody-driven diseases, and we look forward to advancing this novel technology working with the Merida team."

"Merida was founded to fundamentally change how autoimmune and allergic diseases are treated, by targeting the antibodies driving them directly, rather than suppressing the immune system broadly. Under our CSO and founder Dario Gutierrez's scientific leadership, our team has advanced that idea from concept to clinical data, and what we've seen so far reinforces our conviction that this approach can make a meaningful difference for patients," said Adam Townsend, chief executive officer of Merida. "Today's announcement reflects the hard work of the entire Merida team, and joining Lilly gives our science the resources and commitment to realize its potential for patients with immune-mediated conditions."

Under the terms of the agreement, Lilly will acquire Merida and pay up to $2.875 billion in cash, inclusive of an upfront payment, and contingent milestone payments.

The transaction is subject to customary closing conditions, including regulatory approvals, and is expected to close in the fourth quarter of 2026. Lilly will determine the accounting treatment of this transaction in accordance with Generally Accepted Accounting Principles (GAAP) upon closing. This transaction will thereafter be reflected in Lilly's financial results and financial guidance.

Ropes & Gray LLP is acting as legal counsel to Lilly. Centerview Partners LLC is acting as an exclusive financial advisor, and Goodwin Procter LLP is acting as legal counsel to Merida.

About Lilly
Lilly is a medicine company turning science into healing to make life better for people around the world. We've been pioneering life-changing discoveries for 150 years, and today our medicines help tens of millions of people across the globe. Harnessing the power of biotechnology, chemistry and genetic medicine, our scientists are urgently advancing new discoveries to solve some of the world's most significant health challenges: redefining diabetes care; treating obesity and curtailing its most devastating long-term effects; advancing the fight against Alzheimer's disease; providing solutions to some of the most debilitating immune system disorders; and transforming the most difficult-to-treat cancers into manageable diseases. With each step toward a healthier world, we're motivated by one thing: making life better for millions more people. That includes delivering innovative clinical trials that reflect the diversity of our world and working to ensure our medicines are accessible and affordable. To learn more, visit Lilly.com and Lilly.com/news, or follow us on Facebook, Instagram, and LinkedIn. F-LLY

About Merida Biosciences
Merida is advancing a precision immunology approach for antibody-driven diseases that selectively and durably eliminate their pathogenic drivers. This approach, enabled by advances in protein engineering and immunology, has the potential to address numerous autoimmune and allergic conditions that are inadequately treated today. Please visit www.meridabio.com to learn more.

Cautionary Statement Regarding Forward-Looking Statements
This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) about the benefits of Lilly's acquisition of Merida and Merida's product candidates for immune-mediated diseases, and reflects Lilly's current beliefs and expectations. However, as with any such undertaking, there are substantial risks and uncertainties in closing and implementing the acquisition and in the process of drug research, development, and commercialization. Among other things, there can be no guarantee that Lilly will close the transaction or realize the expected benefits of the acquisition, that the acquisition will achieve the results discussed in this release, or that the acquisition will yield commercially successful products. For further discussion of these and other risks and uncertainties that could cause actual results to differ from Lilly's expectations, see Lilly's Form 10-K and Form 10-Q filings with the United States Securities and Exchange Commission. Except as required by law, Lilly undertakes no duty to update forward-looking statements to reflect events after the date of this release.

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