

REFINITIV

DELTA REPORT

10-K

ZYME - ZYMEWORKS INC.
10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	12896
CHANGES	306
DELETIONS	4780
ADDITIONS	7810

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2022** **December 31, 2023**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-41535

ZYMEWORKS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

88-3099146

(I.R.S. Employer
Identification Number)

108 Patriot Drive — Suite A
Middletown, Delaware 19709

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (302) 274-8744

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value per share	ZYME	The Nasdaq Stock Market LLC
Preferred Stock Purchase Rights	N/A	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer,"

"smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐ ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common shares held by non-affiliates of the registrant, based on the closing sale price of the registrant's common shares on the last business day of its most recently completed second fiscal quarter, as reported on the New York Nasdaq Stock Exchange (the "NYSE"), Market LLC, was approximately \$306.0 million \$468.5 million.

The number of outstanding shares of common stock of the registrant, \$0.00001 par value per share, as of March 3, 2023 March 4, 2024 was 64,041,287 70,568,222.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement in connection with the registrant's 2023 annual meeting of stockholders (the "2023 Proxy Statement") or the registrant's amendment to this Annual Report on Form 10-K ("Form 10-K/A"), which will be filed with the Securities and Exchange Commission (the "SEC") subsequent to the date hereof, are incorporated by reference into Part III of this Annual Report on Form 10-K. Such 2023 Proxy Statement or Form 10-K/A, as applicable, will be filed with the SEC not later than 120 days following the end of the registrant's fiscal year ended December 31, 2022. None.

[Table of Contents](#)

ZYMEWORKS INC.

FORM 10-K

For the Fiscal Year Ended December 31, 2022 December 31, 2023

Table of Contents

PART I		7
Item 1.	Business	7
Item 1A.	Risk Factors	34 36
Item 1B.	Unresolved Staff Comments	85
Item 1C.	Cybersecurity	85
Item 2.	Properties	85 86
Item 3.	Legal Proceedings	85 87
Item 4.	Mine Safety Disclosures	85 87
PART II		86 88
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	86 88
Item 6.	Reserved	86 88
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operation	87 89
Item 7A.	Quantitative and Qualitative Disclosure About Market Risk	98 103
Item 8.	Financial Statements and Supplementary Data	99 104
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	137 146
Item 9A.	Controls and Procedures	137 146
Item 9B.	Other Information	138 146
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	138 146
PART III		138 147
Item 10.	Directors, Executive Officers and Corporate Governance	138 147
Item 11.	Executive Compensation	138 153
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	138 173
Item 13.	Certain Relationships and Related Transactions and Director Independence	138 176
Item 14.	Principal Accounting Fees and Services	139 179
PART IV		139 179
Item 15.	Exhibits, Financial Statement Schedules	140 180
Item 16.	Form 10-K Summary	145 184
SIGNATURES		146 185

[Table of Contents](#)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes "forward-looking statements" or [statements information](#) within the meaning of applicable securities legislation, including Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include statements that may relate to our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs and other information that is not historical information. Many of these statements appear, in particular, under the headings "Business," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements can often be identified by the use of terminology such as "subject to," "believe," "anticipate," "plan," "expect," "intend," "estimate," "project," "may," "will," "should," "would," "could," "can," the negatives thereof, variations thereon and similar expressions, or by discussions of strategy. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. In particular, these forward-looking statements include, but are not limited to, statements about:

- the size of our addressable markets and our ability to commercialize product candidates;
- the achievement of advances in and expansion of our therapeutic platforms and antibody engineering expertise;
- the likelihood of product candidate development and clinical trial progression, initiation or success; [and](#)
- our ability to predict and manage government [regulation](#);
- [the impact of the COVID-19 pandemic on our business and operations; and](#)
- [the expected benefits and other impacts of the Redomicile Transactions, regulation.](#)

All forward-looking statements, including, without limitation, those related to our examination of historical operating trends, are based upon our current expectations and various assumptions. Certain assumptions made in preparing the forward-looking statements include:

- our ability to manage our growth effectively;
- the absence of material adverse changes in our industry or the global economy;
- our ability to understand and predict trends in our industry and markets;
- our ability to enter into and maintain good business relationships with our strategic partners;
- our ability to comply with current and future regulatory standards;
- our ability to protect our intellectual property rights;
- our continued compliance with third-party license terms and the non-infringement of third-party intellectual property rights;
- our ability to manage and integrate any acquisitions we may pursue;
- our ability to retain key personnel; and
- our ability to raise sufficient debt or equity financing to support our continued growth.

We believe there is a reasonable basis for our expectations and beliefs, but they are inherently uncertain. We may not realize our expectations, and our beliefs may not prove correct. Actual results could differ materially from those described or implied by such forward-looking statements. The following uncertainties and factors, among others (including those referred to in the section titled "Risk Factors"), could affect future performance and cause actual results to differ materially from those matters expressed in or implied by forward-looking statements:

- our or our partners' ability to obtain regulatory approval for product candidates without significant delays;
- the predictive value of our current or planned clinical trials;
- delays with respect to the development and commercialization of our product candidates, which may cause increased costs or delay receipt of product revenue;
- our or any of our partners' ability to enroll subjects in clinical trials and thereby complete trials on a timely basis;

[Table of Contents](#)

- the design or our execution of clinical trials may not support regulatory approval, including where clinical trials are conducted outside the United States;
- our ability to achieve milestones and receive associated milestone payments pursuant to the terms of our collaboration agreements, including the Amended Jazz Collaboration Agreement (as defined below);
- the extent to which our business may be adversely affected by the COVID-19 pandemic, pandemics or other health crises;
- global economic and political conditions, including as a result of the Russian invasion of Ukraine and the conflict in Israel and the Gaza Strip, as well as social and political unrest in the locations where our clinical trials are held, and the related impact on our business and the markets generally;
- expected benefits of the Redomicile Transactions may not materialize as expected or at all;
- unanticipated tax consequences in connection with the Redomicile Transactions; Transactions (as defined below);
- the Fast Track and Breakthrough Therapy designations for any of our product candidates may not expedite regulatory review or approval;
- the U.S. Food and Drug Administration (the "FDA") may not accept data from trials we conduct outside the United States;
- disruptions at the FDA and other government agencies caused by funding shortages or global health concerns;
- our discretion to discontinue or reprioritize the development of any of our product candidates;
- the potential for our product candidates to have undesirable side effects;
- no regulatory agency has made a determination that any of our product candidates are safe or effective for use by the general public or for any indication;
- our ability to face significant competition, including biosimilar products;
- the likelihood of broad market acceptance of our product candidates;
- our ability to obtain Orphan Drug Designation or exclusivity for some or all of our product candidates;
- our ability to commercialize products outside of the United States;
- the outcome of reimbursement decisions by third-party payors relating to our products;
- our expectations with respect to the market opportunities for any product that we or our strategic partners develop;

- our ability to pursue product candidates that may be profitable or have a high likelihood of success;
- our ability to use and expand our therapeutic platforms to build a pipeline of product candidates;
- our ability to meet the requirements of ongoing regulatory review;
- the threat of product liability lawsuits against us or any of our strategic partners;
- changes in product candidate manufacturing or formulation that may result in additional costs or delay;
- the potential disruption of our business and dilution of our shareholdings associated with acquisitions and joint ventures;
- the potential for foreign governments to impose strict price controls;
- the risk of security breaches and incidents or data loss, which could compromise sensitive business or health information;
- current and future legislation that may increase the difficulty and cost of commercializing our product candidates;
- economic, political, regulatory and other risks associated with international operations;
- our exposure to legal and reputational penalties as a result of any of our current and future relationships with various third parties;
- our ability to comply with export control and import laws and regulations;
- our history of significant losses since inception;
- our ability to generate revenue from product sales and achieve profitability;
- our requirement for substantial additional funding;

[Table of Contents](#)

- the potential dilution to our stockholders associated with future financings;
 - restrictions on our ability to seek financing, which may be imposed by future debt;
-
- unstable market and economic conditions;
 - currency fluctuations and changes in foreign currency exchange rates;
 - our ability to maintain existing and future strategic partnerships;
 - our ability to realize the anticipated benefits of our strategic partnerships;
 - our ability to secure future strategic partners;
 - our reliance on third-party manufacturers to produce our product candidate supplies and on other third parties to store, monitor and transport bulk drug substance and drug product;
 - risk related to the manufacture of product candidates and difficulties in production;
 - our reliance on third parties to oversee clinical trials of our product candidates and, in some cases, maintain regulatory files for those product candidates;
 - our reliance on risks related to the performance manufacture of independent clinical investigators product candidates and contract research organizations ("CROs"); difficulties in production;
 - our reliance on third parties for various operational and administrative aspects of our business including our reliance on third parties' cloud-based software platforms;
 - our reliance on the performance of independent clinical investigators and contract research organizations ("CROs");
 - our ability to operate without infringing the patents and other proprietary rights of third parties;
 - our ability to obtain and enforce patent protection for our product candidates and related technology;
 - our patents could be found invalid or unenforceable if challenged;
 - our intellectual property rights may not necessarily provide us with competitive advantages;
 - we may become involved in expensive and time-consuming patent lawsuits;
 - the risk that the duration of our patents will not adequately protect our competitive position;
 - our ability to obtain protection under the Drug Price Competition and Patent Term Restoration Act of 1984 (the "Hatch-Waxman Amendments") and similar foreign legislation;
 - we may be unable to protect the confidentiality of our proprietary information;

- our ability to comply with procedural and administrative requirements relating to our patents;
- the risk of claims challenging the inventorship of our patents and other intellectual property;
- our intellectual property rights for some of our product candidates are dependent on the abilities of third parties to assert and defend such rights;
- patent reform legislation and court decisions can diminish the value of patents in general, thereby impairing our ability to protect our products;
- we may not be able to protect our intellectual property rights throughout the world;
- we will require FDA approval for any proposed product candidate names and any failure or delay associated with such approval may adversely affect our business;
- our election to rely on certain reduced reporting and disclosure requirements available to smaller reporting companies may make our common stock less attractive to investors;
- the risk of employee misconduct including noncompliance with regulatory standards and insider trading;
- our ability to market our products in a manner that does not violate the law and subject us to civil or criminal penalties;
- if we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected;
- our ability to retain key executives and attract and retain qualified personnel;
- our ability to manage **any** organizational growth;
- our exposure to potential securities class action litigation; and

[Table of Contents](#)

- if securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our share price and trading volume could decline.

Consequently, forward-looking statements should be regarded solely as our current plans, estimates and beliefs. You should not place undue reliance on forward-looking statements. We cannot guarantee future results, events, levels of activity, performance or achievements. We do not undertake and specifically decline any obligation to update, republish or revise forward-looking statements to reflect future events or circumstances or to reflect the occurrences of unanticipated events, except as required by law. Our Risk Factors are not guarantees that no such conditions exist as of the date of this report and should not be interpreted as an affirmative statement that such risks or conditions have not materialized, in whole or in part.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are our service marks or trademarks. Our registered trademarks include Azymetric, Zymeworks, ZymeCAD, EFECT, ZymeLink and the phrase “Building Better Biologics”. The other trademarks, trade names and service marks appearing in this Annual Report on Form 10-K are the property of their respective owners. Solely for convenience, the trademarks, service marks, tradenames and copyrights referred to in this Annual Report on Form 10-K are listed without the ©, ® and TM symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

We express all amounts in this Annual Report on Form 10-K in U.S. dollars, except where otherwise indicated. References to “\$” and “US\$” are to U.S. dollars and references to “C\$” are to Canadian dollars.

Unless the context otherwise requires or otherwise expressly states, all references in this Annual Report on Form 10-K to “Zymeworks,” the “Company,” “we,” “us,” “us” and “our” or similar terms, as well as references to “Zymeworks” or the “Company” (i) for periods until the completion of the Redomicile Transactions, (as defined below), refer to Zymeworks BC Inc. (formerly known as “Zymeworks Inc.”) (“Zymeworks BC”), either alone or together with and its wholly owned subsidiaries Zymeworks Biopharmaceuticals Inc., Zymeworks Pharmaceuticals Limited, Zymeworks Inc. (formerly known as Zymeworks Delaware Inc.), Zymeworks CallCo ULC (“CallCo”), Zymeworks ExchangeCo Ltd. (“ExchangeCo”) and Zymeworks Management Inc., and (ii) for periods after the completion of the Redomicile Transactions, refer to Zymeworks Inc., either alone or together with and its subsidiaries including, as applicable, Zymeworks BC, Zymeworks Biopharmaceuticals Inc., Zymeworks Pharmaceuticals Limited, CallCo, ExchangeCo, Zymeworks Management Inc., Zymeworks Zanidatamab Inc., and Zymeworks Lifesciences Pte. Ltd..

[Table of Contents](#)

PART I

Item 1. Business

Overview

Zymeworks is a **clinical-stage** biotechnology company committed to the discovery, development, and commercialization of novel, multifunctional biotherapeutics. Zymeworks' mission is to make a meaningful difference and improve the standard of care for people impacted by difficult-to-treat cancers and other serious diseases. Zymeworks' complementary therapeutic platforms and fully integrated drug development engine provide the flexibility and compatibility to precisely engineer and develop highly differentiated antibody-based therapeutic candidates.

Our lead product candidate, zanidatamab, is a novel bispecific antibody that targets two distinct domains of the human epidermal growth factor receptor 2 ("HER2"). Zanidatamab's unique binding properties result in multiple mechanisms of action that may enable it to address unmet need in patient populations with HER2-expressing cancers. In clinical trials, zanidatamab monotherapy and zanidatamab in combination with chemotherapy have been well tolerated with promising antitumor activity in patients with treatment-naïve and heavily pretreated HER2-expressing cancers, including individuals whose disease had progressed on multiple prior treatment regimens that included HER2-targeted agents. Based on these data, a number of global multicenter clinical trials have been initiated to evaluate zanidatamab in specific indications and lines of therapy. These include pivotal clinical trials in (i) previously treated HER2 gene-amplified biliary tract cancers ("BTC") and (ii) first-line locally advanced or metastatic HER2-positive gastroesophageal adenocarcinomas ("GEA") in combination with chemotherapy with or without BeiGene, Ltd.'s ("BeiGene") tislelizumab. These also include proof of concept trials in (i) first-line locally advanced or metastatic HER2-positive colorectal cancer ("CRC"), GEA, or BTC in combination with standard of care chemotherapy, (ii) first-line locally advanced or metastatic HER2-positive GEA in combination with tislelizumab and chemotherapy, (iii) first-line locally advanced or metastatic HER2-positive breast cancer in combination with docetaxel, (iv) previously treated locally advanced or metastatic HER2-positive, hormone receptor-positive breast cancer in combination with Pfizer's Ibrance (palbociclib) and fulvestrant, (v) previously treated locally advanced or metastatic HER2-expressing cancers (including HER2-positive and HER2-low breast cancer) in combination with ALX Oncology Inc.'s ("ALX Oncology") evorpacept (ALX148), and (vi) locally advanced (unresectable) and/or metastatic HER2-expressing cancers in Japanese patients. Zymeworks has entered into separate agreements with BeiGene and Jazz Pharmaceuticals Ireland Limited (a subsidiary of Jazz Pharmaceuticals plc, collectively referred to as "Jazz"), granting each of BeiGene and Jazz with exclusive rights to develop and commercialize zanidatamab in different territories. Through these agreements, Zymeworks has no funding obligations for current or future clinical studies or research and development spending and retains rights to receive potential regulatory and commercial milestones, as well as royalties for future net sales, pending approval in relevant regulatory jurisdictions. For additional information regarding these agreements with BeiGene and Jazz, see the section entitled "Strategic Partnerships and Collaborations" below.

Our second product candidate, zanidatamab zovodotin (formerly known as "ZW49"), combines the unique biparatopic antibody design of zanidatamab with our ZymeLink auristatin antibody-drug conjugate ("ADC") technology, comprised of our proprietary cytotoxin (cancer cell-killing compound) and cleavable linker. We designed zanidatamab zovodotin to be a potential best-in-class HER2-targeting ADC to further address unmet need across a range of HER2-expressing cancers. In January 2023, we announced our intent to continue development of zanidatamab zovodotin at the recommended phase two dose ("RP2D") of 2.5 mg/kg dosed every three weeks. Before the end of 2023, we expect to present additional data from our Phase 1 clinical trial that further supports this RP2D and commence enrollment in multiple Phase 2 studies.

We are also advancing a deep pipeline of preclinical product candidates and discovery-stage programs in oncology (including immuno-oncology agents) and other therapeutic areas with an emphasis on developing ADC and multi-specific antibody therapeutics ("MSAT") candidates. Our pipeline of preclinical product candidates includes two lead programs, ZW191 and ZW171, for which we expect to submit investigational new drug ("IND") applications in 2024, as well as multiple early-stage preclinical programs in development. The two lead programs are as follows:

- **ZW191**, our lead ADC candidate, is built using our Drug Conjugate platforms and uses our novel topoisomerase inhibitor ("TOPO1")-based payload technology targeting folate receptor alpha expressing ovarian, other gynecological, and non-small cell lung cancers. ZW191 was designed using an in-house generated monoclonal antibody with enhanced internalization characteristics in order to target high, mid, and low levels of folate alpha receptor expression; and
- **ZW171**, our lead multispecific candidate, is built using our Azymetric platform and is a novel 2 + 1 format T-cell engaging multispecific antibody targeting pancreatic, mesothelioma, ovarian, and other mesothelin ("MSLN")-

Table of Contents

expressing cancers. ZW171 has a unique geometry with two single-chain fragment variable arms targeting MSLN, and one fab arm targeting CD3 to redirect the body's natural immune system to fight cancer cells.

Our proprietary capabilities and technologies include several modular, complementary therapeutic platforms that can be used in combination with each other and with existing approaches. This ability to layer technologies without compromising manufacturability enables us to engineer next-generation biotherapeutics with synergistic activity, which we believe will result in improved patient outcomes. Our platforms include:

- **Azymetric**, our multispecific antibody platform, which enables therapeutic antibodies to simultaneously bind multiple distinct locations on a target (known as an epitope) or to multiple targets. This is achieved by tailoring multiple configurations of the antibody's **Fc and Fab** regions (locations on the antibody to which epitopes bind);
- **Drug Conjugate Platforms**, used to develop ADC antibody-drug conjugate ("ADC") candidates, are comprised of cytotoxins and the linker technologies used to couple these cytotoxins to tumor-targeting antibodies or proteins. These platforms can be used in conjunction with our other therapeutic platforms, including our multispecific antibody platform, to increase safety and efficacy as compared to existing ADC technologies;
- **EFFECT**, which enables finely tuned modulation (both up and down) of immune cell recruitment and function; and
- **ProTECT**, which enables tumor-specific activity that may reduce systemic toxicity and simultaneously enhances localized immune co-stimulation or checkpoint modulation that may increase efficacy.

Our protein engineering expertise and proprietary structure-guided molecular modeling capabilities enable these therapeutic platforms. Together with our internal antibody discovery and generation technologies, we have established a fully integrated drug development engine and toolkit capable of rapidly delivering a steady pipeline of next-generation product candidates in oncology and other therapeutic areas.

Our lead product candidate, zanidatamab, is a novel bispecific antibody that targets two distinct domains of the human epidermal growth factor receptor 2 ("HER2"). Zanidatamab's unique binding properties result in multiple mechanisms of action that may enable it to address unmet need in patient populations with HER2-expressing cancers. We have entered into separate agreements with BeiGene, Ltd. ("BeiGene") and Jazz Pharmaceuticals Ireland Limited (a subsidiary of Jazz Pharmaceuticals plc, collectively referred to as "Jazz"), granting to each of BeiGene and Jazz exclusive rights to develop and commercialize zanidatamab in different territories. For additional information regarding these agreements with BeiGene and Jazz, see the section titled "Strategic Partnerships and Collaborations" below. Our partner Jazz has initiated a rolling Biologics License Application ("BLA") submission for zanidatamab in second-line biliary tract cancers ("BTC") in the United States, and intends to complete the rolling BLA submission in the first half of 2024. Jazz has also initiated a Phase 3 confirmatory trial for zanidatamab as first-line treatment in BTC. Based on the expected timeline and subject to approval, Jazz is aiming to launch zanidatamab in the United States for second-line BTC in 2025 or earlier. Similarly, our partner BeiGene has announced its intention to submit a BLA for zanidatamab with the National Medical Products Administration ("NMPA") in China for treatment of HER2-amplified inoperable and advanced or metastatic BTC in the second half of 2024. Our partner Jazz is also evaluating zanidatamab for the first line treatment of HER2-positive unresectable locally advanced or metastatic gastroesophageal adenocarcinomas ("GEA"). Jazz is targeting the pivotal Phase 3 top-line readout from the zanidatamab HERIZON-GEA-01 trial in late 2024.

Our second clinical-stage product candidate, zanidatamab zovodotin (formerly known as "ZW49"), combines the unique biparatopic antibody design of zanidatamab with our ZymeLink auristatin ADC technology, comprised of our proprietary cytotoxin (cancer cell-killing compound) and cleavable linker. We designed zanidatamab zovodotin to be a potential best-in-class HER2-targeting ADC to further address unmet need across a range of HER2-expressing cancers. Zanidatamab zovodotin remains ready for a Phase 2 study in combination with pembrolizumab in patients with locally advanced (unresectable) or metastatic HER2-overexpressing non-squamous non-small cell lung cancer ("NSCLC"). However, the initiation of the planned Phase 2 study has been deprioritized, pending more clarity from the evolving clinical landscape. We continue to explore potential development and commercial collaborations for zanidatamab zovodotin.

Our preclinical programs include novel ADC and multispecific antibody therapeutics ("MSAT") candidates focusing on validated targets which provide opportunities for benchmarking in preclinical development and expected clinical differentiation. Our ADC candidates exploit our proprietary topoisomerase 1 inhibitor ("TOPO1") payload (ZD06519) while exploring alternate mechanisms of action for longer-term development and leveraging validated peptide-cleavable linkers and stochastic conjugations. With potential for enhanced activity compared to combination therapy, our current MSAT candidates are developed with 2+1 bispecific or trispecific (with co-stimulation or checkpoint inhibition) T-cell engager engineering. These approaches are designed to optimize tumor cell engagement and enhance T-cell activation to increase anti-tumor activity while also minimizing cytokine release and off-tumor toxicities.

The below chart summarizes our early-stage preclinical candidates.



Our Strategy

Our goal is to use our experience and in-house capabilities of developing multifunctional therapeutics platforms, along with our proprietary protein engineering capabilities, to have a meaningful and positive impact on improve the lives standard of care for people living with difficult-to-treat cancers and other serious diseases with high unmet medical need, need.

To achieve this goal, we are focused on delivering substantial progress across five key areas of our business:

Zanidatamab Collaboration with Jazz Pharmaceuticals

Our collaboration agreement with Jazz, entered into during the fourth quarter of 2022, (and amended and restated during the second quarter of 2023) represents an important component of our commercialization strategy for zanidatamab and our financial strategy for expanding and developing our product pipeline. Through December 31, 2022 December 31, 2023, we have received \$375 million \$375 million in proceeds from the Jazz collaboration in addition to development support and are eligible for reimbursement of ongoing zanidatamab-related costs in accordance with the development plan and budget, drug supply reimbursement. We also remain eligible to receive regulatory approval milestones of up to \$525 million, commercial milestones of up to \$862.5 million, and royalties of between 10% and 20% of future zanidatamab sales, pending regulatory approval of zanidatamab. In conjunction with Jazz, we plan to provide updates on progress towards regulatory filings, new clinical studies, and future clinical data releases, which includes the anticipated presentation targeted report of top-line data from the full data set from our HERIZON-BTC-01 HERIZON-GEA-01 (NCT05152147) pivotal clinical trial in the first half of 2023 and our expectation to report top-line data from our HERIZON-GEA-01 pivotal clinical trial in late 2024.

Zanidatamab Collaboration with BeiGene

Our collaboration agreements agreement with BeiGene regarding zanidatamab in the key Asia Pacific (APAC) ("APAC") regions (excluding Japan) are is important given the high prevalence of BTC and GEA in the APAC region. To date, As of December 31, 2023, we have received approximately \$60 million \$53 million in upfront and milestone payments from the BeiGene from this collaboration as well as certain co-development funding for zanidatamab clinical studies. Through our collaboration with BeiGene on zanidatamab, and zanidatamab zovodotin, we remain eligible to receive up to \$390 million \$172 million in additional development and commercial milestones together with tiered royalties of up to 19.5% of net sales in BeiGene territories, increasing to up to 20% when cumulative amounts forgone as a result of future product sales, pending regulatory approval, a royalty reduction of 0.5% reaches a cap in the low double-digit millions of dollars. In conjunction with BeiGene, we plan to provide updates on progress towards regulatory filings in the APAC region, new clinical studies, and future clinical data releases.

Research and Early Development Programs

Our current scientific strategy provides for a broad and differentiated product pipeline of ADCs and multispecific antibody therapeutics MSATs to be developed from our technology platforms with the goal of five new IND investigational new drug ("IND") applications by 2027. We expect to submit IND applications for our lead preclinical product candidates (ZW191 and ZW171) in 2024. During 2023, we expect to

Table of Contents

nominate an additional product candidate for preclinical development with an anticipated IND filing in 2025. We plan to continue actively presenting and publishing additional data on our preclinical programs in 2023, 2024, with a focus on the American Association for Cancer Research (AACR) ("AACR") meeting scheduled for the second quarter, quarter of 2024. We expect to evaluate, and potentially enter into, additional multi-product collaborations and partnerships in 2023 and 2024 to expand the breadth of our research and early development programs. We plan to make additional investments during 2023 and 2024 in the size and capabilities of our research group in order to maintain the desired speed, quality, diversity, and novelty in our future product pipeline. Further, we also plan to evaluate external opportunities in adjacent research areas to expand our focus beyond the current technology platforms.

Zanidatamab Zovodotin

We plan have initiated our Phase 1 clinical study of Japanese patients to continue development of gather additional data for safety with zanidatamab zovodotin at monotherapy (NCT03821233). Zanidatamab zovodotin remains ready for a Phase 2 study in combination with pembrolizumab in subjects with locally advanced (unresectable) or metastatic HER2-overexpressing non-squamous NSCLC with the RP2D recommended Phase 2 dose ("RP2D") of 2.5 mg/kg every three weeks and, before the end of 2023, we expect to present additional data from our ongoing Phase 1 clinical study that supports this RP2D. Based on the weeks. This RP2D is supported by data generated to as of the date of this report from the Phase 1 clinical study, which as presented at the EORTC-NCI-AACR Symposium on Molecular Targets and Cancer Therapeutics ("ENA") in October 2023. However, the initiation of the planned Phase 2 study has continued been deprioritized, pending more clarity from the evolving clinical landscape. We continue to enroll patients to gather additional data explore potential development and commercial collaborations for zanidatamab zovodotin monotherapy, we plan to evaluate zanidatamab zovodotin as monotherapy and/or in combination with the current respective standards of care in multiple Phase 2 studies expected to commence enrollment in 2023. Based on our development efforts to date and in combination with the results of these planned clinical studies, we believe these results may provide the rationale for one or more registration-enabling studies of zanidatamab zovodotin before the end of 2025, which we would expect to undertake with a future collaboration partner, zovodotin.

Platform Licensing Portfolio

To date, As of December 31, 2023, we have received approximately \$180.0 million in the form of non-refundable upfront and milestone payments from platform partnership and collaboration agreements, excluding amounts received related to zanidatamab or zanidatamab zovodotin. We continue to have revenue-generating strategic partnerships and collaborations with respect to our Azymetric, EFECT and Drug Conjugate therapeutic platforms with the following pharmaceutical companies: BeiGene, Celgene Corporation and Celgene Alpine Investment Co. LLC (now a Bristol-Myers Squibb company, "BMS"), GlaxoSmithKline Intellectual Property Development Limited ("GSK"), Daiichi Sankyo Co., Ltd. ("Daiichi Sankyo"), Janssen Biotech, Inc. ("Janssen"), LEO Pharma A/S ("LEO"), Iconic Therapeutics, Inc. ("Iconic") (and through our relationship with Iconic, Exelixis, Inc. ("Exelixis")), and Merck Sharp & Dohme Research GmbH ("Merck"), and Atreca, Inc. ("Atreca"). During 2023 and 2024, we expect to earn additional milestone payments under certain of these agreements as products continue to advance in development, and we have the potential to receive additional payments in connection with any expansion or extension of these agreements.

Product Candidate Pipeline

We currently have Our two lead product candidates in clinical development and several product candidates in preclinical development that leverage our multiple therapeutic platforms to address areas of significant unmet medical need. Our clinical-stage lead product candidates, zanidatamab and zanidatamab zovodotin, utilize the Azymetric platform to address patient populations with HER2-expressing cancers. We are also actively advancing a diverse set of preclinical programs, which leverage one or more of our proprietary therapeutic platforms to create a deep pipeline of well-differentiated product candidates for oncology and other therapeutic areas, areas with significant unmet medical need.

Late-Stage Clinical: Zanidatamab

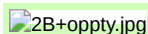
Overview

Zanidatamab, our lead product candidate, is currently being evaluated in Phase 1, Phase 2, and Phase 3 clinical trials, including certain ongoing pivotal clinical trials. It is a biparatopic antibody, based on our Azymetric platform, that can simultaneously bind two non-overlapping epitopes of HER2. Zanidatamab's unique binding properties result in multiple mechanisms of action including HER2-receptor clustering, internalization, and downregulation; inhibition of growth factor-dependent and -independent tumor cell proliferation; antibody-dependent cellular cytotoxicity and phagocytosis; and complement-dependent cytotoxicity. These combined mechanisms of action have led to promising antitumor anti-tumor activity in preclinical models of HER2-expressing cancers, including tumors resistant to trastuzumab (currently branded as Herceptin).

We have entered into separate agreements with BeiGene and Jazz, granting each of BeiGene and Jazz exclusive rights to develop and commercialize zanidatamab in different territories. Through these agreements, we have no funding obligations for current or future clinical studies or research and development spending and retain rights to receive potential regulatory and commercial milestones, as well as royalties for future net sales, pending approval in relevant regulatory jurisdictions.

[Table](#) Following the potential market entry in BTC, together with our partners, we expect our partners to pursue approval in first-line GEA with a planned supplemental BLA submission. We believe that a substantial opportunity remains to address the unmet patient need in first-line GEA, including in the HER2 positive / PD-L1 negative patient population. For patients who are PD-L1 positive, we believe that zanidatamab has the potential to be the HER2-targeted treatment of Contentschoice, while also combining with tislelizumab in order to treat those who are eligible to receive anti-PD1 therapy in GEA. There also remains an opportunity to move into earlier stages of GEA where we see the potential to help those patients prior to the metastatic setting in the neoadjuvant and adjuvant settings.

Based on encouraging signs of activity, we believe that the long-term development goals for zanidatamab have the potential to go beyond addressing the significant unmet need in BTC and GEA, to include breast cancer as well as multiple HER2-expressing cancers. The following graphic was adapted from guidance provided by Jazz in November 2023 and subsequently updated as of February 2024:



1L: first-line treatment, 2L: second-line treatment; BC: breast cancer; HCP: healthcare provider; PD-L1: programmed cell death ligand 1; sBLA: supplemental biologics license application; T-DXd: trastuzumab deruxtecan. 1 Pending regulatory approvals, 2 Incidence sources: Kantar reports, ToGA surveillance report; SEER, cancer.gov; ClearView Analysis; GLOBOCAN, Data on file, 3 Major markets, U.K, France, Germany, Spain, Italy, 4 NCT01042379, 5 Incidence source estimates derived from multiple sources: Decision Resources Group, Kantar Health, Jazz Market Research, data on file, 6 Funda Meric-Bernstam et al, Zanidatamab, a novel bispecific antibody, for the treatment of locally advanced or metastatic HER2-expressing or HER2-amplified cancers: a phase 1, dose-escalation and expansion study, The Lancet Oncology, Volume 23, Issue 12, 2022, Pages 1558-1570, ISSN 1470-2045, [https://doi.org/10.1016/S1470-2045\(22\)00621-0](https://doi.org/10.1016/S1470-2045(22)00621-0).

Clinical Development of Zanidatamab

In clinical trials, zanidatamab monotherapy and zanidatamab in combination with chemotherapy have been well tolerated with promising antitumor anti-tumor activity in patients with treatment-naïve and heavily pretreated HER2-expressing cancers, including individuals whose disease had progressed on multiple prior treatment regimens that included HER2-targeted agents. Based on these data, a number of global multicenter clinical trials have been initiated to evaluate zanidatamab in specific indications and lines of therapy, as described above under "Overview." therapy.

In June 2022, we, in conjunction with our Asia-Pacific partner BeiGene, presented Phase 1b/2 clinical data at the ASCO Annual Meeting. The two presentations included data on the first-line treatment of patients with HER2-positive metastatic gastric/ gastroesophageal junction adenocarcinoma using zanidatamab in combination with chemotherapy and BeiGene's anti-PD1 tislelizumab and on the first-line treatment of patients with HER2-positive metastatic breast cancer who received zanidatamab plus chemotherapy. In 33 response-evaluable patients with advanced HER2-positive gastric/gastroesophageal junction adenocarcinoma treated with zanidatamab and tislelizumab in combination with the CAPOX chemotherapy regimen, the confirmed objective response rate ("cORR") was 75.8% [95% CI: 57.7, 88.9]. The disease control rate ("DCR") was 100% and duration of response ranged from 2.1+ to 18.2+ months. Twenty patients (61%) remained on study at the time of data cut-off. In 21 response-evaluable patients with advanced HER2-positive breast cancer treated with zanidatamab and docetaxel, the cORR was 90.5% [95% CI: 69.6, 98.8] with 15 patients (78.9%) having an ongoing response at the time of the data cut. The DCR was 95.2% [95% CI: 76.2, 99.9]. The median follow-up was 7.0 months (range 1.1-17.4 months) and the six-month progression-free survival rate was 95.2% [95% CI: 70.7, 99.3]. Overall, both combinations exhibited promising response rates and tolerability in patients.

In December 2022, we published in The Lancet Oncology our Phase 1 data (NCT02892123) in pre-treated patients with HER2-expressing solid tumors who received zanidatamab monotherapy. Eighty-six patients (22 patients with BTC, 28 patients with CRC and 36 patients with other solid tumors excluding GEA or breast cancer) demonstrated promising responses and zanidatamab was generally well tolerated in patients. Grade 1-2 diarrhea and infusion reactions were the most common reported treatment-related adverse events with no treatment-related deaths. In addition, 31 [37%; 95% CI 27.0, 48.7] of 83 evaluable patients had a cORR.

In December 2022, we presented Phase 2 clinical data at the San Antonio Breast Cancer Symposium. The presentation reported data from a clinical study of 45 patients with heavily pretreated HER2-positive, Hormone Receptor-positive ("HR-positive") metastatic breast cancer who received zanidatamab in combination with palbociclib and fulvestrant. Patients had received prior regimens containing HER2-targeted agents including trastuzumab (100%), pertuzumab (80%), T-DM1 (98%), and other available options. In 36 efficacy-evaluable patients, treatment with zanidatamab in combination with palbociclib and fulvestrant resulted in a cORR of 33% [95% CI: 18.6, 51.0] and DCR of 92% [95% CI: 77.5, 98.2], and the majority of patients experienced a decrease in tumor size. The interim median progression-free survival ("mPFS") was 9.6 months [95% CI: 7.2, 16.6] with seven patients still on study at the time of data cut-off (August 31, 2022). The regimen was generally well tolerated with expected rates of neutropenia, a known side effect of CDK4/6 inhibitors. The majority of patients with treatment-related adverse events experienced mild to moderate severity (Grade 1 or 2).

Also in December 2022, we announced positive top-line data in the HERIZON-BTC-01 pivotal Phase 2b trial of zanidatamab as monotherapy in previously treated HER2-amplified BTC patients. The top-line results showed that 41.3% [95% CI: 30.4, 52.8] of enrolled patients with HER2-amplified and expressing (IHC2+ and 3+) disease achieved a confirmed objective response as assessed by independent central review. The median duration of response was 12.9 months [95% CI: 5.95 to not reached]. The safety profile of zanidatamab in this trial was consistent with that observed in previously reported monotherapy studies, with no new safety signals identified. Full results from the pivotal trial are expected to be presented at a medical meeting in the first half of 2023.

In January 2023, we presented updated Phase 2 clinical data at the ASCO Gastrointestinal Cancers Symposium, Symposium ("ASCO GI"). The presentation included updated data from a clinical study evaluating zanidatamab in combination with standard of care chemotherapy in first-line HER2-expressing GEA patients. Patients had not received prior HER2-targeted agents or systemic treatment for metastatic GEA. A total of 46 patients with metastatic GEA were enrolled from 15 sites across the United States, Canada and South Korea. The data demonstrated zanidatamab combined with standard chemotherapy is a highly active treatment regimen for first-line therapy of HER2-positive metastatic GEA. In 42 patients evaluable for overall survival ("OS") receiving zanidatamab in combination with chemotherapy, the 18-month OS rate was 84% [95% CI: 68, 93], the 12-month OS rate was 88% [95% CI: 73, 95], and the median OS had not yet been reached (with 26.5 months median duration of study follow-up). These data represent the first OS data presented for a zanidatamab containing regimen. Treatment with zanidatamab resulted in a cORR confirmed objective response rate ("cORR") of 79% [95% CI: 63, 90], a decrease control rate ("DCR") of 92% [95% CI: 79, 98], with three patients achieving complete response among 38 response-evaluable patients. The median duration of response was 20.4 months [95% CI: 8.3, NE] with an mPFS of

[Table of Contents](#)

12.5 months [95% CI: 7.1, NE] with 17 patients having an ongoing response at the time of data cut-off. The regimen was manageable, tolerable and consistent with the observed safety profiles reported for other standard combination regimens for patients with HER2-positive GEA.

In June 2023, at the American Society of Clinical Oncology (ASCO) Annual Meeting, positive pivotal data was presented from the Phase 2b HERIZON-BTC-01 trial of zanidatamab in patients with previously treated HER2-amplified BTC (gallbladder cancer, intra-/extra-hepatic cholangiocarcinoma). The results, with a median study follow-up time of 12.4 months, were concurrently published in The Lancet Oncology. For the trial's primary endpoint, data from 80 patients with HER2-amplified BTC (defined as in situ hybridization positive and immunohistochemistry ("IHC") 2+ or 3+) demonstrated a confirmed objective response rate of 41.3% [95% CI: 30.4, 52.8] with a Kaplan Meier ("KM") estimated median duration of response of 12.9 months. The response was more than double the historical response rates of 5 to 15% reported for second-line standard of care chemotherapy in patients with BTC. Of the 80 patients with HER2-amplified BTC, 78% were IHC3+ and had a response rate of 51.6%, while 23% of patients were IHC2+ and had a response rate of 5.6%. The KM estimated median PFS for all patients was 5.5 months [95% CI: 3.7, 7.2] with a range of 0.3 to 18.5 months. Zanidatamab demonstrated a manageable and tolerable safety profile, with two of the 87 patients (2.3%) experiencing adverse events ("AEs") leading to treatment discontinuation. There were no Grade 4 AEs and no deaths were treatment-related. The most common AEs were diarrhea and infusion-related reactions, which were predominately low-grade, reversible, and manageable with routine supportive care.

In October 2023, as part of The European Society for Medical Oncology ("ESMO") Annual Congress, our partner BeiGene presented clinical results from the ongoing global open-label Phase 1b/2 study for zanidatamab plus chemotherapy and tislelizumab, an anti-PD-1 monoclonal antibody, for the first-line treatment of HER2-positive gastric/gastroesophageal junction adenocarcinoma ("G/GEJC") in patients with untreated, unresectable, locally advanced/metastatic HER2+ G/GEJC. As of November 22, 2022, 33 patients were assigned to Cohort 2a (n=19) or 2b (n=14). Cohort 2a received zanidatamab 30 mg/kg intravenously ("IV"), Cohort 2b received zanidatamab 1800 mg IV (weight <70 kg) or 2400 mg IV (weight ≥70 kg), each with tislelizumab 200 mg IV every 3 weeks. Both cohorts also received standard capecitabine-oxaliplatin. Primary endpoints were safety and investigator ("INV")-assessed objective response rate ("ORR") per RECIST v1.1. Secondary endpoints included INV-assessed progression-free survival ("PFS"), duration of response, and disease control rate. The study showed zanidatamab plus chemotherapy and tislelizumab produced anti-tumor activity with a confirmed ORR of 75.8% (95% CI: 57.7, 88.9); median PFS of 16.7 months (95% CI: 8.2, NE), and median duration of response of 22.8 months (95% CI: 7.4, NE). Safety data showed 22 patients (66.7%) experienced at least one grade ≥3 treatment-related adverse event ("TRAE"). The most common TRAEs of any grade were diarrhea (100%), nausea (63.6%), and decreased appetite (48.5%). In total, nine patients (27.3%) experienced immune-mediated adverse events. Overall, 13 (39.4%) patients remained on treatment. In Cohort 2a, two patients (6.1%) died as a result of TRAEs (one from lung infection and pneumonia and the other of sudden death). A Phase 3 trial (NCT05152147) evaluating this regimen is ongoing with top-line data from HERIZON-GEA-01 targeted to be reported in 2024.

Also at ESMO in October 2023, our partner Jazz presented clinical results on quality of life outcomes from the Phase 2b HERIZON-BTC-01 study evaluating patients with zanidatamab-treated HER2-positive BTC in patients with centrally confirmed HER2-amplified tumors (detected by in situ hybridization). Patients were prospectively assigned into one of two cohorts, Cohort 1 (IHC 2+ or 3+; defined as HER2-positive), and Cohort 2 (IHC 0 or 1+). Due to limited sample size (n=7) and no confirmed responses in Cohort 2, the health-related quality of life ("HRQoL") analyses reported were focused on Cohort 1 only (HER2-positive). HRQoL outcomes were exploratory endpoints and were assessed using patient-reported 5-Level EQ-5 Dimension (EQ-5D-5L) descriptive system questionnaire which assesses five dimensions (mobility, self-care, usual activities, pain or discomfort, and anxiety or depression) by five levels (for each dimension, patients could report: 1, no problems; 2, slight problems; 3, moderate problems; 4, severe problems; 5, extreme problems/unable to engage in activity). Other exploratory endpoints were assessed using EQ-5D visual analogue scale (VAS) to assesses overall current health. Patients with HER2-positive BTC who responded to zanidatamab reported improved HRQoL compared with baseline. Overall, zanidatamab showed positive results that support its potential to reduce disease burden and potentially result in improved patient HRQoL compared to baseline.

Zanidatamab is currently being evaluated in the following clinical trials:

- NCT05035836 – A Phase 2, single-site, single-arm open-label study to determine the efficacy of zanidatamab for patients with early stage low-risk HER2/neu positive HER2-positive breast cancer.
- NCT05270889 – A Phase 2 single-arm, open-label, multi-center study of zanidatamab in combination with tislelizumab as a second-line treatment for HER2-positive advanced gastric cancer as part of the investigator-initiated K-Umbrella Trial.
- NCT05027139 – A Phase 1b/2 single-arm, open-label, multi-cohort, multicenter study of zanidatamab in combination with evorpacept (formerly ALX148) in patients with advanced HER2-expressing cancer. Part one of the study will evaluate evaluates safety and tolerability and establish establishes the recommended doses ("RD"). Part two of the study will evaluate evaluates the antitumor anti-tumor activity of the combination at the RD levels in indication-specific expansion cohorts.
- NCT04578444 – An intermediate-size Expanded Access Protocol for use of zanidatamab in patients with HER2-positive advanced solid tumors who are not eligible for other zanidatamab clinical trials, and who in the opinion of the treating oncologist, would potentially benefit from treatment with zanidatamab.
- NCT05152147 – A randomized, global, multicenter, Phase 3 Study study of zanidatamab in combination with chemotherapy with or without tislelizumab in subjects with HER2-positive unresectable locally advanced or metastatic GEA.
- NCT02892123 – A Phase 1 study to evaluate the maximal tolerated dose, optimal biological dose or other recommended dose, and overall safety and tolerability of zanidatamab in patients with unresectable locally advanced and/or metastatic HER2-expressing cancers.

- NCT03929666 – A multicenter, global, Phase 2, open-label, 2-part, first-line study to investigate the safety, tolerability, and **antitumor anti-tumor** activity of zanidatamab plus standard first-line combination chemotherapy regimens for selected gastrointestinal (GI) cancers. Eligible patients include those with unresectable, locally advanced, recurrent or metastatic HER2-expressing GEA, BTC, or CRC.
- NCT04224272 – A multicenter, global, Phase 2, open-label, two-part study. Part one of the study **will evaluate evaluates** the safety and tolerability of zanidatamab in combination with palbociclib and fulvestrant and identify the RD of zanidatamab and palbociclib. Part two of the study **will evaluate antitumor evaluates anti-tumor** activity at the recommended dose level.
- NCT04466891 – A multicenter, pivotal, open-label, single-arm trial evaluating the **antitumor anti-tumor** activity of zanidatamab monotherapy in patients with HER2-amplified, inoperable and advanced or metastatic BTC, including intra-hepatic cholangiocarcinoma, extra-hepatic cholangiocarcinoma, and gallbladder cancer.
- NCT04513665 – A study to evaluate zanidatamab monotherapy in women with HER2-overexpressed endometrial cancer or carcinosarcoma that has been treated in the past.
- NCT04276493 – A study to assess the safety, tolerability and preliminary **antitumor anti-tumor** activity of zanidatamab in combination with docetaxel in participants with HER2-positive breast cancer, and zanidatamab in combination with tislelizumab and chemotherapy in participants with HER2-positive gastric/gastroesophageal junction adenocarcinoma.
- NCT05615818 – An international, randomized, controlled, open-label platform Phase 3 trial evaluating whether the introduction of molecular targeted therapies, including zanidatamab, as maintenance after four cycles of standard-of-care first-line systemic therapy is superior to continuation of first-line standard-of-care in the treatment of patients with advanced biliary cancer as part of the investigator-initiated SAFIR-ABC10 Trial.
- JRCT2031210161  A single arm Phase 1 study of zanidatamab in Japanese subjects with locally advanced (unresectable) and/or metastatic HER2-expressing cancers.
- NCT01042379 – An adaptive Phase 2 clinical trial design in the neoadjuvant setting for women with locally advanced breast cancer (I-SPY).
- MD Anderson- Jazz Pharmaceuticals 5-year collaboration to evaluate zanidatamab (as monotherapy/ in combination) in patients in different stages with HER2-expressing solid tumors.

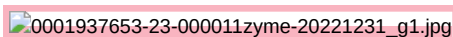
Zanidatamab has been granted Breakthrough Therapy designation by the FDA for the treatment of patients with previously treated HER2 gene-amplified locally advanced/unresectable or metastatic BTC as well as two Fast Track designations, one for previously treated or recurrent HER2 gene-amplified BTC and another for first-line HER2-overexpressing GEA in combination with standard of care chemotherapy. Zanidatamab also received Orphan Drug designation for the treatment of BTC and gastric cancer, including cancer of the gastroesophageal junction, in the United States and for gastric cancer and BTC in the European

Table of Contents

Union ("EU"). Zanidatamab has also been granted Breakthrough Therapy designation from the Center for Drug Evaluation in China for treating patients with BTC who have failed prior systemic therapies. **Our partner Jazz Pharmaceuticals has initiated a rolling biologics license application (BLA) filing with the FDA for zanidatamab as second-line treatment in biliary tract cancers (BTC) in the United States (US) with anticipated completion of the regulatory submission expected in the first half of 2024. Jazz has also initiated a Phase 3 confirmatory trial for zanidatamab as first-line treatment in BTC. Similarly, our partner BeiGene expects to submit a BLA for zanidatamab with the National Medical Products Administration (NMPA) in China for treatment of HER2-amplified inoperable and advanced or metastatic BTC during the second half of 2024. Our partner Jazz is also evaluating zanidatamab for the first line treatment of HER2-positive unresectable locally advanced or metastatic GEA. Jazz is targeting to provide the pivotal Phase 3 top-line readout from the zanidatamab HERIZON-GEA-01 trial in late 2024.**

Early-Stage Clinical and Early Research and Development

The below table summarizes our early-stage clinical and early Research and Development candidates.



Zanidatamab Zovodotin: HER2-Targeted Bispecific ADC

Overview

Zanidatamab zovodotin, our second **clinical-stage** product candidate, is currently being evaluated in a Phase 1 clinical trial. It is a biparatopic anti-HER2 ADC developed based on Zymeworks' proprietary Azymetric multispecific and ZymeLink ADC platforms and combines the unique design of zanidatamab with a proprietary cytotoxin and cleavable linker. Our cytotoxin destabilizes tubulin, a protein necessary for cell division, and therefore kills rapidly dividing cancer cells. In preclinical models, compared to certain approved HER2-targeted therapies, zanidatamab zovodotin mediates a superior therapeutic effect on HER2-expressing tumors through multiple potential mechanisms, including:

- increased maximum HER2 binding density;
- unique biparatopic-induced HER2 receptor clustering;
- increased HER2-mediated ADC internalization; and
- enhanced toxin-mediated cytotoxicity and tumor growth inhibition.

We are developing zanidatamab zovodotin to be a potential best-in-class HER2-targeting ADC for several indications characterized by HER2 aberrations, especially for patients whose tumors have progressed or are refractory to HER2-targeted agents and those that express lower levels of HER2 and are ineligible for treatment with other HER2-targeted

therapies.

Preclinical Development of Zanidatamab Zovodotin

In preclinical studies, zanidatamab zovodotin demonstrated complete tumor regressions in a panel of high and low HER2-expressing patient-derived xenografts and promising efficacy in a model of breast cancer brain metastases. These results compared favorably when benchmarked against approved and leading HER2 ADCs in clinical development. In a repeat dose

[Table of Contents](#)

toxicology study in non-human primates, zanidatamab zovodotin was well tolerated at 18 mg/kg, suggesting a broad therapeutic window.

Clinical Development of Zanidatamab Zovodotin

We are currently evaluating zanidatamab zovodotin as a monotherapy in a non-randomized, open-label Phase 1 clinical trial in patients with **HER2 High HER2-positive** breast, gastric and other HER2-expressing cancers, whose disease has progressed after all standard of care therapies. The primary objective of the Phase 1 clinical trial is to characterize the safety, tolerability, pharmacokinetics and maximum tolerated dose of zanidatamab zovodotin. The secondary objectives for the trial include evaluation of preliminary **antitumor anti-tumor** activity of zanidatamab zovodotin, as well as an exploration of potential biomarkers of response. Based upon the observed safety and activity, subsequent development may focus on patients with **HER2 High HER-positive** breast cancer, **HER2 High HER2-positive** gastric cancer, other **HER2 High HER2-expressing** cancers, as well as cancers with lower levels of HER2 expression, including breast cancer.

In September 2022, we presented preliminary Phase 1 trial results for zanidatamab zovodotin as monotherapy for the treatment of various HER2-positive tumors at the European Society for Medical Oncology ("ESMO") Annual Congress. A total of 77 heavily pretreated patients were enrolled in this first-in-human trial, which was designed to determine the maximum tolerated dose of zanidatamab zovodotin, characterize its safety and tolerability, and evaluate anti-tumor activity in HER2-expressing cancers as monotherapy. The patients represented a variety of HER2-expressing cancers including breast, gastroesophageal, ovarian, endometrial, bladder, biliary tract, anal, colorectal, pancreatic and lung. At the time of the analysis, the maximum tolerated dose had not yet been reached. In the trial, zanidatamab zovodotin was shown to have a manageable and differentiated safety profile with the majority of adverse events being Grade 1 or 2 in severity. The majority of patients (20/29) had received prior HER2-targeted therapies with patients receiving a median of three (range 1 to 13) prior therapies in the metastatic setting, including a median of six (range 3 to 13) in metastatic breast cancer and four (range of 1 to 8) in metastatic GEA. In patients with HER2-positive cancers treated with zanidatamab zovodotin at 2.5 mg/kg Q3W (dose escalation + dose expansion), the cORR was 31% [95% CI: 15.3, 50.8] and the DCR was 72% [95% CI: 52.8, 87.3]. The Phase 1 clinical trial is ongoing and continues to enroll patients to study safety, tolerability and activity in various cohorts at the Q3W schedule. We expect to present updated results from this Phase 1 study before the end of 2023.

In January 2023, we announced our plans for the continued development of zanidatamab zovodotin at the RP2D of 2.5 mg/kg every three **weeks weeks**.

In October 2023, as part of the ENA conference, we presented clinical data for zanidatamab zovodotin in a poster titled "Phase 1 Study of Zanidatamab Zovodotin (ZW49): Safety Profile and **announced Recommended Dose (RD)** in Patients with Human Epidermal Growth Factor 2 (HER2)-positive Solid Cancers." In total, 67 patients were treated with zanidatamab zovodotin at select cohorts in the 1.25 mg/kg (n=18) and 1.5 mg/kg (n=18) QW; 2.5 mg/kg Q3W (n=31) dosing regimens. Of these 67 patients, eight patients discontinued due to TRAEs, including five patients discontinued in 2.5 mg/kg Q3W (three Grade 2 and one Grade 3 keratitis; and one serious TRAE of Grade 4 infusion-related reaction); one patient discontinued in 1.25 mg/kg QW (Grade 2 ophthalmic herpes zoster); and two patients discontinued in 1.5 mg/kg QW (two Grade 2 keratitis). In the evaluation of zanidatamab zovodotin, the safety profile was consistent between the 1.25 mg/kg QW and 2.5 mg/kg Q3W regimens, with manageable low-grade keratitis events and no severe complications, and based on a comprehensive review of the safety and preliminary anti-tumor activity data, zanidatamab zovodotin 2.5 mg/kg Q3W IV was identified as the recommended dose. Additionally, zanidatamab zovodotin at 2.5 mg/kg Q3W IV demonstrated promising anti-tumor activity in heavily pretreated patients with advanced HER2+ cancers, achieving a 30% overall response rate with response durations ranging from 1.4 to 19.8 months. These findings suggest that **by** zanidatamab zovodotin 2.5 mg/kg Q3W IV is the **end of 2023, we expect to present additional data from our clinical study that** recommended dose, offering an acceptable tolerability profile and potential as a novel treatment option for advanced HER2+ cancers, supporting further **supports this RP2D, investigation**.

Based on **the the data generated to as of the date of this report** from the Phase 1 clinical study, which has continued to enroll subjects to gather additional data for zanidatamab zovodotin monotherapy, **we plan to evaluate** zanidatamab zovodotin **as monotherapy and/or** remains ready for a Phase 2 study in combination with pembrolizumab in subjects with locally advanced (unresectable) or metastatic HER2-overexpressing non-squamous NSCLC. However, the **current respective standards initiation of care in multiple** the planned Phase 2 **studies. Based** study has been deprioritized, pending more clarity from the evolving clinical landscape. We continue to explore potential development and commercial collaborations for zanidatamab zovodotin.

Early-Stage Research and Development

Our early-stage pipeline currently includes four preclinical candidates which have been nominated for development; ZW191, ZW171, ZW220, and ZW251. The four nominated candidates are as follows:

ZW191, an ADC that targets folate receptor alpha ("FRa")-expressing tumors including ovarian, other gynecological, and NSCLC, is built using our drug conjugate platforms, including our novel TOPO1i-based payload technology. A drug-antibody-ratio ("DAR") of eight was selected to balance tolerability and efficacy. The FRa monoclonal antibody incorporated in ZW191 was generated in-house and selected based on **our development efforts** enhanced internalization characteristics to **date** enable targeting of high, mid, and

low levels of FRa expression. FRa is a clinically validated target, and data supports its expression in approximately 75% of ovarian carcinomas, and in combination 70% of NSCLC. Our preclinical data is encouraging, with the results strong anti-tumor activity demonstrated across a range of these planned clinical studies, we believe these results may provide the rationale for one or more registration-enabling studies of zanidatamab zovodotin patient-derived NSCLC and ovarian xenograft models.

before the end of 2025 ZW171, a multispecific antibody built using our Azymetric platform, is a novel 2 + 1 format T-cell engaging multispecific antibody targeting mesothelin ("MSLN")-expressing cancers. ZW171 has a unique geometry, with two single-chain fragment variable arms targeting MSLN and one Fab arm targeting the cluster of differentiation 3 protein ("CD3") component of the T-cell receptor, to redirect the body's natural immune system to fight cancer cells. Preclinical data demonstrated in vivo anti-tumor activity, with engagement in high-expressing cells but not low-expressing cells, mitigating the risk of on-target, off-tumor toxicities. MSLN has strong expression in ovarian cancer (~84%), with moderate to strong expression levels across mesothelioma (~56%) and NSCLC (~36%), making it an appealing target for therapeutic development with our proprietary T-cell engager technology.

ZW220, an ADC that targets sodium-dependent phosphate transporter 2b ("NaPi2b")-expressing NSCLC and ovarian cancer, is (like ZW191) built using our proprietary TOPO1i-based payload technology. A DAR of four was selected to balance tolerability and efficacy. The NaPi2b-targeting monospecific antibody incorporated in ZW220 was generated in-house and selected based on a favorable binding profile and enhanced internalization properties to enable targeting of both high- and low-expressing NaPi2b-expressing tumors. NaPi2b is expressed in approximately 96% of ovarian and 87% of NSCLC, with anti-tumor activity being demonstrated in patient-derived cell lines and growth inhibition in 3D spheroid NSCLC models. The bystander effect of the TOPO1i payload may help address NaPi2b heterogeneity across different cancers.

ZW251, a potential first-in-class ADC molecule designed for the treatment of glypican 3 ("GPC3")-expressing hepatocellular carcinoma ("HCC"), which we would incorporate the same Zymeworks proprietary bystander-active TOPO1i payload utilized in ZW191 (anti-FRa) and ZW220 (anti-NaPi2b). A DAR of four was selected to balance tolerability and efficacy, with ZW251 anti-tumor activity observed in multiple patient-derived xenograft models of HCC reflecting a range of GPC3 over-expression. GPC3, a GPI-anchored cell surface oncofetal antigen, is over-expressed in most HCC patients (>75%), and displays minimal normal adult tissue expression, making it an appealing ADC target. We are encouraged by published research demonstrating the potential of GPC3-targeting antibody in HCC patients as evidenced by tumor localization of iodine radiolabeled condrituzumab, a prior clinical stage anti-GPC3 mAb, and believe that antibody drug conjugate-based targeting of GPC3 could enable a novel and effective approach to treatment of HCC.

We expect to undertake with a future collaboration partner, submit IND or foreign equivalent applications for ZW191 and ZW171 in 2024. Similarly, we expect to submit INDs or foreign equivalent applications for ZW220 and ZW251 in 2025. Beyond this, we aim to nominate the preclinical candidate for our fifth development program during 2024, and intend to submit an IND or foreign equivalent for this candidate in 2026.

Other Preclinical Product Candidates

We maintain ongoing discovery efforts to identify and test new target combinations, product candidates and platform technologies that have the potential to address unmet medical needs. We have developed multiple preclinical product candidates targeting a combination of known and novel tumor antigens based on our platform technologies. All of these candidates remain unpartnered, unencumbered. We continue to focus on advancing multiple well-differentiated product candidates into clinical trials to build our pipeline portfolio as well as exploiting our protein engineering and ADC expertise to develop innovative product candidates.

As part of our early Research and Development day held in New York City in October 2022, we announced multiple preclinical product candidates, including two lead candidates, ZW191 and ZW171. Our lead ADC preclinical product candidate, ZW191, is a folate receptor alpha targeted ADC with a novel TOPO1i-based payload that we believe may be competitive in areas with high unmet medical need. Similarly, our lead multispecific preclinical product candidate, ZW171, a novel and differentiated MSLN-targeted bispecific T-cell engaging antibody generated utilizing our Azymetric bispecific platform, targets the potential treatment of patients in pancreatic, mesothelioma, ovarian, and other MSLN-expressing cancers. We expect to submit IND applications for ZW191 and ZW171 in 2024.

We expect to continue developing additional early-stage ADC and multispecific product candidates, such as ZW251, a glypican-3 targeted TOPO1i-based ADC, and ZW220, a NaPi2b targeted ADC with a TOPO1i-based payload, as well as additional preclinical product candidates currently in development.

[Table of Contents](#)

Our Proprietary Therapeutic Platforms

Our expertise in protein engineering has enabled the development of our proprietary therapeutic platforms, a complementary suite of highly tailored biologics solutions. Our therapeutic platforms can be used alone or in combination to develop multifunctional fit-for-purpose biotherapeutics with bispecific capabilities (Azymetric), targeted cytotoxin payload delivery and linker technologies (Drug Conjugate Platforms), finely tuned immune function modulation (EFFECT), and tumor-specific immune co-stimulation (ProTECT). The modular design and ease of use of our therapeutic platforms allow for the design and evaluation of multiple candidates with different formats to determine the optimal therapeutic combination early in development. We continue to leverage these therapeutic platforms to expand our pipeline of next-generation multispecific and ADCs that we believe could represent significant improvements to the standard of care in multiple cancer types and other serious diseases.



Azymetric Multispecific Antibody Platform

The Azymetric multispecific antibody platform is our foundation platform, which can produce either the backbone of our ADCs or be the base of our multispecific therapeutics that can be combined with both our trispecific T-cell engager ("TriTCE") technology and our ProTECT platform to develop potential best-in-class trispecifics. The Azymetric platform consists of a library of proprietary amino acid substitutions that enable the transformation of monospecific antibodies into bispecific or trispecific antibodies, which gives them the ability to simultaneously bind two non-overlapping epitopes. The Azymetric platform enables the development of biotherapeutics with dual-targeting of receptors/ligands and simultaneous blockade of multiple signaling pathways, increasing tumor-specific targeting and efficacy while reducing toxicities and the potential for drug resistance. In preclinical studies, the dual targeting of Azymetric antibodies has demonstrated synergistic activity relative to the application of an equivalent dose of the corresponding monospecific antibodies. Azymetric multispecifics can also be engineered to enhance internalization of the antibody into the tumor cell and consequently increase the delivery of cytotoxins.

Azymetric multispecifics retain the desirable drug-like qualities of monoclonal antibodies, including long half-life, stability and low immunogenic potential, which increases their probability of success. Azymetric multispecifics are also compatible with standard manufacturing processes with high production yields and purity.

The Azymetric platform is the foundation for the development of trispecific and trivalent antibodies. Our complementary suite of technologies can incorporate multiple targets and mechanisms of action within a single antibody-based therapeutic. To achieve efficacy and durability in a difficult tumor microenvironment, we have developed a TriTCE strategy that integrates checkpoint inhibition ("TriTCE-CPI") and costimulatory technologies ("TriTCE-costim"). TriTCE-CPI technology is designed to navigate suppressive tumor microenvironments and enhance the activity of T-cell engagers through incorporation of a checkpoint pathway binder to restore and enhance T-cell engagement and overcome secondary resistance to provide durable responses. TriTCE-costim technology can increase T-cell fitness, activation and proliferation via tumor-dependent T-cell co-stimulation. Further, T-cell engager technologies can integrate with ProTECT, a technology built to mask an antibody arm to improve selectivity to minimize off-target, and mitigate on-target, adverse events.

Drug Conjugate Platforms

Our Drug Conjugate Platforms are a suite of proprietary cytotoxins (including both topoisomerase and microtubulin inhibiting toxins), stable linkers, and conjugation technologies that are compatible with and complementary to our product candidates and enable delivery of cytotoxins directly to target cells. We believe that our platforms provide multiple competitive advantages over existing ADC approaches, including optimized activity and tolerability profiles through increased drug delivery to target cells with reduced off-target effects, as well as improved pharmacokinetics and stability. Our Drug Conjugate Platforms can be used in conjunction with our other therapeutic platforms to potentially increase safety and efficacy as compared to existing ADC technologies, platforms.

Table Our TOPO1i ADC platform is one of Contents

several proprietary Zymeworks linker-payload platforms. TOPO1i-based technologies have shown meaningful clinical benefit in a wide range of solid tumors, including hard-to-treat solid tumors, and have been validated across many targets. Our novel camptothecin ZD06519 (FD1) has been specifically designed for its application as an ADC payload. A panel of camptothecin analogs with different substituents at the C-7 and C-10 positions of the camptothecin core were prepared and tested in vitro. Selected compounds spanning a range of potency and hydrophilicity were elaborated into drug-linkers, conjugated to trastuzumab, and evaluated in vitro and in vivo. ZD06519 was selected based on its favorable properties as a free molecule and as an antibody conjugate, which include moderate free payload potency (~1 nanomolar ("nM")), low hydrophobicity, strong bystander activity, robust plasma stability, and high-monomeric ADC content. When conjugated to different antibodies using a clinically validated MC-GGFG-based linker, ZD06519 demonstrated impressive efficacy in multiple cell-derived xenograft ("CDX") models and noteworthy tolerability in healthy mice, rats, and non-human primates.

EFFECT Antibody Effector Function Modulation Platform

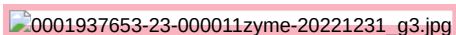
The EFFECT platform consists of sets of modifications to the crystallizable fragment ("Fc") region of antibodies that enable the selective modulation of recruited cytotoxic immune cells for diverse therapeutic applications. This allows us to rationally tailor the selective enhancement or suppression of immune effector function to optimize product candidates.

ProTECT Tumor-Specific Immune Co-stimulation Platform

The ProTECT platform is a novel conditionally active antibody technology that can simultaneously increase the tolerability and efficacy for therapeutics, thereby potentially enhancing therapeutic window and clinical utility. Functional, natural immunomodulatory heterodimers are introduced to sterically block antigen binding outside the tumor, enabling therapeutics with limited activity in normal healthy tissue, avoiding on-target, off-tumor toxicities. Once in the tumor microenvironment, specific proteases cleave and release one half of the functional block activating both the targeting antibody and the immunomodulatory function. The resulting activated multifunctional therapeutic enables immune modulation in concert with antigen binding, which enables an overall increase in the therapeutic window through selective tumor activity and enhanced potency.

Strategic Partnerships and Collaborations

The table below summarizes the stage of each of our partners' most advanced publicly disclosed program.



Our novel product candidates, together with our combination of proprietary protein engineering capabilities and resulting therapeutic platform technologies, have enabled us to enter into a number of strategic partnerships, many of which were subsequently expanded in scope. Our strategic partnerships and collaborations provide us with the ability to accelerate clinical development of our product candidates in certain geographical regions and provide our strategic partners with access to components of our proprietary therapeutic platforms for their own therapeutics development. In addition, these strategic partnerships have provided us with non-dilutive funding as well as access to proprietary therapeutic assets, which increase our ability to rapidly advance our product candidates while maintaining commercial rights to our own therapeutics.

Through collaboration agreements with Jazz and BeiGene relating to our lead programs for zanidatamab and zanidatamab zovodotin, we have received over \$435 million over \$435 million through December 31, 2022 December 31, 2023 in the form of non-refundable upfront payments and milestone payments. In addition, through these partnerships with Jazz and BeiGene with respect to zanidatamab, we are remain eligible to receive up to \$1.75 billion \$1.56 billion in potential regulatory, development and commercial milestone payments, as well as tiered royalties on potential future product sales, pending receipt of regulatory approval. These partnerships have provided us with a significant source of non-dilutive funding and provide for the additional future funding requirements for our lead asset, zanidatamab. These partnerships also leverage our partners' commercial infrastructure, helping accelerate the development and expanding the potential reach of our lead product candidates.

To date, we have received approximately \$180.0 million in the form of non-refundable upfront and milestone payments from platform partnership and collaboration agreements, excluding amounts received related to zanidatamab or zanidatamab

Table of Contents

zovodotin. We continue to have revenue-generating strategic partnerships and collaborations with respect to our Azymetric, EFECT and Drug Conjugate therapeutic platforms with BeiGene, BMS, GSK, Daiichi Sankyo, Janssen, LEO, Iconic, Merck and Atreca. Under these revenue-generating strategic partnerships and collaboration agreements, we are eligible to receive up to \$2.8 billion in preclinical and development milestone payments and up to \$5.9 billion in commercial milestone payments, as well as tiered royalties on potential future product sales, pending regulatory approval. It is possible, however, that our strategic partners' programs will not advance as currently contemplated, which would negatively affect the amount of development and commercial milestone payments and royalties on potential future product sales we may receive. Importantly, these partnerships include predominantly non-target-exclusive licenses for any of our therapeutic platforms, so we maintain the ability to develop therapeutics directed to many high-value targets utilizing our platforms.

Our strategic partnerships and collaborations include the following: **Product Partnerships**

Jazz

In October 2022, Zymeworks BC we entered into a License license and collaboration agreement with Jazz ("Original Jazz Collaboration Agreement"; as amended in April 2023, "Amended Jazz Collaboration Agreement" and collectively with the Original Jazz Collaboration Agreement, (the the "Jazz Collaboration Agreement") with . Under the Jazz under which Collaboration Agreement, Jazz will have is solely responsible for all development and commercialization rights of for zanidatamab throughout the world, but excluding existing APAC territories (other than Japan) already governed by Zymeworks BC's agreement with BeiGene (the "Territory" ("Territory"). BeiGene has exclusive rights, pursuant to an agreement with Zymeworks BC dated November 26, 2018, as amended (the "BeiGene Agreement"), to commercialize zanidatamab in those countries that are excluded from the Territory.

Under the terms

As part of the Jazz Collaboration Agreement, Zymeworks BC our collaboration, we granted to Jazz an certain exclusive royalty-bearing license, with the right to grant sublicenses, and non-exclusive licenses, under certain of Zymeworks BC's our intellectual property, to research, develop, manufacture, and commercialize in the Territory pharmaceutical products containing or incorporating zanidatamab or certain related antibodies excluding ADCs (such antibodies, collectively, "Licensed Antibodies", and such pharmaceutical products, "Licensed Products").

Jazz also granted us certain licenses, under Jazz's intellectual property, to develop, commercialize, and manufacture the Licensed Antibodies and Licensed Products expressly exclude all ADCs, including Zymeworks BC's proprietary ADC, zanidatamab zovodotin. Zymeworks BC also granted to Jazz a non-exclusive license, with the right to grant sublicenses, under certain of Zymeworks BC's intellectual property, to research, preclinically develop and manufacture Licensed Products outside the Territory for the sole purpose of furthering the development and commercialization of Licensed Products in the Territory.

Jazz granted Zymeworks BC certain licenses, under certain of Jazz's intellectual property, to develop and commercialize Licensed Antibodies and Licensed Products outside the Territory, to conduct certain development and manufacturing activities with respect to the Licensed Products in the Territory, and to make and have made Licensed Antibodies such antibodies for incorporation into zanidatamab zovodotin for development and commercialization both in and outside the Territory. If the BeiGene Agreement is terminated, in whole or in part, Jazz has a right of first negotiation to develop or commercialize any Licensed Product in such countries. In November 2022, the waiting period under the United States Hart-Scott Rodino Antitrust Improvements Act of 1976 expired (such clearance, the "HSR Clearance"). purposes.

During the Term (as defined below), Jazz and its affiliates are prohibited from performing any clinical development of, or commercialization of, any pharmaceutical product containing a bispecific antibody directed to the ECD2 and ECD4 domains of HER2 in the Territory, other than Licensed Products. During the Term, Zymeworks BC and its affiliates are prohibited from (i) performing any preclinical development (except for certain independent, internal preclinical development by Zymeworks BC or its affiliates) or clinical development of, or commercializing, any pharmaceutical product that is directed to HER2 in the Territory (each, a "Zymeworks Competing Product"), other than Licensed Products; Products and (ii) using clinical data resulting from certain clinical trials regarding zanidatamab that were being conducted or initiated by Zymeworks BC (the "Program") to perform any pre-clinical development or clinical development, or commercialization of, any pharmaceutical product that is directed to HER2; provided that zanidatamab zovodotin is excluded from this each restriction. Zymeworks BC retains the right to grant third parties rights to apply any of Zymeworks BC's platforms to derive or generate, without any assistance from Zymeworks BC, antibodies directed to any biological target where Zymeworks BC is not aware of the identity of any such target, and Zymeworks BC retains the right to fulfill its obligations under agreements with its existing platform partners; provided, however, that Zymeworks BC cannot generate, or grant development or commercialization licenses to, Zymeworks Competing Products in new platform-based agreements entered into after the effective date of the Original Jazz Collaboration Agreement.

As between Jazz and Zymeworks BC, Jazz will be solely responsible for all development and commercial activities with respect is required to Licensed Products in the Territory, and all such development and commercial activities in the Territory shall be at Jazz's sole cost and expense, except that Zymeworks BC shall be responsible for the continued conduct of clinical trials for zanidatamab initiated by Zymeworks BC prior to the execution of the Jazz Collaboration Agreement (collectively, the "Zymeworks Ongoing Studies"), including those clinical trials initiated by Zymeworks BC in South Korea, and filing of the first Biologics License Application for the Licensed Product (the "First BLA"), at Jazz's cost and expense subject to the terms and conditions under the Jazz Collaboration Agreement. Following regulatory approval of the First BLA or earlier upon Jazz's written request, Zymeworks BC will promptly transfer the First BLA to Jazz.

Jazz shall use commercially reasonable efforts to develop and obtain regulatory approval for a Licensed Product in certain major market countries for the treatment of certain diseases. Jazz will be the holder of regulatory approvals and regulatory

[Table of Contents](#)

submissions for Licensed Products in the Territory, except with respect to the Zymeworks Ongoing Studies and the First BLA until it is transferred to Jazz. Territory.

Zymeworks BC will (either itself or through Zymeworks BC's contract manufacturing organization) manufacture, and Jazz will purchase from Zymeworks BC, Jazz's requirements of continue to supply zanidatamab and Licensed Product until Jazz or Jazz's contract manufacturer is approved to manufacture Licensed Antibody and Licensed Product, or until two years after certain clinical sites pursuant to the closing terms of the Jazz Collaboration Agreement (which closing occurred following receipt of the HSR Clearance), whichever is later. Thereafter, Zymeworks BC will manufacture for Jazz, and Jazz will purchase from Zymeworks BC, certain quantities of zanidatamab and Licensed Product, until such manufacture is fully transferred to Jazz, but no later than three years after closing. Supply of zanidatamab and Licensed Product shall be further set forth in separate clinical and commercial supply agreements to be executed by the parties. Agreement.

Jazz shall be solely responsible for commercializing the Licensed Products in the Territory and use commercially reasonable efforts to commercialize in each specified major market country each Licensed Product that obtains regulatory approval in such country. Jazz shall conduct such commercialization at its sole cost and expense.

Under the Jazz Collaboration Agreement, Zymeworks BC we received (i) a non-refundable \$50.0 million upfront payment following receipt of HSR Clearance and delivery of licenses and technology transfer to Jazz and (ii) a further payment of \$325.0 million following Jazz's decision to continue the collaboration after readout of the top-line clinical data from HERIZON-BTC-01, as well as Zymeworks BC's in addition to our delivery of all other data, analyses and other information set forth in the Jazz Collaboration Agreement. Jazz will reimburse Zymeworks BC for Zymeworks BC's performance of development activities under the Jazz Collaboration Agreement in accordance with a development plan and budget. Zymeworks BC will be information. We are also eligible to receive up to an aggregate of \$525.0 million in certain regulatory milestones payments and up to an aggregate of \$862.5 million in potential commercial milestone payments, for total potential payments of up to \$1.76 billion. payments. Pending approval, Zymeworks BC is we are eligible to receive tiered royalties between 10% and 20% on annual net sales of Licensed Products in the Territory, with customary reductions in specified circumstances. Royalties are payable on a Licensed Product-by-Licensed Product and country-by-country basis until the latest of (i) ten years after the first commercial sale of such Licensed Product in such country, (ii) the expiration of the last valid licensed patent claim within the licensed Zymeworks BC intellectual property covering such Licensed Product in such country, and (iii) the expiration of regulatory exclusivity of such Licensed Product in such country.

Zymeworks BC shall solely own all inventions made by the parties solely or jointly that specifically relate to the composition of matter of zanidatamab and any invention made solely by Zymeworks BC and its affiliates. Jazz shall own all inventions made solely by Jazz. Inventions made jointly by the parties shall be owned jointly by the parties.

Unless terminated earlier, the The term of the Amended Jazz Collaboration Agreement will continue on a Licensed Product-by-Licensed Product and country-by-country basis until the expiration of the royalty term for such Licensed Product in such country (the "Term"). On a country-by-country basis, upon the expiration of the Term, the license granted to Jazz in such country shall become fully paid-up, royalty-free, perpetual, and irrevocable.

At any time, Jazz may terminate the The Amended Jazz Collaboration Agreement contains customary termination rights for Jazz and us, including the right for Jazz to terminate the agreement in its entirety or on a region-by-region basis, by providing written sole discretion with advance notice of termination to Zymeworks BC. In us. We may also terminate the event that Amended Jazz Collaboration Agreement if Jazz or its affiliates file or initiate a patent challenge against us.

In May 2023, we also entered into a stock and asset purchase agreement with Jazz Pharmaceuticals, Inc. ("Jazz Inc.") (as amended, the "Transfer Agreement") to provide for a series of steps designed to simplify, focus, and potentially expedite the clinical development and commercialization of zanidatamab in partnership with Jazz Inc. by transferring certain assets, contracts and employees associated with the clinical trials for zanidatamab to Jazz Inc. and its affiliates.

Pursuant to the Transfer Agreement, at the closing (the "Closing") thereunder, (i) Jazz acquired from Zymeworks Biopharmaceuticals Inc. ("ZBI") 100% of the issued and outstanding capital stock of Zymeworks Zanidatamab Inc. ("ZZI", a subsidiary of ZBI); (ii) Jazz engaged certain Zymeworks BC and ZZI employees associated with the development of

zanidatamab, and the Company transferred to Jazz or one of its affiliates contracts with respect to the engagement of certain independent contractors of Zymeworks BC may terminate and ZBI that worked on the Program; (iii) Jazz Collaboration Agreement unless such challenge is withdrawn, abandoned, or terminated following Jazz's receipt of written notice and its affiliates acquired from Zymeworks BC. Subject to certain conditions, either party may terminate BC and ZBI and their affiliates the Jazz Collaboration Agreement Acquired Assets (as defined in the event of an uncured material breach or insolvency of the other party).

Upon the termination of the Transfer Agreement); and (iv) Jazz Collaboration Agreement for any reason, all licenses and other rights granted to Jazz by Zymeworks BC shall terminate. Licenses granted by Jazz to Zymeworks BC shall continue its affiliates assumed certain liabilities arising following the effective date of termination, Closing related to the Acquired Assets and Jazz shall grant the Program, including with respect to Zymeworks BC a non-exclusive, royalty-bearing and sublicensable license under certain intellectual property controlled by Jazz that either arises from the Jazz Collaboration Agreement or is used by or on behalf of Jazz in the development, manufacture, or commercialization of Licensed Products. If Jazz has the right to terminate the Jazz Collaboration Agreement because Zymeworks BC was in material breach of the Jazz Collaboration Agreement and did not timely cure such breach, Jazz may elect to have the Jazz Collaboration Agreement continue in full force and effect and all amounts thereafter payable by Jazz under the Jazz Collaboration Agreement will be reduced, and Jazz will have no further obligations to develop and commercialize each Licensed Product transferred service providers, in each major market.

The Jazz Collaboration Agreement also includes certain other customary case subject to the terms and conditions including mutual representations of the Transfer Agreement ((i) through (iv) are collectively referred to as the "Transactions"). No shares of the Company's common stock were sold by the Company or acquired by Jazz Inc. and warranties, indemnification, and confidentiality provisions. its affiliates in connection with the Transactions.

BeiGene

[Table of Contents](#)

BeiGene

In November 2018, we entered into agreements with BeiGene whereby we granted BeiGene royalty-bearing exclusive licenses for the research, development, and commercialization of zanidatamab and zanidatamab zovodotin in Asia (excluding Japan but including the People's Republic of China, South Korea and other countries), Australia, and New Zealand. Zealand (such agreement relating to zanidatamab, as amended, the "Zanidatamab Agreement," and such agreement relating to zanidatamab zovodotin, the "Zovodotin Agreement"). In addition, we also granted September 2023, Zymeworks BC and BeiGene entered into a worldwide, royalty-bearing, antibody sequence pair-specific license termination agreement relating to research, develop and commercialize globally three bispecific antibodies generated through the use of our Azymetric and EFECT platforms.

Zanidatamab & Zanidatamab Zovodotin

Agreement (the "Termination Agreement").

For the research, development and commercialization licenses to zanidatamab and zanidatamab zovodotin, we received an upfront payment of \$40.0 million. In aggregate for both zanidatamab and zanidatamab zovodotin, Under the Zanidatamab Agreement, we are also eligible to receive development and commercial milestone payments of up to \$390.0 million \$172 million, together with tiered royalties from high single digits and of up to 19.5% of net sales in BeiGene territories, increasing to up to 20% on future sales when cumulative amounts forgone as a result of a royalty reduction of 0.5% reaches a cap in the products. low double-digit millions of dollars.

In March 2020, BeiGene dosed the first patient in a two-arm Phase 1b/2 trial evaluating zanidatamab in combination with chemotherapy as a first-line treatment for patients with metastatic HER2-positive breast cancer and in combination with chemotherapy and BeiGene's PD-1-targeted antibody tislelizumab as a first-line treatment for patients with metastatic HER2-positive GEA. We received a payment of \$5.0 million in relation to this milestone. In November 2020, BeiGene dosed the first patient in South Korea in the pivotal HERIZON-BTC-01 study, and we received a payment of \$10.0 million in relation to this milestone, milestone. In December 2021, BeiGene dosed the first patient in South Korea in the pivotal HERIZON-GEA-01 study, and we received a payment of \$8.0 million in relation to this milestone.

Under the agreements, Zanidatamab Agreement, Zymeworks and BeiGene are collaborating on certain global clinical studies and both Zymeworks and BeiGene will independently conduct other clinical studies in their own respective territories. Each of Zymeworks and BeiGene are responsible for all of the development and commercialization costs in their own territories. Unless earlier terminated, these agreements the Zanidatamab Agreement will terminate on a licensed product-by-product and country-by-country basis upon the expiration of the royalty term in such country for such licensed product. The agreements Zanidatamab Agreement may be terminated by BeiGene upon prior written notice or by either party upon the other party's bankruptcy or uncured material breach.

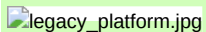
As noted above, the Zovodotin Agreement was terminated under the Termination Agreement. The Termination Agreement does not relieve us or BeiGene from obligations under the Zovodotin Agreement that accrued prior to the termination and certain other provisions expressly indicated to survive the termination, including certain licenses to BeiGene intellectual property with respect to zanidatamab zovodotin. For additional information on the Termination Agreement, please see the section titled "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations— Licensing and Collaboration Agreements—Termination of BeiGene License and Collaboration Agreement Regarding Zanidatamab Zovodotin."

Platform Partnerships

In addition to the payments we have received through our collaboration agreements with Jazz and BeiGene relating to zanidatamab and zanidatamab zovodotin as described above, as of December 31, 2023, we have received approximately \$180.0 million in the form of non-refundable upfront and milestone payments from platform partnership and collaboration agreements. Under existing revenue-generating strategic partnerships and collaboration agreements with respect to our Azymetric, & EFECT Platforms

We received an upfront payment of \$20.0 million for the development and commercialization licenses of drug conjugate therapeutic platforms, we remain eligible to receive up to three bispecific antibody therapeutics using \$1.91 billion in preclinical and development milestone payments and up to \$3.52 billion in commercial milestone payments, as well as tiered royalties on potential future product sales, pending regulatory approval. It is possible, however, that our Azymetric and EFECT platforms. We are also eligible to receive strategic partners' programs will not advance as currently contemplated, which would negatively affect the amount of development and commercial milestone payments and royalties on potential future product sales we may receive. Importantly, these partnerships include predominantly non-target-exclusive licenses for any of up our therapeutic platforms, so we maintain the ability to an aggregate develop therapeutics directed to many high-value targets utilizing our platforms.

The table below summarizes the stage of \$702.0 million. In addition, we are eligible to receive tiered royalties in the mid-single digits on product sales. No development or commercial milestone payments or royalties have been received to date. BeiGene is solely responsible for the research, development, manufacturing, and commercialization each of the products. Unless earlier terminated, this agreement will terminate on a licensed product-by-product and country-by-country basis upon the expiration of the royalty term in such country for such licensed product. This agreement may be terminated by BeiGene upon prior written notice, or by either party upon the other party's uncured material breach, our platform partners' most advanced publicly disclosed program.

 legacy_platform.jpg

BMS

In December 2014, we entered into a collaboration agreement with Celgene (now BMS) to research, develop and commercialize bispecific antibodies generated through the use of our Azymetric platform. This agreement was expanded in 2018 to increase the number of programs from eight to ten and to extend BMS's research period. Under the terms of the agreement, we granted BMS a right to exercise options to worldwide, royalty-bearing, antibody sequence pair-specific exclusive licenses to research, develop and commercialize certain licensed products. We received an upfront payment of \$8.0 million and an expansion fee of \$4.0 million. BMS has the right to exercise options on up to ten programs, and if but in 2023 BMS stopped further development of one of the ten programs. If BMS opts in on a program, we are eligible to receive up to \$164.0 million per product candidate (up to

\$1.64 billion for all ten **programs** programs, or **\$1.48 billion not including the one program for which BMS has stopped development**), comprised of a commercial license option payment of \$7.5 million, development milestone payments of up to \$101.5 million and commercial milestone payments of up to \$55.0 million. **To date, As of December 31, 2023**, BMS has exercised one commercial license option and we have received a total of \$7.5 million in product candidate-specific payments. In addition, we are eligible to receive tiered royalties calculated upon the global net sales of the resulting products. BMS will have exclusive worldwide commercialization rights to products derived from the agreement if BMS elects to exercise a commercial license option for each product. After conclusion of BMS's research period, BMS will be solely responsible for the research, development, manufacturing and commercialization of the products.

In June 2020, our existing collaboration agreement with BMS was amended to expand the license grant to include the use of our EFECT platform for the development of therapeutic candidates and to extend the research term. We received an upfront expansion fee of \$12.0 million and all other financial terms were unchanged.

The agreement contains customary termination rights for BMS and us, including the right of BMS to terminate the agreement in its entirety or on a product-by-product basis in its sole discretion with advance notice to us. The agreement will terminate on a product-by-product and country-by-country basis upon the later of the expiration of the last-expiring patent related to the BMS licensed product, or ten years after the first commercial sale of the BMS licensed product in such a country. If BMS does not exercise its

[Table of Contents](#)

option for the commercial license, the agreement will terminate on a product-by-product basis for which the option was not exercised.

GSK

In December 2015, we entered into a collaboration and license agreement with GSK to research, develop and commercialize up to ten Fc-engineered monoclonal and bispecific antibodies generated through the use of our EFECT and Azymetric platforms. Under the terms of the agreement, we granted GSK a worldwide, royalty-bearing antibody target-exclusive license to new intellectual property generated to the EFECT platform under this collaboration and a non-exclusive license to the Azymetric platform to research, develop and commercialize future licensed products. We are eligible to receive up to \$1.1 billion, including research, development and commercial milestone payments of up to \$110.0 million for each product. In addition, we are eligible to receive tiered royalties in the low single digits on net sales of products. No development or commercial milestone payments or royalties have been received **to date, as of December 31, 2023**. We retained the right to develop up to four products, free of royalties, using the new intellectual property generated in this collaboration, and after a period of time, to grant licenses to such intellectual property for development of additional products by third parties. Under this agreement, we are sharing certain research and development responsibilities with GSK to generate new Fc-engineered antibodies. Each party will bear its own costs for the responsibilities assigned to it during the research period. After the conclusion of the research period, each party will be solely responsible for the further research, development, manufacturing and commercialization of its own respective products. The agreement contains customary termination rights for GSK and us, including the right for GSK to terminate the agreement in its sole discretion with advance notice to **us, and allowing the parties to terminate the agreement by mutual agreement, us**. The agreement will terminate on the earlier of (i) the end of the research period if GSK does not elect to advance one or more products incorporating intellectual property generated under the research period for further research and development or (ii) on a product-by-product and country-by-country basis upon the latter of the product being no longer covered by a patent related to the GSK licensed product, or ten years after the first commercial sale of the GSK licensed product in such a country.

In April 2016, we entered into a platform technology transfer and license agreement with GSK to research, develop and commercialize up to six bispecific antibodies generated through the use of our Azymetric platform. This may include bispecific antibodies incorporating new engineered Fc regions generated under the 2015 GSK agreement. Under the terms of this 2016 agreement, we granted GSK a worldwide, royalty-bearing antibody sequence pair-specific exclusive license to research, develop and commercialize licensed products. In May 2019, this agreement was expanded to provide GSK access to Zymeworks' unique heavy-light chain pairing technology under the Azymetric platform. Under the expanded agreement, we are eligible to receive up to \$1.1 billion in milestone and other payments. **To date, As of December 31, 2023**, we have received an upfront technology access fee payment of \$6.0 million. We **are also remain** eligible to receive research milestone payments of up to \$37.5 million, development milestone payments of up to \$183.5 million and commercial milestone payments of up to \$867.0 million. In addition, we are eligible to receive tiered royalties in the low to mid-single digits on product sales. GSK bears all responsibility and costs associated with research, development and commercialization of products generated using the Azymetric platform. The agreement contains customary termination rights for GSK and us, including the right for GSK to terminate the agreement in its sole discretion with advance notice to us. Termination provisions allow for GSK to terminate the agreement or specific antibody sequence pairs due to an incurable material breach by us, and under specific conditions, GSK shall have certain rights to continue the research, development, and commercialization of products with their license payment, milestone, and royalty obligations reduced by 50%.

Daiichi Sankyo

2016 Agreement

In September 2016, we entered into a collaboration and cross-license agreement ("**Collaboration and Cross License Agreement**") with Daiichi Sankyo to research, develop and commercialize one bispecific antibody generated through the use of our Azymetric and EFECT platforms. **Under the terms As of the agreement, we granted Daiichi Sankyo a worldwide, royalty-bearing antibody sequence pair-specific exclusive license to research, develop and commercialize certain licensed products. December 31, 2023** We are eligible to receive up to \$149.9 million in milestone and other payments. **To date,** we have received an upfront technology access fee payment of \$2.0 million and research and commercial option related payments totaling \$4.5 million. **We are also eligible to receive additional development milestone payments of up to \$63.4 million, and commercial milestone payments of up to \$80.0 million. In addition, we are eligible to receive tiered royalties ranging from the low single digits up to 10% on product sales. Under this agreement, wWe e also gained non-exclusive rights to develop and commercialize up to three products (revised to up to six products pursuant to a June 2022 amendment) using Daiichi Sankyo's proprietary immune-oncology antibodies, with royalties in the low single digits to be paid to Daiichi Sankyo on sales of such products. Daiichi Sankyo**

In March 2023, we entered into a termination and license agreement (the "Termination and License Agreement") relating to the Collaboration and Cross License Agreement. Pursuant to the Termination and License Agreement, the Collaboration and Cross License Agreement is solely responsible for terminated and is no longer in effect, except that the research, development, manufacturing termination does not relieve the parties from obligations under the Collaboration and commercialization of Cross License Agreement that have accrued prior to the products. Under the non-exclusive immuno-oncology antibody license termination or were expressly intended to Zymeworks, we are solely responsible for all research, development and commercialization of the resulting products. The agreement contains customary termination rights for Daiichi and us, including the right for Daiichi to

terminate survive. Among the rights to our therapeutic platforms in its sole discretion with advance notice to us survive the termination of the Collaboration and for us to terminate our Cross License Agreement are Zymeworks' non-exclusive royalty-bearing rights to Daiichi's antibodies develop and commercialize products using Daiichi Sankyo's proprietary immune-oncology antibodies. Under the Termination and License Agreement, we granted to Daiichi Sankyo a non-exclusive, worldwide, royalty-free right and license, with advance the right to sublicense, to certain intellectual property to perform additional research in accordance with the terms of the Termination and License Agreement during the term of the Termination and License Agreement, which is from February 28, 2023 until the earlier of (i) the day that we receive written notice to Daiichi. The agreement shall terminate, with respect to Daiichi's license, if from Daiichi fails to exercise its option or, on a product-by-product basis, until expiration of Daiichi's royalty obligations. We have been informed Sankyo confirming that Daiichi Sankyo has deprioritized its development efforts under this agreement, completed such additional research and (ii) August 27, 2025, unless earlier terminated (including by advance written notice to us from Daiichi Sankyo). The Termination and License Agreement has no impact on our separate license agreement with Daiichi Sankyo, which we entered into in 2018, as described below.

[Table of Contents](#)

[2018 Agreement](#)

In May 2018, we entered into a new license agreement with Daiichi Sankyo to research, develop and commercialize two bispecific antibodies generated through the use of our Azymetric and EFECT platforms. This agreement did not alter or amend the initial 2016 agreement. Under the terms of this 2018 agreement, we granted Daiichi Sankyo a worldwide, royalty-bearing, antibody sequence pair-specific, exclusive license to research, develop and commercialize certain products. We are products, and we were eligible to receive up to \$484.7 million in various milestone and other payments. To date, As of December 31, 2023, we have received an upfront technology access fee payment of \$18.0 million. We are also remain eligible to receive development milestone payments totaling up to \$126.7 million \$63.4 million and commercial milestone payments of up to \$340.0 million \$170.0 million. In addition, we are eligible to receive tiered royalties ranging from the low single digits up to 10% on product sales. Daiichi Sankyo is solely responsible for the research, development, manufacturing and commercialization of the products. The agreement contains customary termination rights for Daiichi Sankyo and us, including the right for Daiichi Sankyo to terminate the rights to our therapeutic platforms in its sole discretion with advance notice to us. The agreement shall terminate, with respect to Daiichi Sankyo's licenses, on a product-by-product basis, with the last payment obligation for the respective product.

Janssen

In November 2017, we entered into a collaboration and license agreement with Janssen to research, develop and commercialize up to six bispecific antibodies generated through the use of our Azymetric and EFECT platforms. Under the terms of the agreement, we granted Janssen a worldwide, royalty-bearing, antibody sequence group-specific exclusive license to research, develop and commercialize certain products. We are products, and we were eligible to receive up to \$1.45 billion in various license and milestone payments. To date, As of December 31, 2023, we have received an upfront payment of \$50.0 million and development milestones totaling \$8.0 million in connection with the initiation of clinical trials of two bispecific antibodies. We are also Janssen has deprioritized the development of one of those two bispecific antibodies, and in 2023 the research program term under the agreement ended with respect to the remaining four bispecific antibodies. As a result, we remain eligible to receive development milestone payments of up to \$274.0 million \$86.0 million and commercial milestone payments of up to \$1.12 billion \$373.0 million (\$43.0 million and \$186.5 million, respectively, not including the bispecific antibody that Janssen has deprioritized). In addition, we are eligible to receive tiered royalties in the mid-single digits on product sales, sales, with the royalty term being, on a product-by-product and country-by-country basis, either (i) for as long as there is Zymeworks platform patent coverage on products, or (ii) for 10 years, beginning from the first commercial sale, whichever period is longer. If there is no Zymeworks patent coverage on products, royalty rates may be potentially reduced. Janssen has the option right, prior to develop two additional bispecific antibodies under this agreement subject the first dosing of a patient in a Phase 3 clinical trial for a product, to buy down the royalty relating to such product by one percentage point with a future option payment. payment of \$10.0 million. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on Janssen's performance. Janssen is solely responsible for the research, development, manufacturing and commercialization of the products. The agreement contains customary termination rights for Janssen and us, including the right for Janssen to terminate the agreement in its sole discretion with advance notice to us. The agreement will terminate, on a product-by-product basis, on the expiry of the royalty term for the product. Furthermore, if Janssen does not designate an antibody sequence group during the research program term, the agreement will also terminate.

LEO

In October 2018, we entered into a research and license agreement with LEO whereby we granted LEO a worldwide, royalty-bearing, antibody sequence pair-specific exclusive license to research, develop and commercialize two bispecific antibodies, generated through the use of our Azymetric and EFECT platforms, for dermatologic indications. Zymeworks retains rights to develop antibodies resulting from this collaboration in all other therapeutic areas. Pursuant to this agreement, we received an upfront payment of \$5.0 million. In addition, (i) for the first therapeutic candidate, we are eligible to receive preclinical and development milestone payments of up to \$74.0 million and commercial milestone payments of up to \$157.0 million together with tiered royalties on future sales of up to 20% in the United States and up to high single digits elsewhere, and (ii) for the second therapeutic candidate, we are eligible to receive preclinical and development milestone payments of up to \$86.5 million and commercial milestone payments of up to \$157.0 million together with tiered royalties on future sales of up to low double digits globally. For products developed by Zymeworks outside of dermatology, LEO is eligible to receive commercial milestone payments and up to single-digit royalties on future sales. No development or commercial milestone payments or royalties have been received to date. Zymeworks and LEO are jointly responsible for certain research activities, with Zymeworks' cost to be fully reimbursed by LEO. Each party is solely responsible for the development, manufacturing, and commercialization of its own products. The agreement contains customary termination rights for LEO and us, including the right for LEO to terminate its rights to our therapeutic platforms in its sole discretion with advance notice to us. The agreement shall terminate, with respect to LEO's licenses, on a product-by-product basis, with the expiration of the last-to-expire royalty term for the respective product.

Iconic / Exelixis

In May 2019, we entered into a license agreement with Iconic Therapeutics, Inc. ("Iconic") to develop and commercialize its ADC (ICON-2) targeting Tissue Factor, generated through the use of our ZymeLink platform. Under the terms of this agreement, we granted Iconic a worldwide, royalty-bearing, antibody sequence-specific, exclusive license to develop and commercialize certain products. In December 2020, Iconic licensed ICON-2 (also known as XB002) to Exelixis, and under our agreement with Iconic, we received \$4.0 million, a share of the \$20.0 million option fee paid to Iconic by Exelixis. Under a December 2021 amendment to the license agreement between Iconic and Exelixis, we received a share of the one-time fee received by Iconic in exchange for all future milestones owing to Iconic from Exelixis. We continue to be eligible to receive future royalties on the ICON-2 program pursuant to the agreement with Iconic. Iconic and its partners are responsible for the development, manufacturing, and commercialization of the products. The Agreement contains customary termination rights for Iconic and Zymeworks, including the right for Iconic to terminate the Agreement, in its sole discretion, with advance notice to Zymeworks.

[Table of Contents](#)

Other Collaborations

Merck

We have collaborated with Merck since 2011. In July 2020, we entered into a new licensing agreement with Merck granting Merck a worldwide, royalty-bearing license to research, develop and commercialize up to three new multispecific antibodies toward Merck's therapeutic targets in the human health field and up to three new multispecific antibodies toward Merck's therapeutic targets in the animal health field using our Azymetric and EFECT platforms. We are eligible to receive up to \$419.3 million in option exercise fees and clinical development and regulatory approval milestone payments and up to \$502.5 million in commercial milestone payments, as well as tiered royalties on worldwide sales.

Atreca / Iconic / Exelixis

In April 2022, Atreca announced May 2019, we entered into a licensing license agreement with us Iconic Therapeutics, Inc. ("Iconic") to utilize develop and commercialize its ADC (ICON-2) targeting Tissue Factor, generated through the use of our ZymeLink technology platform. Under the terms of this agreement, we granted Iconic a worldwide, royalty-bearing, antibody sequence-specific, exclusive license to develop novel ADCs, and commercialize certain products. In December 2020, Iconic licensed ICON-2 (also known as XB002) to Exelixis, and under our agreement with Iconic, we received \$4.0 million, a share of the \$20.0 million option fee paid to Iconic by Exelixis. Under a December 2021 amendment to the license agreement between Iconic and Exelixis, we received a share of the one-time fee received by Iconic in exchange for all future milestones owing to Iconic from Exelixis. We recognized a \$5.0 million research license fee payment in association with this licensing agreement in conjunction with continue to be eligible to receive future option exercise fees and development, regulatory, and commercial milestones as well as tiered royalties on net sales the ICON-2 program pursuant to the agreement with Iconic. Iconic and its partners are responsible for the development, manufacturing, and commercialization of any licensed products at single-digit royalty rates, the products.

Intellectual Property

Our business success will depend significantly on our ability to:

- secure, maintain and enforce patent and other proprietary protection for our core technologies, inventions and know-how;
- obtain and maintain licenses to key third-party intellectual property owned by such third parties;
- preserve the confidentiality of our trade secrets; and
- operate without infringing upon valid, enforceable third-party patents and other rights.

We seek to secure and maintain patent protection for the composition of matter, manufacturing processes and methods of use for our drug candidates and for our underlying protein engineering capabilities and therapeutic platforms including Azymetric, EFECT, ZymeLink, ZymeCAD and ProTECT. We also utilize trade secrets, careful monitoring and limited disclosure of our proprietary information where patent protection is not appropriate. We also protect our proprietary information by ensuring that our employees, consultants, contractors and other advisors execute agreements requiring non-disclosure and assignment of inventions prior to their engagement. We intend to continue to expand our intellectual property holdings by seeking patent protection for new compositions of matter, new features and applications of our core therapeutic platforms, and innovative new therapeutic platforms, in the United States and other jurisdictions. We also intend to supplement internal innovation through in-licensing of new technologies and compositions of matter as appropriate. We intend to take advantage of any available data exclusivity, market exclusivity, patent term adjustment and patent term extensions.

We routinely monitor the status of existing and emerging intellectual property disclosed by third parties that may impact our business, and to the extent we identify any such disclosures, by evaluating them and taking appropriate courses of action.

As of December 31, 2022 December 31, 2023, our patent portfolio consists of 71 of 75 active patent families. Of these, 29 32 families relate to our key product candidates (zanidatamab and zanidatamab zovodotin), our preclinical product candidates (including our lead preclinical product candidates ZW191, ZW171, ZW220 and ZW171) ZW251), and our therapeutic platform technology. The remaining 42 43 patent families relate to other earlier stage potential product candidates or platforms that we do not consider material to our business at this time. One of our patent families is exclusively licensed from a third party. Two of our patent families are co-owned with VAR2 Pharmaceuticals ApS, and one patent family is co-owned with the Provincial Health Services Authority and University of Victoria Industry Partnerships. None of the licensed or co-owned patent families relate to our lead product candidates, zanidatamab and zanidatamab zovodotin. As of December 31, 2022, December 31, 2023, we have 197 237 issued patents, 52 56 of which are U.S. patents.

Therapeutic Antibody Portfolio

Our therapeutic antibody patent portfolio is directed to specific compositions of matter and methods of treatment for our product candidates, including target-specific interactions and immunomodulatory immunomodulatory mechanisms. We own the zanidatamab and zanidatamab zovodotin patent portfolio.

[Table of Contents](#)

- **Zanidatamab:** Zanidatamab is covered by five patent families. The first is an international patent application filed under the Patent Cooperation Treaty ("PCT") that is in the national phase with applications pending or issued in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Japan, Korea, Macao, Mexico, Russia and the United States. This application relates to the composition of matter, methods of making and uses of zanidatamab, and if issued, is expected to expire in 2034, absent any adjustments or extensions. Three U.S. patents have issued in this family. Three additional PCT applications relate to treatment methods using zanidatamab. Two of these PCT applications are in the national phase, one with applications issued or pending in Australia, Canada, Europe, Japan and the United States, and the other with applications pending in Australia, Brazil, Canada, Chile, China, Europe, Hong Kong, Japan, Korea, Mexico, Russia and the United States. Any patents that issue from these national phase filings are expected to expire between 2035 and 2039, absent any adjustments or extensions. Any patents issuing from national phase filings based on the third PCT application are expected to expire in 2042, absent any adjustments or extensions. Another patent family is pending in Canada and the United States and is also directed to treatment methods using zanidatamab. Any patents that issue from this patent family are expected to expire in 2040, absent any adjustments or extensions.
- **Zanidatamab Zovodotin:** We have filed Zanidatamab zovodotin is covered by two patent families. The first is a PCT application covering zanidatamab zovodotin composition of matter and methods of making and using zanidatamab zovodotin, which is in the national phase with applications pending or issued in Australia, Brazil, Canada, China, Europe, Hong Kong, Israel, India, Japan, Korea, Mexico, New Zealand, Russia, Singapore and the United States. One U.S. patent has issued from this family has issued in the United States. family. Corresponding applications were filed in Argentina and Taiwan that are not part of the PCT. Any patents that issue from these national phase filings and the Argentina and Taiwan applications are expected to expire in 2039, absent any adjustments or extensions. The second patent family is a PCT application that relates to treatment methods using zanidatamab zovodotin. Any patents that issue from national phase filings based on this PCT application are expected to expire in 2043, absent any adjustments or extensions.

Both zanidatamab and zanidatamab zovodotin are also protected by our two patent families relating to the Azymetric Fc, as described below. Zanidatamab zovodotin is also protected by two of the ZymeLink patent families, as described below.

Lead Preclinical Candidate Portfolio

Our lead preclinical candidate patent portfolio is directed to specific compositions of matter and methods of treatment for our lead preclinical candidates.

- **ZW191:** We have filed U.S. provisional applications a PCT application covering ZW191 compositions of matter and methods of making and using ZW191. Any patents that issue from national phase filings based on this PCT application are expected to expire in 2043, absent any adjustments or extensions. ZW191 is also protected by our patent family relating to topoisomerase inhibitors, our TOPO1i technology, as described below, below, as well as a patent family that covers the antibody component of ZW191.
- **ZW171:** We have filed a U.S. provisional PCT application covering ZW171 composition of matter and methods of making and using ZW171. Any patents that issue from national phase filings based on this PCT application are expected to expire in 2043. ZW171 is also protected by our two patent families relating to the Azymetric Fc, as described below.
- **ZW220:** We have filed a PCT application covering ZW220 compositions of matter and methods of making and using ZW220. Corresponding applications were filed in Argentina and Taiwan that are not part of the PCT. Any patents that issue from national phase filings based on this PCT application and from the Argentina and Taiwan applications are expected to expire in 2043, absent any adjustments or extensions. In addition, we have filed a U.S. provisional application covering additional aspects of ZW220 compositions of matter. ZW220 is also protected by our patent family relating to our TOPO1i platform, as described below, as well as a patent family that covers the antibody component of ZW220.
- **ZW251:** We have filed a PCT application covering ZW251 compositions of matter and methods of making and using ZW251. Corresponding applications were filed in Argentina and Taiwan that are not part of the PCT. Any patents that issue from national phase filings based on this PCT application and from the Argentina and Taiwan applications are expected to expire in 2043, absent any adjustments or extensions. In addition, we have filed a U.S. provisional application covering additional aspects of ZW251 compositions of matter. ZW251 is also protected by our patent family relating to our TOPO1i platform, as described below. The antibody component of ZW251 is also protected by a patent family exclusively in-licensed from a third party.

Therapeutic Platform Technology Portfolio

The therapeutic platform technology portfolio includes biological formats and variants thereof, including the Azymetric platform, our Drug Conjugate Platforms (including ZymeLink and topoisomerase inhibitors) our TOPO1i technology), the EFECT platform, and specific applications, manufacturing methods and assays related to the platform constructs and underlying computational chemistry.

- **Azymetric:** We own a portfolio of six seven patent families relating to the Azymetric platform for engineering Fc and Fab constructs for the development of bispecific antibodies.
Azymetric Fc: Two of the patent families relate to engineered antibody Fc region polypeptides having amino acid substitutions that preferentially form heterodimers, with heterodimers. One patent family has PCT national phase applications pending or issued in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Japan, Korea, Macao, Mexico, Russia and the United States. The second patent family has PCT national phase applications pending or issued in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Japan, Korea, Mexico, Russia and the United States. One U.S. patent has issued with 1,102 days of patent term adjustment and is expected to expire on November 10, 2034. A second U.S. patent has issued with 372 days of patent term adjustment and is expected to expire on November 9, 2033. Two additional U.S. patents have issued. If issued, the remaining patents in these families are expected to expire between 2031 and 2032, absent any adjustments or extensions. A third patent family relates to engineered IgA Fc region polypeptides having amino acid substitutions that preferentially form heterodimers, with PCT national phase applications pending in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Japan, Korea, Mexico, Singapore and the United States. Any patents that issue from these national phase filings are expected to expire in 2041, absent any adjustments or extensions. Two additional issued U.S. patents cover methods of expressing antibodies containing heterodimeric Fc regions in cells.

Asymetric Fab: Four patent families in the PCT national phase are pending or issued in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Japan, Korea, Mexico, Russia and the United States and relate to antibodies having amino acid substitutions in Fab-region heavy and light chains for making correctly paired bispecific antibodies. ~~Six~~ **Seven** U.S. patents have issued. These patent families are directed to compositions, methods of producing and uses of heterodimeric antibodies. ~~If issued,~~ **Any patents that issue** in these families are expected to expire between 2031 and 2038, absent any adjustments or extensions.

Table of Contents

- Drug Conjugate Platforms:** Our Drug Conjugate Platforms are a suite of proprietary cytotoxins (including both topoisomerase **1** and microtubulin inhibiting toxins), stable linkers, and conjugation technologies that are compatible with and complementary to our product candidates and enable delivery of cytotoxins directly to target cells.
ZymeLink: We own the ZymeLink patent portfolio, **consisting of three patent families** relating to novel toxin molecules and novel linkers by means of which these toxins can be conjugated to antibodies and other protein scaffolds. One **patent family in the PCT national phase PCT application** is pending or issued in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Israel, Japan, Korea, Malaysia, Mexico, Singapore, South Africa and the United States, and is directed to novel hemiasterlin toxin derivatives, hemiasterlin-linker compositions, and antibody-hemiasterlin conjugate **compositions, two of which compositions. Three U.S. patents** have issued **from this patent family. A second patent family in the United States. A second PCT national phase PCT application** is pending or issued in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Israel, Japan, Korea, Mexico and the United States, and is directed to novel linker compositions, including the one used in zanidatamab zovodotin. **An additional One U.S. patent has issued from this patent family. A third patent family in the PCT national phase PCT application** is directed to novel auristatin derivatives, auristatin-linker compositions and antibody-auristatin conjugates, including the one used in zanidatamab zovodotin, and is pending or issued in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Israel, Japan, Korea, Mexico, Russia, Singapore and the United States. **Three Four** U.S. patents have issued from this patent family. Any patents that may issue from these families are expected to expire between 2034 and 2037, absent any adjustments or extensions.
Topoisomerase Inhibitors: TOPO1i Platform: A PCT application covering our **Our TOPO1i technology is covered by one patent family relating to novel topoisomerase inhibitors** was filed on May 27, 2022. This application covers the topoisomerase inhibitor **TOPO1i** compounds, **topoisomerase inhibitor-linker TOPO1i-linker** compositions and **antibody-topoisomerase inhibitor conjugate compositions, antibody-TOPO1i conjugates. This patent family is in the PCT national phase and is pending in Australia, Brazil, Canada, Europe, India, Israel, Japan, Korea, Mexico, Russia, Singapore and the United States. Any patents that issue from these national phase filings are expected to expire in 2042, absent any adjustments or extensions.**
- EFECT:** The EFECT platform for engineering Fc constructs with modulated FcγR-binding and Fc effector function is protected by four **PCT patent applications that we own, three of which are families. One patent family in the national stage. One of the PCT national stage applications** has issued in Australia, Canada, Mexico and the United States. A second **patent family in the PCT national stage application** is pending or issued in Australia, Brazil, Canada, **China, Europe, Hong Kong, India, Japan, Russia and the United States. Two U.S. patents** have issued from these **families in the United States. families.** These patent families are directed to compositions of matter and methods of making Fc constructs with altered FcγR-binding and Fc effector **function; if issued, they function. Any patents that issue from these families** are expected to expire between 2031 and 2034, absent any adjustments or extensions. The third **patent family is in the PCT national stage PCT application and is pending in Australia, Brazil, Canada, China, Europe, Hong-Kong, India, Japan, Korea, Mexico and the United States, and States. This patent family relates to Fc modifications that modulate other aspects of Fc effector function. Any patents that issue from the this third national stage PCT application patent family** are expected to expire in 2041, absent any adjustments or extensions. The fourth **patent family is a PCT application was** filed on September 2, 2022, and relates to compositions of matter and methods of making Fc constructs that lack FcγR-binding. **Any patents that issue from this patent family are expected to expire in 2042, absent any adjustments or extensions.**
- ProTECT:** A PCT application covering the **The ProTECT platform technology was filed on July 20, 2021. This application is protected by one patent family that covers the composition of matter of polypeptide constructs comprising immunomodulatory ligands and their cognate receptors derived from the immunoglobulin superfamily (such as PDL1 and PD1) fused to antibody variable heavy and light chain region termini respectively via protease-cleavable linkers. This patent family is in the PCT national phase and is pending in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Japan, Korea, Mexico, Russia and the United States. Any patents that issue from this patent family are expected to expire in 2041, absent any adjustments or extensions.**
- Computational Chemistry:** We own a portfolio of 15 families of computational chemistry patents and patent applications that relate to the computational and algorithmic advances incorporated into the ZymeCAD suite of applications, including advances in general molecular modeling, conformational dynamics, docking, distal mutations, and molecular packing, as well as parallelization and graphical data analysis. **Twelve of these U.S. patents** have issued **in the United States. from these families.** Any patents that issue from these families are expected to expire between 2027 and 2042, absent any adjustments or extensions.

Technology Licensing and In-Licensed Intellectual Property

CVI / Kairos

We identify and, from time to time, selectively enter into technology licensing agreements and intellectual property in-licensing agreements to support pipeline advancement. For example, in March 2016, we entered into an assignment agreement with

CDRD Ventures Inc. ("CVI"), as part of our acquisition of Kairos Therapeutics Inc. ("Kairos"), pursuant to which all of CVI's interests in Kairos' patents and intellectual property were assigned to us. Under the assignment agreement, we may be required to make future payments of up to an aggregate of C\$8.5 million, consisting of (i) a C\$2.5 million payment when the first patient is dosed in the first Phase 2 trial and (ii) a C\$6.0 million payment when the first patient is dosed in the first Phase 3 trial, to CVI for zanidatamab zovodotin or other product candidates upon the direct achievement of certain clinical development milestones for products incorporating certain Kairos intellectual property. In addition, CVI is eligible to receive low single-digit royalty payments from us on the net sales of such products, pending receipt of regulatory approval. Royalties are payable on a product-by-product

and country-by-country basis until the expiration, revocation, invalidation or abandonment of the last valid claim within the patents covering such products in the country of sale. For out-licensed products and technologies incorporating certain Kairos intellectual property, we also may be required to pay CVI a mid-single-digit percentage of certain future revenue.

Daiichi Sankyo

As noted above under "Strategic Partnerships and Collaborations - Platform Partnerships - Daiichi Sankyo - 2016 Agreement," in September 2016, we entered into the Collaboration and Cross License Agreement with Daiichi Sankyo under which we gained non-exclusive rights to develop and commercialize up to three products (up to six products pursuant to a June 2022 amendment) using Daiichi Sankyo's proprietary immune-oncology antibodies. In March 2023, we entered into the Termination and License Agreement relating to the Collaboration and Cross License Agreement. Pursuant to the Termination and License Agreement, the Collaboration and Cross License Agreement is terminated and is no longer in effect, except that the termination does not relieve the parties from obligations under the Collaboration and Cross License Agreement that accrued prior to the termination or were expressly intended to survive. Among the rights to survive the termination of the Collaboration and Cross License Agreement are Zymeworks' non-exclusive royalty-bearing rights to develop and commercialize products, such as ZW171, using Daiichi Sankyo's proprietary immune-oncology antibodies. Under the Termination and License Agreement, pending receipt of regulatory approval, we may be required to make future low single-digit royalty payments on the net sales of such products.

TablePhanes

In addition, in November 2021, we entered into a license agreement with Phanes Therapeutics, Inc. ("Phanes"). Phanes granted Zymeworks an exclusive, worldwide, non-transferable (except in connection with an assignment of Contents the agreement), sublicensable, royalty-bearing license to research, develop, commercialize, and otherwise exploit certain antibody products incorporating proprietary Phanes binders in the field of oncology. In December 2023, this license agreement was partially terminated only with respect to a specific set of such products. All other rights and obligations under this license agreement remain in full force and effect.

Under the license agreement, we may be required to make future payments to Phanes upon the direct achievement of certain clinical development milestones for products, such as ZW251, that incorporate certain Phanes intellectual property. In addition, subject to receipt of regulatory approval, we may be required to make future payments to Phanes upon direct achievement of certain commercial milestones and certain sales milestones, as well as up to low single-digit royalty payments on net sales of such products.

Manufacturing

We rely on third-party contract manufacturing organizations to provide manufacturing, linker-toxin conjugation, and fill-finish services in order to generate all of the therapeutic antibody supply required for our clinical studies and other research and development activities. To retain focus on our expertise in developing new product candidates, we do not currently plan to develop or operate in-house manufacturing capacity. Our bispecific therapeutic antibody candidates require standard chemistry, manufacturing and control ("CMC") processes typical of those required for monoclonal antibody manufacturing. We therefore expect to continue to be able to develop product candidates that can be manufactured in a cost-effective fashion by our network of qualified third-party contract manufacturing organizations.

Through our contract manufacturing organizations, we currently have sufficient supply of our product candidates to carry out ongoing and planned preclinical studies. For zanidatamab, we also have sufficient current good manufacturing practices ("cGMP")-grade supply, together with planned additional manufacturing runs, to complete our ongoing clinical trials. For zanidatamab zovodotin, we have sufficient cGMP-grade supply, together with planned additional manufacturing runs, to complete our ongoing clinical trial and anticipated clinical trials.

Competition

The biopharmaceutical industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe that our technology, knowledge, experience and scientific resources provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions and governmental agencies, and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

With respect to target discovery activities, competitors and other third parties, including academic and clinical researchers, may be able to access rare families and identify targets before we do.

Many of the companies against which we compete or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaboration arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites, recruiting patients for clinical trials, and by acquiring technologies complementary to, or necessary for, our programs.

The key competitive factors affecting the success of all of our product candidates, if approved, are likely to be their efficacy, safety, convenience and price, the effectiveness of alternative products, the level of competition and the availability of coverage, and adequate reimbursement from government and other third-party payors.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products or therapies that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Our competitors also may obtain FDA, European Medicines Agency ("EMA") or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before

we are able to enter the market. In addition, our ability to compete may be affected in many cases by insurers or other third-party payors seeking to encourage the use of generic or biosimilar products.

Zanidatamab and zanidatamab zovodotin are being developed for patients with solid tumors that express HER2, including patients with tumors expressing low levels of HER2. Competing approved HER2-targeted therapies include F. Hoffmann-La Roche Ltd.'s Herceptin, Perjeta, Phesgo, and Kadcyla as well as Novartis Pharmaceuticals Corporation's Tykerb, Puma Biotechnology, Inc.'s Nerlynx, AstraZeneca PLC / Daiichi Sankyo's Enhertu, Seagen Inc.'s Tukysa, MacroGenics, Inc.'s Margenza, **Jiangsu HengRui Medicine Co., Ltd.'s Pyrotinib**, and various trastuzumab biosimilars.

The FDA and corresponding regulatory authorities will ultimately review our clinical results and determine whether our product candidates are effective. No regulatory agency has made any such determination that any of our product candidates are effective for use by the general public for any indication.

[Table of Contents](#)

Government Regulation

Government authorities in the United States, at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, manufacturing, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of products such as those we are developing. Our ADC product candidates are comprised of both a drug product and a biologic product, and will therefore be subject to regulation in the United States as combination products. If marketed individually, each component would be subject to different regulatory pathways and would require approval of independent marketing applications by the FDA. A combination product, however, is assigned to an FDA center that will have primary jurisdiction over its regulation based on a determination of the combination product's primary mode of action, which is the single mode of action that provides the most important therapeutic action. In the case of our ADCs, we believe that the primary mode of action is attributable to the biologic component of the product. Thus, our product candidates are regulated as therapeutic biologics, with the FDA's Center for Drug Evaluation and Research having primary jurisdiction over premarket development.

Biological products are subject to regulation under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, and other federal, state, local and foreign statutes and regulations. Our product candidates must be approved by the FDA before they may be legally marketed in the United States and by the appropriate foreign regulatory agency before they may be legally marketed in foreign countries.

U.S. Biological Products Development Process

The process required by the FDA before a biologic may be marketed in the United States generally involves the following:

- completion of extensive nonclinical, sometimes referred to as preclinical, laboratory tests and preclinical animal trials and applicable requirements for the humane use of laboratory animals and formulation studies in accordance with applicable regulations, including good laboratory practices ("GLP");
- submission to the FDA of an IND application, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials according to the FDA's regulations commonly referred to as current good clinical practice ("cGCP") regulations and any additional requirements for the protection of human research subjects and their health information, to establish the safety and efficacy of the proposed biological product for its intended use. The FDA may also impose clinical holds on a biological product candidate at any time before or during clinical trials due to safety concerns or noncompliance. If the FDA imposes a clinical hold, trials may not recommence without FDA authorization and then only under terms authorized by the FDA.
- submission to the FDA of a **Biologics License Application ("BLA") BLA** for marketing approval that includes substantive evidence of safety, purity, and potency from results of nonclinical testing and clinical trials;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities where the biological product is produced to assess compliance with cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the biological product's identity, strength, quality and purity;
- potential FDA audit of the nonclinical and clinical study sites that generated the data in support of the BLA; and
- FDA review and approval, or licensure, of the BLA.

Human clinical trials are typically conducted in sequential phases that may overlap or be combined:

- **Phase 1.** The biological product candidate is initially introduced into healthy human volunteers and tested for safety. In the case of some products for severe or life-threatening diseases, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.
- **Phase 2.** The biological product candidate is evaluated in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance, optimal dosage and dosing schedule.
- **Phase 3.** Clinical trials are undertaken to further evaluate dosage, clinical efficacy, potency, and safety in an expanded patient population at geographically dispersed clinical study sites. These clinical trials are intended to establish the overall risk/benefit ratio of the product and provide an adequate basis for product labelling.

[Table of Contents](#)

During all phases of clinical development, regulatory agencies require extensive reporting, monitoring and auditing of all clinical activities, clinical data, and clinical study investigators.

A sponsor, an institutional review board ("IRB") or independent ethics committee, the FDA or other regulatory or monitoring authorities may suspend a clinical study at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk, failure to conduct the clinical trial in accordance with regulatory requirements or clinical protocols, failure to demonstrate a benefit from using the investigational drug, changes in government regulations or administrative actions.

Sponsors of clinical trials of FDA-regulated products, including biologics, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved.

U.S. Review and Approval Processes

After the completion of clinical trials of a biological product candidate, FDA approval of a BLA must be obtained before commercial marketing of the biological product. When a BLA is submitted, the FDA conducts a preliminary review to determine whether the application is sufficiently complete to be accepted for filing. If it is not, the FDA may refuse to file the application and request additional information, in which case the application must be resubmitted with the supplemental information, and review of the application is delayed. Upon accepting the BLA for filing, the FDA will conduct an in-depth review the BLA and may hold a public hearing where an independent advisory committee of expert advisors considers key questions regarding the product candidate. This advisory committee makes a recommendation to the FDA, which is not binding on the FDA, but is generally followed.

The FDA is authorized to designate certain products for expedited review if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition. In particular, the FDA may designate a product for Fast Track review if it is intended, whether alone or in combination with one or more other drugs, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition. For Fast Track designated products, sponsors may have a higher number of interactions with the FDA and the FDA may initiate review of sections of a Fast Track product's New Drug Application or BLA before the application is complete. The FDA has granted two Fast Track designations to zanidatamab for the first-line treatment of patients with HER2-overexpressing GEA in combination with standard of care chemotherapy and for previously treated or recurrent gene-amplified BTC.

The FDA also may designate a product as a Breakthrough Therapy if it is intended, alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically important endpoints, such as substantial treatment effects observed early in clinical development. For products that have been designated as a Breakthrough Therapy, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Products designated as a Breakthrough Therapy by the FDA can also be eligible for accelerated approval. The FDA has granted Breakthrough Therapy designation for zanidatamab in HER2 gene-amplified BTC patients who have received prior systemic chemotherapy. In December 2022, the Consolidated Appropriations Act, 2023, including the Food and Drug Omnibus Reform Act ("FDORA"), was signed into law. FDORA made several changes to the FDA's authorities and its regulatory framework, including, among other changes, reforms to the accelerated approval pathway, such as requiring the FDA to specify conditions for post-approval study requirements and setting forth procedures for the FDA to withdraw a product on an expedited basis for non-compliance with post-approval requirements.

Under the Pediatric Research Equity Act, certain applications for approval must include an assessment, generally based on clinical study data, of the safety and effectiveness of the subject drug in relevant pediatric populations. The FDA may waive or defer the requirement for a pediatric assessment, either at the company's request or by the FDA's initiative. The FDA may determine that a Risk Evaluation and Mitigation Strategy ("REMS") is necessary to ensure that the benefits of a new product outweigh its risks. A REMS may include various elements, ranging from a medication guide or patient package insert to limitations on who may prescribe or dispense the drug or other elements to assure safe use, depending on what the FDA considers necessary for the safe use of the drug.

[Table of Contents](#)

Before approving a BLA, the FDA will inspect the facilities at which the product is manufactured. The FDA will not approve the product unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA, the FDA will typically inspect one or more clinical sites to assure that the clinical trials were conducted in compliance with IND study requirements and cGCP requirements.

Notwithstanding the submission of relevant data and information, the FDA may ultimately decide that the BLA does not satisfy its regulatory criteria for approval and deny approval. Data obtained from clinical trials are not always conclusive and the FDA may interpret data differently than the applicant interprets the same data. If the FDA decides not to approve the BLA in its present form, the FDA will issue a complete response letter that usually describes all of the specific deficiencies in the BLA identified by the FDA. The deficiencies identified may be minor (for example, requiring labeling changes) or major (for example, requiring additional clinical trials). Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the BLA, addressing all of the deficiencies identified in the letter, or withdraw the application.

If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. The FDA may impose restrictions and conditions on product distribution, prescribing, or dispensing in the form of a REMS, or otherwise limit the scope of any approval. In addition, the FDA may require post-marketing clinical trials, sometimes referred to as Phase 4 clinical trials, designed to further assess a biological product's safety and effectiveness, and testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Orphan Drug Designation

The Orphan Drug Act established incentives for the development of drugs intended to treat rare diseases or conditions, which generally are diseases or conditions affecting less than 200,000 individuals in the United States at the time of the request for orphan designation. If a sponsor demonstrates that a drug is intended to treat a rare disease or condition and meets other applicable requirements, the FDA grants Orphan Drug Designation to the product for that use. The FDA has granted zanidatamab Orphan Drug Designation for the treatment of BTC and GEA.

The benefits of Orphan Drug Designation include tax credits for clinical testing expenses and exemption from user fees. A drug candidate that is approved for the orphan drug designated use typically is granted seven years of orphan drug exclusivity. During that period, the FDA generally may not approve any other application for the same product for the same indication, although there are exceptions, most notably when the later product is shown to be clinically superior to the product with exclusivity. However, the FDA Reauthorization Act, which was enacted in 2017, requires, among other things, that certain orphan drugs for cancer be tested for children. The government has also increased focus on the potential misuse of the orphan drug approval process to increase the price of orphan drugs.

In *Catalyst Pharms., Inc. v. Becerra*, 14 F.4th 1299 (11th Cir. 2021), the court disagreed with the FDA's longstanding position that the orphan drug exclusivity only applies to the approved use or indication within an eligible disease, and not to all uses or indications within the entire disease or condition. In particular, the circuit court held that the orphan drug exclusivity for Catalyst's drug blocked the FDA's approval of another drug for all uses or indications within the same orphan-designated disease, Lambert-Eaton myasthenic syndrome (LEMS), even though Catalyst's drug was approved at that time only for use in the treatment of LEMS in adults. Accordingly, the court ordered the FDA to set aside the approval of a drug indicated for LEMS in children. This decision created uncertainty in the application of the orphan drug exclusivity. On January 24, 2023, the FDA published a notice in the Federal Register to clarify that while the agency complies with the court's order in Catalyst, the FDA intends to continue to apply its longstanding interpretation of the regulations to matters outside of the scope of the Catalyst order – that is, the agency will continue tying the scope of orphan drug exclusivity to the uses or indications for which a drug is approved, which permits other sponsors to obtain approval of a drug for new uses or indications within the same orphan designated disease or condition that have not yet been approved. It is unclear how future litigation, legislation, agency decisions, and administrative actions will impact the scope of the orphan drug exclusivity.

Post-Approval Requirements

Even if regulatory approval is granted, a marketed product is subject to continuing comprehensive requirements under federal, state and foreign laws and regulations, including requirements and restrictions regarding adverse event reporting,

[Table of Contents](#)

recordkeeping, marketing, and compliance with cGMP. Adverse events reported after approval of a drug can result in additional restrictions on the use of a marketed product or requirements for additional post-marketing studies or clinical trials.

Maintaining substantial compliance with applicable federal, state and local statutes and regulations requires the expenditure of substantial time and financial resources. Rigorous and extensive FDA regulation of biological products continues after approval, particularly with respect to cGMP requirements. Biological product manufacturers and other entities involved in the manufacture and distribution of approved biological products are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP requirements and other laws. We will rely, and expect to continue to rely, on third parties for the production of clinical and commercial quantities of any products that we may commercialize. Manufacturers of our products are required to comply with applicable requirements in the cGMP regulations, including quality control and quality assurance and maintenance of records and documentation. Other post-approval requirements applicable to biological products include record-keeping requirements, reporting of adverse effects and reporting updated safety and efficacy information. Discovery of previously unknown problems or the failure to comply with the applicable regulatory requirements relating to the manufacture or promotion of an approved product may result in restrictions on the marketing of a product or withdrawal of the product from the market as well as significant administrative, civil or criminal sanctions.

Biosimilars and Exclusivity

The 2010 Patient Protection and Affordable Care Act ("PPACA") includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 ("BPCIA"), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product.

Under the BPCIA, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product. The BPCIA also created certain exclusivity periods for biosimilars approved as the first interchangeable for biologic products.

Canadian Review and Approval Process

In Canada, our biologic product candidates and our research and development activities are primarily regulated by the *Food and Drugs Act* and the rules and regulations thereunder, which are enforced by Health Canada. Health Canada regulates, among other things, the research, development, testing, manufacture, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, post-approval monitoring, marketing and import and export of pharmaceutical products. Drug approval laws require licensing of manufacturing facilities, carefully controlled research and testing of products, and government review and approval of experimental results prior to giving approval to sell drug products, including biologic drug products. Regulators also typically require that rigorous and specific standards such as cGMP, GLP and cGCP are followed in the manufacture, testing and clinical development, respectively, of any drug product. The processes for obtaining regulatory approvals in Canada, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

The principal steps required for drug approval in Canada are as follows:

Preclinical Toxicology Studies and Clinical Trials

Non-clinical studies are conducted *in vitro* and in animals to evaluate pharmacokinetics, metabolism and possible toxic effects to provide evidence of the safety of the drug candidate prior to its administration to humans in clinical studies and throughout development. Such studies are conducted in accordance with applicable laws and GLP.

In Canada, the process of conducting clinical trials with a new drug cannot begin until a Clinical Trial Application (“CTA”) is submitted and the required number of days has lapsed without objection from Health Canada. Biological drugs carry additional risks, as compared to traditional small-molecule drugs, associated with complexity and variability in manufacturing that can contribute to increased lot-to-lot variation of the final product, and with the potential for adventitious agents. Therefore, the content requirements for the quality information for biological drugs to be used in clinical trials are different from those for standard small-molecule pharmaceutical drugs (for example, the inclusion of information on manufacturing facilities is required

[Table of Contents](#)

for biological drugs). In addition, it is necessary to have more stringent controls on the release of biologic drug lots used in authorized clinical trials.

Similar regulations apply in Canada regarding clinical trials as in the United States. In Canada, Research Ethics Boards (“REBs”), instead of IRBs, are used to review and approve clinical trial plans. Human clinical trials are typically conducted in three sequential phases, as discussed above in the context of government regulation in the United States.

The manufacture of investigational drugs for the conduct of human clinical trials is subject to cGMP requirements. Investigational drugs and active pharmaceutical ingredients imported into Canada are also subject to regulation by Health Canada relating to their labeling and distribution. Progress reports detailing the results of the clinical trials must generally be submitted at least annually to Health Canada and/or the applicable REBs, and more frequently if serious adverse events occur.

New Drug Submission

Upon successful completion of Phase 3 clinical trials, the company sponsoring a new drug then assembles all the preclinical and clinical data and other testing relating to the product's pharmacology, chemistry, manufacture, and controls, and submits it to Health Canada as part of a New Drug Submission (“NDS”). The NDS is then reviewed by Health Canada for approval to market the drug.

The testing and approval process for an NDS requires substantial time, effort and financial resources, and may take several years to complete. Biologic drugs, such as our candidates, differ from standard small-molecule drugs in that applicants must include more detailed chemistry and manufacturing information. This is necessary to help ensure the purity and quality of the product, for example to help ensure that it is not contaminated by an undesired microorganism. Data obtained from preclinical and clinical testing are not always conclusive and may be susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. Health Canada may not grant approval of an NDS on a timely basis, or at all.

Even if Health Canada approves a product candidate, it may limit the approved indications for use of the product candidate, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms.

Biologic products in particular are monitored post-approval by being placed on a lot-release schedule tailored to their potential risk, manufacturing, testing and inspection history **to date, as of the date of this report**. With higher-risk biologics, each lot is tested before being released for sale in Canada. Moderate-risk biologics are periodically tested at the discretion of Health Canada while manufacturers of low-risk biologics usually only need to contact Health Canada regarding lots being sold or for providing certification of complete and satisfactory testing. Products are carefully scrutinized before they are placed in any level of the lot-release process, and the testing regime for a biologic may be altered at any time. On December 17, 2022, the Minister of Health in Canada published proposed amendments to the Food and Drug Regulations, and several of the amendments relate to biologic drugs. The purpose of the amendments is to modernize the biologics regulatory regime by repealing outdated requirements and replacing them with those that reflect current safety practices. Proposed amendments include enabling Health Canada to require certain labelling statements for safety reasons on a case-by-case basis, and clarifying the Minister's authority to consider information or material obtained during on-site evaluations. Other proposed amendments include clarifying the record retention expectations for market authorization holders, and providing a general framework to minimize the potential for contamination of drugs, active ingredients and biological source material between processes. The proposed amendments are still in draft form.

Health Canada may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements, notification, and regulatory

authority review and approval. Further, should new safety information arise, additional testing, product labeling or regulatory notification may be required.

Canadian Biosimilars and Exclusivity

The term biosimilar is used by Health Canada to describe a biologic drug that enters the market subsequent to a version previously authorized in Canada and with demonstrated similarity to a reference biologic drug. Accordingly, a biosimilar (previously known in Canada as a subsequent entry biologic or SEB) will in all instances be a subsequent entrant onto the Canadian market.

[Table of Contents](#)

Based on Health Canada guidance documents, a biosimilar can rely in part on prior information regarding safety and efficacy that is deemed relevant due to the demonstration of similarity to the reference biologic drug and which influences the amount and type of original data required. Generic drugs are chemically derived products that are pharmaceutically equivalent to innovative drugs, whereas biosimilars are products of a biologic nature that are similar to innovative biologics. According to Health Canada, it is not currently possible to demonstrate that two biologic drugs are pharmaceutically equivalent, and therefore the regulatory approval process for generics and biosimilars is different: biosimilars are approved using the standard NDS pathway with some allowances made for reduced safety and efficacy information set out in guidance documents, while generic drugs are approved using an abbreviated new drug submission pathway set out in guidance and law. In part because it continues to be set out only in guidance and not law, the pathway for receiving biosimilar approval is somewhat in flux and subject to some uncertainty.

As discussed above, all biosimilars enter the market subsequent to a biologic drug product previously approved in Canada and to which the biosimilar is considered similar. As such, biosimilars are subject to existing laws and regulations outlined in the *Patented Medicines (Notice of Compliance) Regulations* and the *Food and Drug Regulations*, and related guidance documents.

Similar to the Hatch-Waxman Amendments in the United States, Canada has the *Patented Medicines (Notice of Compliance) Regulations*, which require a company that files a drug submission that references a patented product to address any relevant

patents listed on the Patent Register prior to being able to receive approval from Health Canada. The Canadian regime is similar to the U.S. regime, but a number of distinctions do exist.

Like the United States, Canada also has data protection in addition to patent protection, but again differences exist between the two jurisdictions. For example, Canada's data protection applies to "innovative drugs" (i.e., a drug that contains a medicinal ingredient not previously approved in a drug by the Minister of Health and that is not a variation of a previously approved medicinal ingredient such as a salt, ester, enantiomer, solvate or polymorph) and, where it exists, lasts for eight years in most (but not all) circumstances. In general biologics can be considered innovative drugs but biosimilars are not.

Additional Regulation

In addition to the foregoing, provincial, state and federal U.S. and Canadian laws regarding environmental protection and hazardous substances affect our business. These and other laws govern our use, handling and disposal of various biological, chemical and radioactive substances used in, and wastes generated by, our operations. If our operations result in contamination of the environment or expose individuals to hazardous substances, we could be liable for damages and governmental fines. We believe that we are in material compliance with applicable environmental laws and that continued compliance therewith will not have a material adverse effect on our business. We cannot predict, however, how changes in these laws may affect our future operations.

Government Regulation Outside of the United States and Canada

In addition to regulations in the United States, we will be subject to a variety of regulations in other jurisdictions governing, among other things, clinical studies and any commercial sales and distribution of our products.

Whether or not we obtain FDA approval for a product, we must obtain the requisite approvals from regulatory authorities in foreign countries prior to the commencement of clinical studies or marketing of the product in those countries. Certain countries outside of the United States have a similar process that requires the submission of a clinical study application much like the IND prior to the commencement of human clinical studies. In the EU, for example, a CTA must be submitted to each country's national health authority and an independent ethics committee, much like the FDA and the IRB, respectively. Once the CTA is approved in accordance with a country's requirements, clinical study development may proceed.

The requirements and process governing the conduct of clinical studies, product licensing, coverage, pricing and reimbursement vary from country to country. In all cases, the clinical studies are conducted in accordance with cGCP and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki.

Pharmaceutical Coverage, Pricing and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any product candidates for which we may obtain regulatory approval. In the United States and markets in other countries, sales of any products for which we receive regulatory approval for commercial sale will depend, in part, on pricing and the availability of coverage and adequate reimbursement from

[Table of Contents](#)

third-party payors. These third-party payors may deny coverage or reimbursement for a product or therapy in whole or in part if they determine that the product or therapy was not medically appropriate or necessary. Third-party payors may attempt to control costs by limiting coverage to specific drug products on an approved list, or formulary, which might not include all of the FDA-approved drug products for a particular indication, requiring pre-approval of coverage for new or innovative drug therapies before they will reimburse healthcare providers who use such therapies, and by limiting the amount of reimbursement for particular procedures or drug treatments. Additionally, coverage and reimbursement for drug products can differ significantly from payor to payor. The Medicare and Medicaid programs are often used as models by private payors and other governmental payors to develop their coverage and reimbursement policies for drugs and biologics. However, one third-party payor's decision to cover a particular drug product does not ensure that other payors will also provide coverage for the product, or will provide coverage at an adequate reimbursement rate.

The cost of pharmaceuticals continues to generate substantial governmental and third-party payor interest. We expect that the pharmaceutical industry will experience pricing pressures due to the trend toward managed healthcare, the increasing influence of managed care organizations and additional legislative proposals. Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. We may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products to obtain third-party payor coverage, in addition to the costs required to obtain the FDA approvals.

Our product candidates may not be considered medically necessary or cost effective. A payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

While we cannot predict whether any proposed cost-containment measures will be adopted or otherwise implemented in the future, these requirements or any announcement or adoption of such proposals could have a material adverse effect on our ability to obtain adequate prices for our product candidates and to operate profitably.

In international markets, pricing, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. There can be no assurance that our products will be considered medically reasonable and necessary for a specific indication, that our products will be considered cost effective by third-party payors, that coverage or an adequate level of reimbursement will be available or that third-party payors' reimbursement policies will not adversely affect our ability to sell our products profitably.

Healthcare Reform

The United States and some other jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our future products profitably. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. For example, in August 2022, Congress passed the Inflation Reduction Act of 2022, which includes prescription drug provisions that have significant implications for the pharmaceutical industry and Medicare beneficiaries, including allowing the federal government to negotiate a maximum fair price for certain high-priced single-source Medicare drugs, imposing penalties and excise tax for manufacturers that fail to comply with the drug price negotiation requirements, requiring inflation rebates for all Medicare Part B and Part D drugs, with limited exceptions, if their drug prices increase faster than inflation, and redesigning Medicare Part D to reduce out-of-pocket prescription drug costs for beneficiaries, among other changes. The impact of these legislative, executive, and administrative actions and any future healthcare measures and agency rules implemented by the Biden administration on us and the pharmaceutical industry as a whole is unclear.

We expect that the PPACA, as well as reform measures that may be adopted in the future, may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government-funded programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our drugs, once regulatory approval is obtained.

[Table of Contents](#)

Other Healthcare Laws and Compliance Requirements

In the United States, the research, manufacturing, distribution, sale and promotion of drug products are subject to regulation by various federal, state and local authorities in addition to the FDA, including the Centers for Medicare & Medicaid Services, other divisions of the U.S. Department of Health and Human Services (e.g., the Office of Inspector General), the U.S. Department of Justice, state attorneys general, and other state and local government agencies.

If our operations are found to be in violation of any of the U.S. federal and state laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including criminal and significant civil monetary penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, private *qui tam* actions brought by individual whistleblowers in the name of the government or refusal to allow us to enter into supply contracts, including government contracts, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. We may also be subject to additional reporting requirements and

oversight if we become subject to a corporate integrity agreement or similar agreement with a governmental entity to resolve allegations that we have violated these laws. To the extent that any of our product candidates, once approved, are sold in a foreign country, we may be subject to similar foreign laws and regulations, which may include, for instance, applicable post-approval requirements, including safety surveillance, anti-fraud and abuse laws, and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals.

Sales and Marketing

As a clinical-stage biopharmaceutical company, we do not currently possess the commercial infrastructure required to launch and market our product candidates. For zanidatamab, and zanidatamab zovodotin, we have entered into a development and commercialization agreements agreement with BeiGene whereby BeiGene is responsible for certain clinical development activities and all commercial activities in Asia (excluding Japan but including the People's Republic of China, South Korea and other countries), Australia and New Zealand. For zanidatamab, under the Amended Jazz Collaboration Agreement, Jazz is responsible for all development and commercial activities globally outside of with respect to the BeiGene territories, at Jazz's cost and expense. To date, we have not entered into any Licensed Products in the Territory. There are no other agreements granting commercialization rights to zanidatamab, zanidatamab zovodotin or any of our other product candidates. To access the sales, marketing and distribution capacity required to market our drug candidates, we plan to selectively establish additional partnerships with biotechnology and pharmaceutical companies having established commercial capabilities in relevant indications. The timing and nature of such agreements will be determined by market size and complexity, access to pre-commercial and commercial infrastructure and our resource availability for developing a commercial organization. For product candidates targeting patient populations that can be serviced by a small, specialized commercial effort, we may seek out co-development and co-promotion agreements granting commercialization rights to an established commercial partner in some jurisdictions while allowing us to build these capabilities in other jurisdictions.

Human Capital Resources

As of December 31, 2022 December 31, 2023, we had 294 277 employees, including 291 272 full-time employees, 196 189 of whom were primarily engaged in research and development activities and 68 49 of whom hold an M.D. or Ph.D. degree. 168 186 of our full-time employees were based in Canada, and 123 74 were based in the United States. As part of States, and 12 were based in Singapore, Ireland and United Kingdom combined.

Our ability to achieve our renewed focus on achieving our key strategic priorities, in January 2022, we announced our intention mission is dependent upon attracting and retaining the right talent. We seek to restructure our workforce with a target of reducing our employee headcount by at least 25% across the organization by the end of 2022. As of March 31, 2022, we had exceeded that 25% target.

We consider our employees to be an essential driver of our business and key to our future prospects and believe that our relationship with our employees is good. We monitor our compensation programs closely and provide what we consider to be a competitive mix of compensation and benefits for all our employees, including participation in our equity programs.

We believe everyone belongs at Zymeworks and we are committed to providing equal opportunities for our employees. This means ensuring we have good representation in our workforce from within the communities in which we operate, conducting training to remove biases in our processes and activities, and respecting all employees' rights, cultures, diversity, and dignity.

We consider our employees to be an essential driver of our business and key to our future prospects and believe that we have a good relationship with our employees. None of our employees are represented by a labor organization or covered by a collective bargaining arrangement.

Corporate History

Effective October 13, 2022, we became a Delaware corporation, following receipt of necessary shareholder, stock exchange, and court approvals (the "Redomicile Transactions"). Zymeworks Inc. was incorporated under the laws of the State of Delaware in June 2022. Our principal executive offices are located at 108 Patriot Drive, Suite A, Middletown, Delaware 19709, and our telephone number is (302) 274-8744. Our predecessor, now named Zymeworks BC Inc., was originally incorporated on September 8, 2003 under the Canada Business Corporations Act under the name "Zymeworks Inc." On October 22, 2003, our

Table of Contents

predecessor was registered as an extra-provincial company under the Company Act (British Columbia), the predecessor to the Business Corporations Act (British Columbia) ("BCBCA"). Our predecessor continued to British Columbia under the BCBCA on May 2, 2017.

Available Information

This Annual Report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, and any amendments to these reports are filed, or will be filed, as appropriate, with the SEC and the Canadian Securities Administrators ("CSA"). These reports are available free of charge on our website, www.zymeworks.com, as soon as reasonably practicable after we electronically file such reports with or furnish such reports to the SEC and the Canadian regulatory authorities. Information contained on, or accessible through, our website is not a part of this Annual Report on Form 10-K, and the inclusion of our website address in this document is an inactive textual reference.

Additionally, our filings with the SEC may be accessed through the SEC's website at www.sec.gov and our filings with the CSA may be accessed through the CSA's Canadian System for Electronic Document Analysis and Retrieval ("SEDAR" SEDAR+) at www.sedar.com, www.sedarplus.ca.

[Table of Contents](#)

Item 1A. Risk Factors

You should carefully consider the following risk factors, in addition to the other information contained in this Annual Report on Form 10-K, including our consolidated financial statements and related notes. If any of the events described in the following risk factors occurs, our business, operating results and financial condition could be seriously harmed. This Annual Report on Form 10-K also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this Annual Report on Form 10-K. See "Cautionary Note Regarding Forward-Looking Statements." The risks below are not the only risks facing our company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, results of operations, and/or prospects. Our Risk Factors are not guarantees that no such conditions exist as of the date of this report and should not be interpreted as an affirmative statement that such risks or conditions have not materialized, in whole or in part.

Summary of Risk Factors

Below is a summary of the principal factors that make an investment in shares of our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading "Risk Factors" and should be carefully considered, together with other information in this Annual Report on Form 10-K and our other filings with the SEC, before making an investment decision regarding shares of our common stock.

- We have a limited number of product candidates, all of which are still in preclinical or clinical development. If we do not obtain regulatory approval of one or more of our product candidates, or experience significant delays in doing so, our business will be materially adversely affected.
- Clinical trials are expensive, time consuming, difficult to design and implement, and involve uncertain outcomes. Furthermore, the results of previous preclinical studies and clinical trials may not be predictive of future results, and the results of our current and planned clinical trials may not satisfy the requirements of the FDA or comparable regulatory authorities outside the United States.
- Our long-term prospects depend in part upon discovering, developing and commercializing additional product candidates, which may fail in development or suffer delays that adversely affect their commercial viability.
- Our product candidates may have undesirable side effects that may delay or prevent marketing approval or, if approval is received, require them to be taken off the market, require them to include safety warnings or otherwise limit their sales; no regulatory agency has made any determination that any of our product candidates are safe or effective for use by the general public for any indication.
- We face significant competition, and if our competitors develop and market products that are more effective, safer or less expensive than our product candidates, our commercial opportunities will be negatively impacted.
- If any of our product candidates receive regulatory approval, the approved products may not achieve broad market acceptance among physicians, patients, the medical community and third-party payors, in which case revenue generated from their sales would be limited.
- We may not be successful in our efforts to use our therapeutic platforms to build a pipeline of product candidates.
- If any product liability lawsuits are successfully brought against us or any of our strategic partners, we may incur substantial liabilities and may be required to limit commercialization of our product candidates.
- Security breaches and incidents, loss of data and other disruptions could compromise sensitive information related to our business or protected health information or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.
- Current and future legislation may increase the difficulty and cost for us to commercialize any products that we or our strategic partners develop and affect the prices we may obtain.
- We have incurred significant losses since inception and anticipate that we will continue to incur losses for the foreseeable future. We have no products approved for commercial sale, and, to date as of December 31, 2023, we have not generated any revenue or profit from product sales. We may never achieve or sustain profitability.
- We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not available, may require us to delay, scale back, or cease our product development programs or operations.

[Table of Contents](#)

- We will depend on our collaborative relationship with Jazz to further develop and commercialize zanidatamab, and if our relationship is not successful or is terminated, we may be delayed in or unable to effectively develop and/or commercialize zanidatamab, which could have a material adverse effect on our business.

- Our existing strategic partnerships are important to our business, and future strategic partnerships will likely also be important to us. If we are unable to maintain our strategic partnerships, or if these strategic partnerships are not successful, our business could be adversely affected.
- We rely on third-party manufacturers to produce our product candidates and on other third parties to provide supplies and store, monitor and transport bulk drug substance and drug product. We and our third-party partners may encounter difficulties with respect to these activities that could delay or impair our ability to initiate or complete our clinical trials or commercialize approved products.
- We rely on third parties to monitor, support, conduct and oversee clinical trials of the product candidates that we are developing and, in some cases, to maintain regulatory files for those product candidates. We may not be able to obtain regulatory approval for our product candidates or commercialize any products that may result from our development efforts if we are not able to maintain or secure agreements with such third parties on acceptable terms, if these third parties do not perform their services as required, or if these third parties fail to timely transfer any regulatory information held by them to us.
- If we are unable to obtain, maintain and enforce patent and trade secret protection for our product candidates and related technology, our business could be materially harmed.
- If we are unable to protect the confidentiality of our proprietary information, the value of our technology and products could be adversely affected.
- Our effective tax rate may change in the future.
- Our stock price is likely to be volatile and the market price of our common stock may drop below the price paid by stockholders.
- Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws might delay, discourage or prevent a change in control of Zymeworks or changes in our management, thereby depressing the market price of our common stock.

Risk Factors

Risks Related to Our Business and the Development and Commercialization of Our Product Candidates

We have a limited number of product candidates, all of which are still in preclinical or clinical development. If we do not obtain regulatory approval of one or more of our product candidates, or experience significant delays in doing so, our business will be materially adversely affected.

We currently have no products approved for sale or marketing in any country, and may never be able to obtain regulatory approval for any of our product candidates. As a result, we are not currently permitted to market any of our product candidates in the United States or in any other country until we obtain regulatory approval from the FDA or comparable regulatory authorities outside the United States. Our product candidates are in preclinical or clinical development and we have not submitted an application, or received marketing approval, for any of our product candidates. Obtaining regulatory approval of our product candidates will depend on many factors, including:

- completing clinical trials that demonstrate the efficacy and safety of our product candidates;
- preparation and submission to the appropriate regulatory authorities of an application for marketing approval that includes substantial evidence of safety, purity and potency from results of nonclinical testing and clinical trials;
- establishing and maintaining adequate commercial manufacturing arrangements or establishing our own commercial manufacturing capabilities or reliable arrangements with third-party contract manufacturers;
- potential pre-approval audits of nonclinical sites, clinical trial sites, and third-party manufacturing sites that generated the data and product in support of the marketing application; and
- launching commercial sales, marketing and distribution operations.

Table of Contents

Many of these factors are wholly or partially beyond our control, including clinical advancement, the regulatory submission process and changes in the competitive landscape. If we do not achieve one or more of these factors in a timely manner, we could experience significant delays or an inability to develop our product candidates at all.

Clinical trials are expensive, time consuming, difficult to design and implement, and involve uncertain outcomes. Furthermore, the results of previous preclinical studies and clinical trials may not be predictive of future results, and the results of our current and planned clinical trials may not satisfy the requirements of the FDA or comparable regulatory authorities outside the United States.

We have not previously submitted a BLA to the FDA or similar marketing applications to foreign health authorities. A BLA must include extensive preclinical and clinical data and supporting information to establish the product candidate's safety, purity and efficacy for each desired indication. The BLA must also include significant information regarding the manufacturing controls for the product. The novel nature of our product candidates may introduce uncertain, complex, expensive and lengthy challenges that could impact regulatory approval. Even if we eventually complete clinical testing and receive approval of any regulatory filing for our product candidates, the FDA or foreign health authorities may approve our product candidates for a more limited indication or a narrower patient population than we originally requested.

There is typically an extremely high rate of attrition from the failure of product candidates proceeding through preclinical studies and clinical trials. Positive or timely results from preclinical or early-stage trials do not ensure positive or timely results in late-stage clinical trials or product approval by the FDA or comparable regulatory authorities outside the United States. We will be required to demonstrate with substantial evidence through well-controlled clinical trials that our product candidates are safe and effective for use in a diverse population before we can seek regulatory approvals for their commercial sale. Our clinical trials may produce negative or inconclusive results, and we or any of our current and future strategic partners may decide, or regulators may require us, to conduct additional clinical or preclinical testing. In some instances, there can be significant variability in

safety or efficacy results between different preclinical studies and clinical trials of the same product candidate due to numerous factors, including changes in clinical trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants. Moreover, success in preclinical studies or early-stage clinical trials does not mean that future clinical trials or registrational clinical trials will be successful because product candidates in later-stage clinical trials may fail to demonstrate sufficient safety and efficacy to the satisfaction of the FDA and comparable regulatory authorities outside the United States, despite having progressed through preclinical studies and initial clinical trials. Product candidates that have shown promising results in early clinical trials may suffer significant setbacks in subsequent clinical trials or registrational clinical trials. For example, a number of companies in the pharmaceutical industry have suffered significant setbacks in late-stage clinical trials, even after obtaining promising results in earlier-stage clinical trials. Similarly, interim results of a clinical trial do not necessarily predict final results.

There is a high failure rate for biopharmaceutical products proceeding through clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later stage clinical trials even after achieving promising results in earlier stage clinical trials. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, regulatory delays or rejections may be encountered as a result of many factors, including changes in regulatory policy during the period of product development. For example, the FDA's Oncology Center of Excellence initiated Project Optimus to reform the dose optimization and dose selection paradigm in oncology drug development and Project FrontRunner to help develop and implement strategies to support approvals in the early clinical setting, among other goals. How the FDA plans to implement those goals and their impact on specific clinical programs and the industry are unclear.

Applications for our product candidates could fail to receive regulatory approval for many reasons, including but not limited to the following:

- the FDA or foreign health authorities may disagree with the design, implementation or data analyses of our clinical trials;
- the FDA or foreign health authorities may determine that our product candidate(s) do not have adequate risk-benefit ratio or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use;
- the population studied in the clinical program may not be sufficiently broad or representative to assure efficacy and safety in the full population for which we seek approval;

[Table of Contents](#)

- the FDA or foreign health authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a BLA or other submission or to obtain regulatory approval in the United States or elsewhere;
- the FDA or foreign health authorities may fail to approve the manufacturing processes, test procedures and specifications or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or foreign health authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Additionally, we have conducted, and may in the future conduct, clinical trials outside the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of these data is subject to certain conditions imposed by the FDA and its determination that the trials also complied with all applicable U.S. laws and regulations. If the FDA does not accept the data from any clinical trials we conduct outside the United States, it would likely result in the need for additional trials, which would be costly and time-consuming and delay or halt our development of any future product candidates.

If clinical trials for our product candidates are prolonged, delayed or stopped, we may be unable to obtain regulatory approval and commercialize our product candidates on a timely basis, or at all, which would require us to incur additional costs and delay our receipt of any product revenue.

We are currently have two clinical-stage lead product candidates, zanidatamab and zanidatamab zovodotin. Our partner Jazz has been responsible for the conduct of ongoing and future zanidatamab trials since May 2023, and is currently evaluating zanidatamab this product candidate in Phase 1, Phase 2, and Phase 3 clinical trials, including certain ongoing pivotal clinical trials. Following the transfer of certain of our personnel to Jazz in May 2023, we have been focused on the clinical development of zanidatamab zovodotin and our preclinical product candidates and general discovery efforts. We are currently evaluating zanidatamab zovodotin in a Phase 1 clinical trial in patients with recurrent or metastatic HER2-expressing solid tumors.

We may experience delays in our ongoing or future preclinical studies or clinical trials, and we do not know whether future preclinical studies or clinical trials will begin on time, need to be redesigned, enroll an adequate number of patients on time or be completed on schedule, if at all. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during clinical development, and, because our product candidates are in an early stage of development, there is a high risk of failure and we may never succeed in developing marketable products. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials, particularly because early trials have smaller numbers of subjects tested. In addition, it is not uncommon for product candidates to exhibit unforeseen safety or efficacy issues, such as immunogenicity, when tested in humans despite promising results in preclinical animal models.

Any clinical trials that we may conduct may not demonstrate the safety and efficacy profiles necessary to obtain regulatory approval to market our product candidates. As we continue developing our product candidates, serious adverse events, undesirable side effects, or unexpected characteristics may emerge, causing us to abandon these product candidates or limit their development to more narrow uses or subpopulations in which the risk-benefit ratio is more acceptable.

Patients treated with our product candidates may experience side effects or adverse events that are unrelated to our product candidates but may still impact the success of our clinical trials. The inclusion of patients with significant co-morbidities in our clinical trials may result in deaths or other adverse medical events due to an underlying condition or other therapies or medications that such patients may be using. Any of these events could prevent us from obtaining regulatory approval or achieving or maintaining market acceptance and impair our ability to commercialize our product candidates. In some instances, there can be significant variability in safety and efficacy results between different clinical trials of the same product candidate due to a variety of factors, including, but not limited to, changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants.

The commencement or completion of these planned clinical trials could be substantially delayed or prevented by many factors, including:

- further discussions with the FDA or other regulatory agencies regarding the scope or design of our clinical trials;
- the limited number of, and competition for, suitable sites to conduct our clinical trials, many of which may already be engaged in other clinical trial programs, including some that may be for the same indication as our product candidates;
- any delay or failure to obtain approval or agreement to commence a clinical trial in any of the countries where enrollment is planned;

[Table of Contents](#)

- inability to obtain sufficient funds required for a clinical trial;
- inability to recruit clinical operations personnel and other personnel with later-stage development experience;
- clinical holds on, or other regulatory objections to, a new or ongoing clinical trial;
- delay or failure to manufacture sufficient supplies of the product candidate for our clinical trials;
- delay or failure to reach agreement on acceptable clinical trial agreement terms or clinical trial protocols with prospective sites or CROs, the terms of which can be subject to extensive negotiation and may vary significantly among different sites or CROs;
- delay or failure to obtain institutional review board ("IRB") approval to conduct a clinical trial at a prospective site;
- slower than expected rates of patient recruitment and enrollment;
- failure of patients to complete the clinical trial;
- the inability to enroll a sufficient number of patients in studies to ensure adequate statistical power to detect statistically significant treatment effects;
- unforeseen safety issues, including severe or unexpected drug-related adverse effects experienced by patients, including possible deaths;
- lack of efficacy during clinical trials;
- termination of our clinical trials by one or more clinical trial sites;
- inability or unwillingness of patients or clinical investigators to follow our clinical trial protocols;
- inability to monitor patients adequately during or after treatment by us or our CROs;
- our CROs or clinical study sites failing to comply with the trial protocol or regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, deviating from the protocol or dropping out of a study;
- the inability to address any noncompliance with regulatory requirements or safety concerns that arise during the course of a clinical trial;
- third-party contractors becoming debarred or suspended or otherwise penalized by the FDA or foreign health authorities for violations of applicable regulatory requirements;
- delays in the testing, validation, manufacturing and delivery of our product candidates to the clinical trial sites, including due to a facility manufacturing any of our product candidates or any of their components being ordered by the FDA or foreign health authorities to temporarily or permanently shut down due to violations of current good manufacturing practices ("cGMP") regulations or other applicable requirements, or cross-contaminations of product candidates in the manufacturing process;
- the need to repeat or terminate clinical trials as a result of inconclusive or negative results or unforeseen complications in testing;
- our clinical trials may be suspended or terminated upon a breach or pursuant to the terms of any agreement with, or for any other reason by, current or future strategic partners that have responsibility for the clinical development of any of our product candidates; and
- receiving untimely or unfavorable feedback from applicable regulatory authorities regarding the trial or requests from regulatory authorities to modify the design of a trial.

We could also experience delays in physicians enrolling patients in clinical trials of our product candidates in lieu of prescribing existing treatments or other clinical trials. Furthermore, a clinical trial may be suspended or terminated by us, the IRBs for the institutions in which such trials are being conducted, the Data Monitoring Committee for such trial, or by the FDA or foreign health authorities due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or foreign health authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we experience termination of, or delays in the completion of, any clinical trial of our product candidates, the commercial prospects for our product candidates will be harmed, and our ability to generate product revenue will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product development and approval process and jeopardize our ability to commence product sales and generate revenue.

Securing regulatory approval also requires the submission of information about the manufacturing processes and inspection of manufacturing facilities by the relevant regulatory authority. The FDA or foreign health authorities may fail to approve our

[Table of Contents](#)

manufacturing processes or facilities, whether run by us or our contract manufacturing organizations. In addition, if we make manufacturing changes to our product candidates in the future, we may need to conduct additional preclinical and/or clinical studies to bridge our modified product candidates to earlier versions.

Changes in regulatory requirements, policies and guidelines may also occur and we may need to significantly amend clinical trial protocols to reflect these changes with appropriate regulatory authorities. These changes may require us to renegotiate terms with CROs or resubmit clinical trial protocols to IRBs for re-examination, which may impact the costs, timing or successful completion of a clinical trial. Our clinical trials may be suspended or terminated at any time by the FDA, other regulatory authorities, the IRB overseeing the clinical trial at issue, any of our clinical trial sites with respect to that site, or us.

Any failure or significant delay in commencing or completing clinical trials for our product candidates would adversely affect our ability to obtain regulatory approval, and our commercial prospects and ability to generate product revenue will be diminished.

In addition, even if the trials are successfully completed, clinical data are often susceptible to varying interpretations and analyses, and we cannot guarantee that the FDA or foreign health authorities will interpret the results as we do, and more trials could be required before we submit our product candidates for approval. We cannot guarantee that the FDA or foreign health authorities will view any of our product candidates as having adequate safety and efficacy profiles even if favorable results are observed in these clinical trials, and we may receive unexpected or unfavorable feedback from the FDA or foreign health authorities regarding satisfaction of safety, purity and potency (including clinical efficacy), amongst other factors. To the extent that the results of the trials are not satisfactory to the FDA or foreign health authorities for support of a marketing application, approval of our product candidates may be significantly delayed, or we may be required to expend significant additional resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates.

Our long-term prospects depend in part upon discovering, developing and commercializing additional product candidates, which may fail in development or suffer delays that adversely affect their commercial viability.

Our future operating results are dependent in part on our ability to successfully discover, develop, obtain regulatory approval for and commercialize product candidates beyond those we currently have in clinical development. A product candidate can unexpectedly fail at any stage of preclinical and clinical development. Our investments in our early-stage research and development efforts may not yield any promising product candidates. Even if our research and development efforts yield product candidates that advance into clinical studies, the historical failure rate for product candidates is high due to risks relating to safety, efficacy, clinical execution, changing standards of medical care and other unpredictable variables. The results from preclinical testing or early clinical trials of a product candidate may not be predictive of the results that will be obtained in later stage clinical trials of the product candidate.

The success of other product candidates we may develop will depend on many factors, including the following:

- generating sufficient data to support the initiation or continuation of clinical trials;
- obtaining regulatory permission to initiate clinical trials;
- contracting with the necessary parties to conduct clinical trials;
- successful enrollment of patients in, and the completion of, clinical trials on a timely basis;
- the timely manufacture of sufficient quantities of the product candidate for use in clinical trials; and
- adverse events in the clinical trials.

Even if we successfully advance any other product candidates into clinical development, their success will be subject to all of the clinical, regulatory and commercial risks described elsewhere in this “Risk Factors” section. Accordingly, we cannot assure you that we will ever be able to discover, develop, obtain regulatory approval of, commercialize or generate significant revenue from our other product candidates.

If we, or any of our partners, are unable to enroll patients in clinical trials, we will be unable to complete these trials on a timely basis or at all.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors including the size and nature of the patient population, the proximity of subjects to clinical sites, the eligibility criteria for the trial, the design of the clinical

[Table of Contents](#)

trial, ability to obtain and maintain patient consents, risk that enrolled subjects will drop out before completion, competing clinical trials and clinicians’ and patients’ perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating. In particular, we are developing certain of our product candidates for the treatment of rare diseases, which have limited pools of patients from which to draw for clinical testing. If we, or any of our strategic partners that perform clinical tests for our product candidates, are unable to enroll a sufficient number of patients to complete clinical testing, we will be unable to gain marketing approval for such product candidates and our business will be harmed.

In addition, the U.S. federal Right to Try Act, among other things, provides a federal framework for patients to access certain investigational new drug products that have completed a Phase 1 clinical trial. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA approval under the FDA expanded access program. While there is no obligation to make product candidates available to eligible patients as a result of the Right to Try Act, new and emerging legislation regarding expanded access to unapproved drugs could negatively impact enrollment in our clinical trials and our business in the future.

The design or our execution of clinical trials may not support regulatory approval.

The design or execution of a clinical trial can determine whether its results will support regulatory approval, and flaws in the design or execution of a clinical trial may not become apparent until the clinical trial is well advanced. In some instances, there can be significant variability in safety or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in size and type of the patient populations, adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. We do not know whether any Phase 2, Phase 3 or other clinical trials we or any of our strategic partners may conduct will demonstrate consistent or adequate efficacy and safety to obtain regulatory approval to market our product candidates.

Further, the FDA and comparable foreign regulatory authorities have substantial discretion in the approval process and in determining when or whether regulatory approval will be obtained for any of our product candidates. Our product candidates may not be approved even if they achieve their primary endpoints in any Phase 3 clinical trials or registration trials. The FDA or other non-U.S. regulatory authorities may disagree with our trial design and our interpretation of data from preclinical studies and clinical trials. In addition, any of these regulatory authorities may change requirements for the approval of a product candidate even after reviewing and providing comments or advice on a protocol for a pivotal Phase 3 clinical trial that has the potential to result in FDA or other agencies' approval. In addition, any of these regulatory authorities may also approve a product candidate for fewer or more limited indications than we request or may grant approval contingent on the performance of costly post-marketing clinical trials. The FDA or other non-U.S. regulatory authorities may not approve the labeling claims that we believe would be necessary or desirable for the successful commercialization of our product candidates.

Interim, preliminary or top-line data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim, preliminary or top-line data from clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary or top-line data previously published. As a result, interim, preliminary and top-line data should be viewed with caution until the final data are available. Adverse differences between interim, preliminary or top-line data and final data could significantly harm our reputation and business prospects. Moreover, preliminary, interim and top-line data are subject to the risk that one or more of the clinical outcomes may materially change as more patient data become available when patients mature on study, patient enrollment continues or as other ongoing or future clinical trials with a product candidate further develop. Past results of clinical trials may not be predictive of future results.

In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically more extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure. Any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product candidate or our business. Similarly, even if we are able to complete our planned and ongoing preclinical studies and clinical trials of our product candidates according to our current development timeline, the positive results from such preclinical studies and clinical trials of our product candidates may not be replicated in subsequent preclinical studies or clinical trial results.

[Table of Contents](#)

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical and other nonclinical findings made while clinical trials were underway or safety or efficacy observations made in preclinical studies and clinical trials, including previously unreported adverse events. Moreover, preclinical, nonclinical and clinical data are often susceptible to varying interpretations and analyses and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA or other regulatory approval.

The Fast Track and Breakthrough Therapy designations we have received for zanidatamab may not result in faster development, regulatory review or approval process.

The FDA has granted Fast Track designations to zanidatamab for the first-line treatment of patients with HER2-overexpressing GEA in combination with standard of care chemotherapy and for previously treated or recurrent gene-amplified BTC. These Fast Track designations do not ensure that we zanidatamab will experience a faster development, regulatory review or approval process compared to conventional FDA procedures or that we zanidatamab will ultimately obtain regulatory approval. Additionally, the FDA may withdraw Fast Track designation if it believes that the designation is no longer supported by data from our the zanidatamab clinical development program. The FDA also granted Breakthrough Therapy designation for zanidatamab for treatment of patients with previously treated HER2 gene-amplified gene-amplified locally advanced/unresectable or metastatic BTC. While Although Jazz and we anticipate meeting have met with the FDA in 2023 to discuss the data readout from the HERIZON-BTC-01 study in support of submitting a BLA for zanidatamab in patients with previously treated HER2 gene-amplified BTC, the receipt of a Breakthrough Therapy designation for a product candidate may not ultimately result in a faster development process or review, and it does not in any way assure approval of a product candidate by the FDA. In addition, designation as a Breakthrough Therapy is within the discretion of the FDA and the FDA may decide to rescind a Breakthrough Therapy designation if it believes that a designated product candidate no longer meets the conditions for qualification of this program. If our the zanidatamab clinical development program is suspended, terminated, or put on clinical hold due to unexpected adverse events or other issues, including clinical supply issues, we may not realize all the benefits associated with the Fast Track designation. designation may not be realized by us or our strategic partners. Furthermore, Fast Track designation does not change the standards for approval, and the designation alone does not guarantee qualification for the FDA's priority review procedures.

Zanidatamab has also been granted Breakthrough Therapy designation from the Center for Drug Evaluation in China for treating patients with BTC who have failed prior systemic therapies. This designation alone does not guarantee faster approval of zanidatamab in China.

Development of product candidates in combination with other therapies could expose us to additional risks.

Even if any of our product candidates were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risks that the FDA, the [European Medicines Agency \("EMA"\)](#) or other comparable foreign regulatory authorities could revoke approval of the therapy used in combination with any of our product candidates, or safety, efficacy, manufacturing or supply issues could arise with these existing therapies. In addition, it is possible that existing therapies with which our product candidates are approved for use could themselves fall out of favor or be relegated to later lines of treatment. This could result in the need to identify other combination therapies for our product candidates or our own products being removed from the market or being less successful commercially. We may also evaluate our product candidates in combination with one or more other cancer therapies that have not yet been approved for marketing by the FDA, EMA or comparable foreign regulatory authorities. We will not be able to market and sell any product candidate in combination with any such unapproved cancer therapies that do not ultimately obtain marketing approval. If the FDA, EMA or other comparable foreign regulatory authorities do not approve or revoke their approval of these other therapies, or if safety, efficacy, commercial adoption, manufacturing or supply issues arise with the therapies we choose to evaluate in combination

with any other product candidate, we may be unable to obtain approval of or successfully market any one or all of the product candidates we develop.

Additionally, if the third-party providers of therapies or therapies in development used in combination with our product candidates are unable to produce sufficient quantities for clinical trials or for commercialization of our product candidates, or if the cost of combination therapies are prohibitive, our development and commercialization efforts would be impaired, which would have an adverse effect on our business, financial condition, results of operations and growth prospects.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified product candidates from being developed, or approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA to review and clear or approve new product candidates can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine

[Table of Contents](#)

functions. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies, including delays or disruptions due to [the COVID-19 pandemic, pandemics or other health crises](#), travel restrictions, staffing shortages, government shutdowns and furloughs, may also slow the time necessary for new product candidates to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. [In response to the COVID-19 pandemic and travel restrictions, the FDA has issued industry guidance regarding plans to employ remote interactive evaluations and risk management methods, among other considerations, to meet user fee commitments and goal dates as well as plans toward resuming standard operational levels.](#) Recently, President Biden announced that the administration intends to end the COVID-19 national and public health emergencies on May 11, 2023. [The full impact of this termination of the public health emergencies on the FDA and other regulatory policies and operations are unclear. However, if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, or if the FDA and other agencies experience other delays, backlogs or disruptions, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.](#)

Successful development of our current and future product candidates is uncertain and we may discontinue or reprioritize the development of any of our product candidates at any time, at our discretion.

Before obtaining regulatory approval for the commercial distribution of our product candidates, we must conduct, at our own expense, extensive preclinical tests and clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Preclinical and clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. Additionally, the results from nonclinical testing or early clinical trials of a product candidate may not predict the results that will be obtained in subsequent human clinical trials of that product candidate. There is a high failure rate for drugs proceeding through clinical studies. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies, and any such setbacks in any future clinical development could have a material adverse effect on our business and operating results. Alternatively, management may elect to discontinue development of certain product candidates to accommodate a shift in corporate strategy, despite positive clinical results. Based on our operating results and business strategy, among other factors, we may discontinue the development of any of our product candidates under development or reprioritize our focus on other product candidates at any time and at our discretion.

Additionally, because we have limited financial and managerial resources, we focus on research programs, therapeutic platforms and product candidates that we identify for specific indications. As a result, we may forgo or delay pursuit of opportunities with other therapeutic platforms or product candidates or for other indications that later prove to have greater commercial potential. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights.

Our product candidates may have undesirable side effects that may delay or prevent marketing approval or, if approval is received, require them to be taken off the market, require them to include safety warnings or otherwise limit their sales; no regulatory agency has made any determination that any of our product candidates are safe or effective for use by the general public for any indication.

All of our product candidates are still in preclinical or clinical development. Consequently, all of our product candidates are required to undergo ongoing safety testing in humans as part of clinical trials. Unforeseen side effects from any of our product candidates could arise either during clinical development or, if approved by regulatory authorities, after the approved product has been marketed. Zanidatamab and zanidatamab zovodotin continue to be evaluated in clinical trials, and the results of these and future clinical trials may show that zanidatamab, zanidatamab zovodotin or our other product candidates cause undesirable or unacceptable side effects, which could interrupt, delay or halt clinical trials, and result in delay of, or failure to obtain, marketing approval from the FDA and other regulatory authorities, or result in marketing approval from the FDA and other regulatory authorities with restrictive label warnings, limited patient populations or potential product liability claims. Even if we believe that our clinical trials and preclinical studies demonstrate the safety and efficacy of our product candidates, only the FDA and other comparable regulatory agencies may ultimately make such determination. No regulatory agency has made any such determination that any of our product candidates are safe or effective for use by the general public for any indication.

If any of our product candidates receive marketing approval and we or others later identify undesirable or unacceptable side effects caused by such products:

[Table of Contents](#)

- regulatory authorities may require us to take our approved product off the market;
- regulatory authorities may require the addition of labeling statements, specific warnings, a contraindication or field alerts to physicians and pharmacies, or impose a risk evaluation and mitigation strategy that includes restrictions and conditions on product distribution, prescribing and/or dispensing;
- we may be required to change the way the product is administered, conduct additional clinical trials or change the labeling of the product;
- we may be subject to limitations on how we may promote the product;
- sales of the product may decrease significantly;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us or our current or future strategic partners from achieving or maintaining market acceptance of the affected product or could substantially increase commercialization costs and expenses, which in turn could delay or prevent us from generating revenue from the sale of any future products.

We face significant competition, and if our competitors develop and market products that are more effective, safer or less expensive than our product candidates, our commercial opportunities will be negatively impacted.

The life sciences industry is highly competitive and subject to rapid and significant technological change. We are currently developing biotherapeutics that will compete with other drugs and therapies that currently exist or are being developed. Products we may develop in the future are also likely to face competition from other drugs and therapies, some of which we may not currently be aware. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities and other research institutions. Many of our competitors have significantly greater financial, manufacturing, marketing, drug development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and in manufacturing pharmaceutical products. These companies also have significantly greater research and marketing capabilities than we do and may also have products that have been approved or are in late stages of development and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. As a result of all of these factors, our competitors may succeed in obtaining patent protection or FDA approval or discovering, developing and commercializing products in our field before we do.

Specifically, there are a large number of companies developing or marketing treatments for cancer, **and autoimmune disorders**, including many major pharmaceutical and biotechnology companies. These treatments consist both of small-molecule drug products, as well as biologics that work by using various antibody therapeutic platforms to address specific cancer targets. **For additional information relating to the competitive environment we operate in, see Item 1. "Business - Competition."**

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, more convenient or less expensive than any products that we may develop. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for our product candidates, which could result in our competitors establishing a strong market position before we are able to enter the market.

Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

In addition, we expect to compete with biosimilar versions of already approved products, **like trastuzumab or pertuzumab**, and even if our product candidates achieve marketing approval, they may be challenged to achieve a price premium over competitive biosimilar products and will compete for market share with them.

[Table of Contents](#)

The Biologics Price Competition and Innovation Act of 2009, which is included in the **2010 Patient Protection and Affordable Care Act ("PPACA")**, authorized the FDA to approve similar versions of innovative biologics, commonly known as biosimilars. Under the PPACA, a manufacturer may submit an application for licensure of a biologic product that is "biosimilar to" or "interchangeable with" a previously approved biologic product or "reference product." Manufacturers may not submit an application for a biosimilar to the FDA until four years following approval of the reference product, and the FDA may not approve a biosimilar product until 12 years from the date on which the reference product was approved. Even if our product candidates, if approved, are deemed to be reference products eligible for exclusivity, another company could market a competing version of that product if the FDA approves a full BLA for such product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product. Additionally, from time to time, there are proposals to repeal or modify the PPACA, including proposals that could significantly shorten the exclusivity period for biologics.

If any of our product candidates receive regulatory approval, the approved products may not achieve broad market acceptance among physicians, patients, the medical community and third-party payors, in which case revenue generated from their sales would be limited.

The commercial success of our product candidates will depend upon their acceptance among physicians, patients and the medical community. The degree of market acceptance of our product candidates will depend on a number of factors, including:

- limitations or warnings contained in the approved labeling for a product candidate;
- changes in the standard of care for the targeted indications for any of our product candidates;
- limitations in the approved clinical indications for our product candidates;
- demonstrated clinical safety and efficacy compared to other products;
- sales, marketing and distribution support;
- availability of coverage and extent of reimbursement from managed care plans and other third-party payors;
- timing of market introduction and perceived effectiveness of competitive products;
- availability of alternative therapies at similar or lower cost, including generic, biosimilar and over-the-counter products;
- the extent to which the product candidate is approved for inclusion on formularies of hospitals and managed care organizations;
- whether the product is designated under physician treatment guidelines as a first-line therapy or as a second- or third-line therapy for particular diseases;
- whether the product can be used effectively with other therapies to achieve higher response rates;
- adverse publicity about our product candidates or favorable publicity about competitive products;
- convenience and ease of administration of our products; and
- potential product liability claims.

If any of our product candidates are approved, but do not achieve an adequate level of acceptance by physicians, patients and the medical community, we may not generate sufficient revenue from these products, and we may not become or remain profitable. In addition, efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources and may never be successful.

We or our strategic partners may be unable to obtain orphan drug exclusivity in specific indications for zanidatamab or in future product candidates that we may develop. If our competitors are able to obtain orphan product exclusivity for their products in specific indications, we may not be able to have competing products approved in those indications by the applicable regulatory authority for a significant period of time.

The FDA has granted Orphan Drug Designation to zanidatamab for the treatment of BTC and gastric cancer, including cancer of the gastroesophageal junction, the EMA has granted Orphan Drug Designation to zanidatamab for the treatment of gastric cancer and BTC, and we or our strategic partners may seek Orphan Drug Designation for **zanidatamab or other product candidates** for additional indications in the future. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

[Table of Contents](#)

Generally, if a product candidate with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug for the same indication for that time period. The applicable period is seven years in the United States and ten years in Europe. The European exclusivity period can be reduced to six years if a product no longer meets the criteria for Orphan Drug Designation or if the product is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be lost if the FDA or EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of patients with the rare disease or condition. The loss of Orphan Drug Designation could have a negative effect on our ability to successfully commercialize our product candidates, earn revenues and achieve profitability.

Even if orphan drug exclusivity for zanidatamab is obtained, or is obtained for any other product candidates that receive an Orphan Drug Designation in the future, that exclusivity may not effectively protect the product from competition because different drugs with different active moieties can be approved for the same condition. Further, in the United States, even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition submitted by a competitor if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. If we or our strategic partners are unable to manufacture sufficient

supply of **our** product to meet the needs of patients, the FDA can withdraw **our** orphan exclusive marketing rights or approve another marketing application for the same drug product before the expiration of the exclusivity period.

Further, in *Catalyst Pharms., Inc. v. Becerra*, 14 F.4th 1299 (11th Cir. 2021), the court disagreed with the FDA's longstanding position that the orphan drug exclusivity only applies to the approved use or indication within an eligible disease, and not to all uses or indications within the entire disease or condition. **In particular, the circuit court held that the orphan drug exclusivity for Catalyst's drug blocked the FDA's approval of another drug for all uses or indications within the same orphan-designated disease, Lambert-Eaton myasthenic syndrome (LEMS), even though Catalyst's drug was approved at that time only for use in the treatment of LEMS in adults. Accordingly, the court ordered the FDA to set aside the approval of a drug indicated for LEMS in children.** This decision created uncertainty in the application of the orphan drug exclusivity. On January 24, 2023, the FDA published a notice in the Federal Register to clarify that while the agency complies with the court's order in *Catalyst*, the FDA intends to continue to apply its longstanding interpretation of the regulations to matters outside of the scope of the *Catalyst* order – that is, the agency will continue tying the scope of orphan drug exclusivity to the uses or indications for which a drug is approved, which permits other sponsors to obtain approval of a drug for new uses or indications within the same orphan designated disease or condition that have not yet been approved. It is unclear how future litigation, legislation, agency decisions, and administrative actions will impact the scope of the orphan drug exclusivity.

Even if we obtain FDA approval of any of our product candidates, we may never obtain approval or commercialize such products outside of the United States, which would limit our ability to realize their full market potential.

In order to market any products outside of the United States, we must establish and comply with numerous and varying regulatory requirements of other countries regarding safety and efficacy. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval procedures vary among countries and can involve additional product testing and validation and additional administrative review periods. Seeking foreign regulatory approvals could result in significant delays, difficulties and costs for us and may require additional preclinical studies or clinical trials, which would be costly and time consuming. Regulatory requirements can vary widely from country to country and region to region and could delay or prevent the introduction of our products in those countries. Satisfying these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. In addition, our failure to obtain regulatory approval in any country may delay or have negative effects on the process for regulatory approval in other countries. We do not have any product candidates approved for sale in any jurisdiction, including international markets, and we do not have experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, our target market will be reduced and our ability to realize the full market potential of our products will be harmed.

Our ability to eventually generate significant revenues from product sales will depend on a number of factors, including:

- successful completion of preclinical studies;
- submission of **INDs** **IND or foreign equivalent applications**, or other regulatory applications, for our planned clinical trials or future clinical trials and authorizations from regulators to initiate clinical studies;
- successful enrollment in, and completion of, clinical trials;

[Table of Contents](#)

- achieving favorable results from clinical trials;
- receipt of marketing approvals from applicable regulatory authorities;
- establishing and maintaining sufficient manufacturing capabilities, whether internally or with third parties, for clinical and commercial supply;
- obtaining pricing, reimbursement, and hospital formulary access;
- establishing sales, marketing and distribution capabilities and launching commercial sales of our products, if and when approved, whether alone or in combination with other products;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials and commercialization activities;
- effectively competing with other therapies;
- developing and implementing successful marketing and reimbursement strategies;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity for our product candidates; and
- maintaining a continued acceptable safety profile of any product following approval, if any.

If we do not achieve one or more of these requirements in a timely manner, we could experience significant delays or an inability to successfully commercialize our product candidates, which would materially harm our business.

We cannot be certain that our clinical trials will be initiated and completed on time, if at all, or whether our planned clinical strategy will be acceptable to the FDA or foreign health authorities. To become and remain profitable, we must develop, obtain approval for and eventually commercialize products, if approved, that generate significant revenue. In addition, it is not uncommon for product candidates to exhibit unforeseen safety issues or inadequate efficacy when tested in humans despite promising results in preclinical animal models or earlier trials, and we may ultimately be unable to demonstrate adequate safety and efficacy of our product candidates to obtain marketing approval. Even if we obtain approval and begin commercializing one or more of our product candidates, we may never generate revenue that is significant or large enough to achieve profitability.

Even if we succeed in commercializing one or more of our product candidates, we will continue to incur substantial research and development, manufacturing and other expenditures to develop and market additional product candidates. Our failure to become or remain profitable would decrease the value of the company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations.

Reimbursement decisions by third-party payors may have an adverse effect on pricing and market acceptance. If there is not sufficient reimbursement for our products, it is less likely that our products will be widely used.

The regulations that govern marketing approvals, pricing, coverage and reimbursement for new drugs vary widely from country to country. Many countries require approval of the sale price of a drug before it can be marketed. The pricing review period begins after marketing or product licensing approval is granted in most cases. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product and negatively impact the revenues we are able to generate from the sale of the product in that country.

Our ability to commercialize any products successfully also will depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other third-party payors. In many jurisdictions, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. Obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide to the payor supporting scientific, clinical and cost-effectiveness data for the use of our products. If we are not currently capturing the scientific and clinical data that will be required for reimbursement approval, we may be required to conduct additional trials, which may delay or suspend reimbursement approval. Additionally, in the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of a product candidate that receives regulatory approval to each payor separately, with no assurance that coverage and adequate reimbursement will be obtained.

[Table of Contents](#)

Even if our product candidates are approved for sale by the appropriate regulatory authorities, market acceptance and sales of these products will depend on reimbursement policies and may be affected by future healthcare reform measures. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs they will reimburse and establish payment levels. We cannot be certain that reimbursement will be available for any products that we develop. If reimbursement is not available or is available on a limited basis, we may not be able to successfully commercialize any of our approved products.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, also called the Medicare Modernization Act ("MMA"), changed the way Medicare covers and pays for pharmaceutical products. The legislation established Medicare Part D, which expanded Medicare coverage for outpatient prescription drug purchases by the elderly but provided authority for limiting the number of drugs that will be covered in any therapeutic class. The MMA also introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. We expect to experience pricing pressures in connection with the sale of any products that we develop, due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative proposals. In August 2022, Congress passed the Inflation Reduction Act of 2022, which includes prescription drug provisions that have significant implications for the pharmaceutical industry and Medicare beneficiaries, including allowing the federal government to negotiate a maximum fair price for certain high-priced single-source Medicare drugs, imposing penalties and excise tax for manufacturers that fail to comply with the drug price negotiation requirements, requiring inflation rebates for all Medicare Part B and Part D drugs, with limited exceptions, if their drug prices increase faster than inflation, and redesigning Medicare Part D to reduce out-of-pocket prescription drug costs for beneficiaries, among other changes. Various industry stakeholders, including pharmaceutical companies, the U.S. Chamber of Commerce, the National Infusion Center Association, the Global Colon Cancer Association, and the Pharmaceutical Research and Manufacturers of America, have initiated lawsuits against the federal government asserting that the price negotiation provisions of the Inflation Reduction Act are unconstitutional. The impact of these judicial challenges, legislative, executive, and administrative actions and any future healthcare measures and agency rules implemented by the Biden administration government on us and the pharmaceutical industry as a whole is unclear. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our product candidates if approved.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA, EMA or other regulatory authorities. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable, may also be insufficient to cover our and any collaborator's costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that currently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Our or any collaborator's inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved products that we or our strategic partners develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize product candidates and our overall financial condition.

If the market opportunities for any product that we or our strategic partners develop are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

We intend to initially focus our independent product candidate development on treatments for oncology. Our projections of addressable patient populations that have the potential to benefit from treatment with our product candidates are based on estimates. If our projections are inaccurate, the market opportunities for any of our product candidates could be significantly diminished and have an adverse material impact on our business.

We may not be successful in our efforts to use our therapeutic platforms to build a pipeline of product candidates.

We intend to use our therapeutic platforms to build a pipeline of product candidates and progress these product candidates through clinical development for the treatment of a variety of diseases. Although our research and development efforts to as of the date of this report have resulted in a pipeline of product candidates directed at various cancers, we

may not be able to develop product candidates that are safe and effective. In addition, although we expect that our therapeutic platforms will allow us to develop further product candidates, they may not prove to be successful at doing so. Even if we are successful in continuing to build our pipeline, the potential product candidates that we identify may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. If we do not continue to successfully develop and begin to commercialize product candidates, we will face difficulty in obtaining product revenue in future periods, which could result in significant harm to our financial position and adversely affect our stock price.

[Table of Contents](#)

Even if we receive regulatory approval to commercialize any of the product candidates that we develop, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense.

Any regulatory approvals that we receive for our product candidates may be subject to limitations on the approved indicated uses for which the product may be marketed or subject to certain conditions of approval, and may contain requirements for potentially costly post-approval trials, including Phase 4 clinical trials, and surveillance to monitor the safety and efficacy of the marketed product.

For any approved product, we will be subject to ongoing regulatory obligations and extensive oversight by regulatory authorities, including with respect to manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product. These requirements include submissions of safety and other post-approval information and reports, as well as continued compliance with cGMP and good clinical practice ("GCP"), for any clinical trials that we or our strategic partners conduct after approval. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product;
- withdrawal of the product from the market or voluntary or mandatory product recalls;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA, EMA or another applicable regulatory authority to approve pending applications or supplements to approved applications filed by us or our strategic partners, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

Occurrence of any of the foregoing could have a material and adverse effect on our business and results of operations. Further, the FDA's or other ex-U.S. regulators' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. **For example, if the Supreme Court reverses or curtails the *Chevron* doctrine, which gives deference to regulatory agencies in litigation against FDA and other agencies, more companies may bring lawsuits against the FDA to challenge longstanding decisions and policies of the FDA, which could undermine the FDA's authority, lead to uncertainties in the industry, and disrupt the FDA's normal operations, which could delay the FDA's review of our marketing applications.** If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

The FDA strictly regulates manufacturers' promotional claims of drug products. In particular, a drug product may not be promoted by manufacturers for uses that are not approved by the FDA, as reflected in the FDA-approved labeling, although healthcare professionals are permitted to use drug products for off-label uses. The FDA, the Department of Justice, the Inspector General of the Department of Health and Human Services, among other government agencies, actively enforce the laws and regulations prohibiting manufacturers' promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including large civil and criminal fines, penalties, and enforcement actions. The FDA has also imposed consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed for companies that engaged in such prohibited activities. If we cannot successfully manage the promotion of our approved product candidates, we could become subject to significant liability, which would materially adversely affect our business and financial condition.

If any product liability lawsuits are successfully brought against us or any of our strategic partners, we may incur substantial liabilities and may be required to limit commercialization of our product candidates.

We face an inherent risk of product liability lawsuits related to the testing of our product candidates in seriously ill patients, and will face an even greater risk if product candidates are approved by regulatory authorities and introduced commercially. Product liability claims may be brought against us or our strategic partners by participants enrolled in our clinical trials, patients, health care providers or others using, administering or selling any of our future approved products. If we cannot successfully defend

ourselves against any such claims, we may incur substantial liabilities. Regardless of their merit or eventual outcome, liability claims may result in:

- decreased demand for any future approved products;
- injury to our reputation;
- withdrawal of clinical trial participants;

[Table of Contents](#)

- termination of clinical trial sites or entire trial programs;
- increased regulatory scrutiny;
- significant litigation costs;
- substantial monetary awards to, or costly settlement with, patients or other claimants;
- product recalls or a change in the indications for which they may be used;
- loss of revenue;
- diversion of management and scientific resources from our business operations; and
- the inability to commercialize our product candidates.

We may need to have in place increased product liability coverage when we begin the commercialization of our product candidates. Insurance coverage is becoming increasingly expensive. As a result, we may be unable to maintain or obtain sufficient insurance at a reasonable cost to protect us against losses that could have a material adverse effect on our business. A successful product liability claim or series of claims brought against us, particularly if judgments exceed any insurance coverage we may have, could decrease our cash resources and adversely affect our business, financial condition and results of operation.

Patients with cancer and other diseases targeted by our product candidates are often already in severe and advanced stages of disease and have both known and unknown significant pre-existing and potentially life-threatening health risks. During the course of treatment, patients may suffer adverse events, including death, for reasons that may be related to our product candidates. Such events could subject us to costly litigation, require us to pay substantial amounts of money to injured patients, delay, negatively impact or end our opportunity to receive or maintain regulatory approval to market our product candidates, or require us to suspend or abandon our commercialization efforts. Even in a circumstance in which we do not believe that an adverse event is related to our product candidates, the investigation into the circumstance may be time-consuming or inconclusive. These investigations may interrupt our sales efforts, delay our regulatory approval process in other countries, or impact and limit the type of regulatory approvals our product candidates receive or maintain. As a result of these factors, a product liability claim, even if successfully defended, could have a material adverse effect on our business, financial condition or results of operations.

If we or any of our third-party manufacturers encounter manufacturing difficulties, our ability to provide supply of our product candidates for clinical trials or our products for patients, if approved, could be delayed or prevented.

The manufacture of biological drug products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques, process and quality controls. Manufacturers of biologic products often encounter difficulties in production and sourcing, particularly in scaling up or out, validating the production process and assuring high reliability of the manufacturing processes (including the absence of contamination), in light of variations and supply constraints of key components. These problems include logistics and shipping, difficulties with production costs and yields, quality control, including consistency, stability, purity and efficacy of the product, product testing, operator error and availability of qualified personnel, as well as compliance with applicable federal, state and foreign regulations. If contaminants are discovered in our supply of our product candidates or in the manufacturing facilities, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. We cannot assure you that any stability, purity, and efficacy failures, deficiencies, or other issues relating to the manufacture of our product candidates will not occur in the future. Our research and development activities also involve the controlled use of potentially hazardous substances, including chemical and biological materials, by our third-party manufacturers. While we currently outsource all manufacturing to third parties, we and our manufacturers are subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe that our manufacturers' procedures for using, handling, storing and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury, and any related liability, resulting from medical or hazardous materials.

Material modifications in methods of product candidate manufacturing or formulation may result in additional costs or delay.

As product candidates are developed through preclinical to late-stage clinical trials towards approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended

[Table of Contents](#)

objectives. Any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability, or our strategic partners' ability, to commence product sales and generate revenue.

Strategic transactions could disrupt our business, cause dilution to our stockholders and otherwise harm our business.

We actively evaluate various strategic transactions on an ongoing basis. For example, we may acquire other businesses, products or technologies as well as pursue strategic alliances, joint ventures, investments in complementary businesses, out-licensing and in-licensing agreements, divestitures or other transactions. Any of these transactions could be material to our financial condition and operating results and expose us to many risks, including:

- disruption in our relationships with existing strategic partners or suppliers as a result of such a transaction;
- unanticipated liabilities related to acquired companies;
- difficulties integrating acquired personnel, technologies and operations into our existing business;
- retention of key employees;
- diversion of management time and focus from operating our business to management of strategic alliances or joint ventures or acquisition integration challenges;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and marketing approvals;
- increases in our expenses and reductions in our cash available for operations and other uses; and
- possible write-offs or impairment charges relating to acquired businesses.

Also, the anticipated benefit of any strategic transaction may not materialize or such strategic transaction may be prohibited. Additionally, future acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses or write-offs of goodwill, any of which could harm our financial condition. We cannot predict the number, timing or size of any future strategic alliances, joint ventures, investments, acquisitions, divestitures or other strategic transactions, or the effect that any such transactions might have on our operating results.

Many governments impose strict price controls, which may adversely affect our future profitability.

In many countries, particularly in those in the EU, European Union ("EU"), prescription drug pricing and reimbursement is subject to governmental control. In those countries that impose price controls, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we or our strategic partners may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidates to other available therapies.

Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we or our strategic partners might obtain marketing approval for a product candidate in a particular country, but then be subject to price regulations that delay commercial launch of the product candidate, possibly for lengthy time periods, and negatively impact the revenue that is generated from the sale of the product in that country. If reimbursement of such product candidates is unavailable or limited in scope or amount, if pricing is set at unsatisfactory levels, or if there is competition from lower priced cross-border sales, our profitability will be negatively affected.

Security breaches and incidents, loss of data and other disruptions could compromise sensitive information related to our business or protected health information or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, we and our CROs and other service providers collect, store and otherwise process petabytes of sensitive data, including legally protected health information, personal information, intellectual property and proprietary business information owned or controlled by ourselves or our strategic partners. We manage and maintain our

[Table of Contents](#)

applications and data by utilizing a combination of on-site systems, managed data center systems and cloud-based data center systems. These applications and data encompass a wide variety of business-critical information, including research and development information, commercial information and business and financial information. We face four primary risks relative to protecting this critical information: loss of access risk, inappropriate disclosure risk, inappropriate modification risk and the risk of being unable to adequately monitor our controls over the first three risks.

Although we take measures designed to protect sensitive information from unauthorized access or disclosure, our information technology and infrastructure and those of that our CROs and our other third-party service providers may utilize in the past have been subject to, and may be vulnerable to, attacks by hackers or other third parties, viruses, ransomware or breached, interrupted other malicious code, or compromised other breaches, incidents, outages, interruptions, compromises or vulnerabilities due to inadvertent or intentional actions by our employees, contractors, business partners, and/or other third parties, or from cyber-attacks by malicious third parties (including supply chain cyber-attacks or the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of systems or information). The risks of these types of incidents and other matters occurring may be heightened in connection with geopolitical events such as the conflict between Russia and Ukraine. Any such breach, incident, outage, interruption, compromise or interruption vulnerability could compromise systems and networks used in our business and lead to system and other operational outages, interruptions and disruptions and the loss, destruction, alteration, prevention of access to, disclosure, or dissemination of, or damage or unauthorized access to, our data (including trade secrets or other confidential information, intellectual property, proprietary business information, and personal information) or data that is processed or maintained on our behalf, or other assets, which could result in financial, legal, business and reputational harm to us. Any such

event could result in legal claims, demands and litigation or governmental investigations or other proceedings, liability under laws that protect the privacy of personal information, such as the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulatory penalties and other liabilities. Although we have implemented security measures and a formal enterprise security program designed to prevent unauthorized access to sensitive data, and make use of third-party service providers to perform certain operational and security functions on our behalf, there is no guarantee that we or our third-party service providers can can, or have been able to, protect our systems or networks or other systems or networks used in our business from security breaches, incidents, outages, interruptions, compromises, or compromises, vulnerabilities, or that we or they have been or will be able to identify, identify the cause of or otherwise respond to any actual or potential security breach, incident, outages, interruptions, compromise or vulnerabilities. We have engaged in efforts to improve our security measures, and we expect to continue to incur additional expenses in further efforts to do so, whether in response to actual or perceived security breaches or incidents, compromises, outages, interruptions, vulnerabilities or otherwise. Any loss, destruction, alteration, prevention of access to, disclosure, or dissemination of, or damage or unauthorized access to, our data or other data that is processed or maintained on our behalf could also disrupt our operations (including our ability to conduct our analyses, pay providers, conduct research and development activities, collect, process and prepare company financial information, provide information about any future products, and manage the administrative aspects of our business) and damage our reputation, any of which could adversely affect our business.

HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and its implementing regulations, impose certain requirements relating to the privacy, security, transmission and breach reporting of individually identifiable health information upon entities subject to the law, such as health plans, healthcare clearinghouses and healthcare providers and their respective business associates and subcontractors that perform services for them that involve individually identifiable health information. Mandatory penalties for HIPAA violations can be significant, and criminal and monetary penalties, as well as injunctive relief, may be imposed for HIPAA violations. Although most drug manufacturers are not directly subject to HIPAA, prosecutors are increasingly using HIPAA-related theories of liability against drug manufacturers and their agents and we also could be subject to criminal penalties if we knowingly obtain individually identifiable health information from a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA.

Furthermore, in the event of a breach as defined by HIPAA, HIPAA regulations impose specific reporting requirements to regulators, individuals impacted by the breach and, in some cases, the media. Issuing such notifications can be costly, time and resource intensive, and can generate significant negative publicity. Breaches of HIPAA may also constitute contractual violations that could lead to contractual damages or terminations. In addition to HIPAA, other applicable data privacy and security obligations, including U.S. state data breach notification laws, may require us to notify relevant stakeholders of any security breaches or incidents that result in the unauthorized disclosure, or dissemination of, personal information. Such disclosures are costly, and the disclosures or the failure to comply with such requirements, could lead to adverse impacts.

Furthermore, the loss, corruption, or unavailability of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on other third parties for the manufacture of our product candidates and to conduct clinical trials, and similar events relating to their computer systems or otherwise relating to their collection, storage, or processing of data could also have a material adverse effect on our business.

In addition, we may face increased cybersecurity risks due to our reliance on internet technology given that we have employees at three five office locations (Vancouver, Seattle, British Columbia; Bellevue, Washington; Dublin, Ireland; Singapore; and Dublin) Redwood City, California) and a significant number of employees who work remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities.

[Table of Contents](#)

We are subject to stringent and changing obligations related to privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations, reputational harm and other adverse business consequences.

U.S. states have enacted and are considering enacting laws relating to the protection of personal information (including health and other data of patients, research subjects, and other individuals), which may be more rigorous than, or impose additional requirements beyond those required by, HIPAA. For example, the California Consumer Privacy Act ("CCPA"), which became effective on January 1, 2020, gives California consumers expanded rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used. The CCPA allows for statutory fines for noncompliance (up to \$7,500 per violation) as well as a limited private right of action for data breaches, which may increase the volume of data breach litigation. In addition, the California Privacy Rights Act of 2020, ("CPRA"), which went into effect on January 1, 2023, expands expanded the CCPA by, among other things, giving California residents the ability to limit use of certain sensitive personal information, establishing restrictions on personal information retention, expanding the types of data breaches subject to the CCPA's private right of action, and establishing a new California Privacy Protection Agency to implement and enforce the new law. While limited CCPA exemptions may apply to portions of our business, the recency of the CCPA's implementing regulations and the California Attorney General's enforcement activity means obligations under the CCPA, as modified by the CPRA, could evolve in the future, which may increase our compliance costs and potential liability. Many similar other privacy and security laws have been proposed at the federal level and in other states, certain of which have been enacted, impose obligations similar to the CCPA, including such laws in Colorado, Connecticut, Delaware, Florida, Indiana, Iowa, Montana, New Jersey, Oregon, Tennessee, Texas, Utah, and Virginia. Further, Washington also has enacted the My Health, My Data Act, which, among other things, provides for a private right of action. While limited exemptions to some of these laws may apply to portions of our business, the recency of these laws' enactment and evolving interpretations of these laws may increase our compliance costs and potential liability. These or other proposed or enacted laws relating to privacy and security could similarly increase our compliance obligations and costs in the future.

We may also become subject to laws and regulations in non-U.S. countries covering privacy and security and the protection of health-related and other personal information. In particular, the European Economic Area ("EEA") has adopted privacy and security protection laws and regulations that impose significant compliance obligations. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure, processing and security of information that identifies or may be used to identify an

individual, such as names, contact information, and sensitive personal information such as health data. These laws and regulations are subject to frequent revisions and differing interpretations, and have generally become more stringent over time.

The General Data Protection Regulation 2016/679 ("GDPR") applies to the processing of personal information and imposes many requirements for controllers and processors of personal information, including, for example, higher standards for obtaining consent from individuals to process their personal information, more robust disclosures to individuals and a strengthened individual data rights regime, shortened timelines for data breach notifications, limitations on retention and secondary use of information, increased requirements pertaining to health data and pseudonymized (i.e., key-coded) data and additional obligations when contracting third-party processors in connection with the processing of the personal information. The GDPR allows EEA countries to make additional laws and regulations further limiting the processing of genetic, biometric or health data. Failure to comply with the requirements of the GDPR and the applicable national privacy and security laws of EEA countries may result in fines of up to €20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties; we may also be liable should any individual who has suffered financial or non-financial damage arising from our infringement of the GDPR exercise their right to receive compensation against us. Furthermore, adverse publicity relating to our failure to comply with the GDPR could cause a loss of goodwill, which could have an adverse effect on our reputation, brand, business and financial condition. Additionally, the United Kingdom ("UK") has implemented legislation similar to the GDPR, referred to as the UK GDPR, which provides for fines of up to the greater of £17.5 million or 4% of global turnover.

Certain jurisdictions, including the EEA, have enacted data localization laws and cross-border personal information transfer laws. For example, absent appropriate safeguards or other circumstances, the GDPR generally restricts the transfer of personal information to countries outside the EEA, such as the United States, which the European Commission does not consider to provide an adequate level of personal information protection. On July 16, 2020, the Court of Justice of the European Union

("CJEU") invalidated the European Union-U.S. Privacy Shield ("Privacy Shield") as a data transfer mechanism for transferring personal information from the EEA to the United States. While the EU standard contractual clauses ("EU SCCs") remain a valid mechanism to transfer personal information to third countries outside the EEA, the CJEU's ruling has also imposed enhanced due diligence obligations on data exporters and importers to ensure that the laws of the country to which the personal information is transferred offer a level of data protection that is essentially equivalent to the EEA. Also, the EU has issued updated EU SCCs, and the UK has issued its own standard contractual clauses (the "UK SCCs") that, which each are required to be implemented over time. Although we do not transfer personal data from the EEA to the United States via the Privacy Shield, the CJEU's decision means that the status of transfers of personal information from the EEA and other regions, including the UK, to the United States is subject to significant regulatory uncertainty, implemented. To the extent we transfer personal information from other jurisdictions to the United States, we may not be able to implement or maintain an appropriate data transfer mechanism to continue such international transfers of data. Additionally, the CJEU's invalidation of the Privacy Shield, the revised EU SCCs and new UK SCCs, regulatory guidance and opinions, and other developments relating to cross-border data transfer may require us to implement additional contractual and technical safeguards for any personal information transferred out of the

[Table of Contents](#)

EEA, UK, or other regions, which may increase compliance costs, lead to increased regulatory scrutiny or liability, and may require additional contractual negotiations, which may adversely impact our business, financial condition, and operating results.

Separate from, and in addition to, requirements under the GDPR and UK GDPR, certification requirements for the hosting of health data will vary by jurisdiction. To the extent we operate in various EEA countries or the UK, there might be other national healthcare regulations or regulatory requirements with which we will be required to comply. For example, France requires hosts of health data to obtain a prior certification with the competent certification body.

The interpretation and application of consumer, health-related and privacy and security laws in the United States, the EEA, and elsewhere are often uncertain, contradictory and in flux. Any failure or perceived failure to comply with federal, state or foreign laws or regulations, contractual or other legal obligations related to privacy or security may result in claims, warnings, communications, requests or investigations from individuals, supervisory authorities or other legal or regulatory authorities in relation to our processing of personal information, and regulatory investigations or other proceedings. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business. In addition, these privacy regulations vary between states, may differ from country to country, and may vary based on whether testing is performed in the United States or in the local country. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and compliance procedures in a manner adverse to our business.

Current and future legislation may increase the difficulty and cost for us to commercialize any products that we or our strategic partners develop and affect the prices we may obtain.

The United States and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change healthcare systems in ways that could affect our ability to sell any of our product candidates profitably, if such product candidates are approved for sale. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives.

In March 2010, the PPACA became law in the United States. The PPACA may affect the operational results of companies in the pharmaceutical industry, including us, by imposing on them additional costs. For example, effective January 1, 2010, PPACA increased the minimum Medicaid drug rebates for pharmaceutical companies and imposed an annual fee on certain branded prescription drugs and biologics. Since the enactment of PPACA, there have been executive, judicial and Congressional challenges to certain aspects of the PPACA, including judicial challenges in the Fifth Circuit Court and the United States Supreme Court. In June 2021, the United States Supreme Court held that Texas and other challengers had no legal standing to challenge the PPACA, dismissing the case without specifically ruling on the constitutionality of the PPACA. Accordingly, the PPACA remains in effect in its current form. It is unclear how future litigation or healthcare measures promulgated by the Biden administration will impact our business, financial condition and results of operations. Complying with any new legislation or changes in healthcare regulation could be time-intensive and expensive, resulting in a material adverse effect on our business.

Other legislative changes have been proposed and adopted since the PPACA was enacted. For example, the Bipartisan Budget Act of 2018, among other things, amended the PPACA, effective January 1, 2019, to close the coverage gap in most Medicare drug plans. The Budget Control Act of 2011, which calls for aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, began in 2013 and, due to subsequent legislative amendments, will remain in effect through 2031, 2032, with the exception of a temporary suspension implemented under various COVID-19 relief legislation from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. Under current legislation, the actual reduction in Medicare payments will vary from 1% in 2022 to up to 4% in the final fiscal year of this sequester. The American Taxpayer Relief Act of 2012, among other things, further reduced Medicare payments to several providers, including hospitals and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on potential customers for our product candidates, if approved, and, accordingly, our future financial operations. We are unable to predict the future course of federal or state health care legislation or foreign regulations relating to the marketing, pricing and reimbursement of pharmaceutical products.

There have been U.S. Congressional inquiries, presidential executive orders, and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. For example, under the American Rescue Plan Act of 2021, effective January 1, 2024, the Medicaid statutory cap on Medicaid Drug Rebate Program rebates that manufacturers pay to state Medicaid programs will no longer be eliminated, capped at 100% of AMP (average manufacturer price). Elimination of this cap may require pharmaceutical manufacturers to pay more in rebates than it receives on the sale of

[Table of Contents](#)

products, which could have a material impact on our business. Additionally, in July 2021, the Biden administration released an executive order, "Promoting Competition in the American Economy," with multiple provisions aimed at prescription drugs. In response to Biden's executive order, on September 9, 2021, HHS the Department of Health and Human Services ("HHS") released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions HHS can take to advance these principles. As discussed above, Congress passed the Inflation Reduction Act of 2022, which includes prescription drug provisions that have significant implications for the pharmaceutical industry and Medicare beneficiaries, including allowing the federal government to negotiate a maximum fair price for certain high-priced single-source Medicare drugs, imposing penalties and excise tax for manufacturers that fail to comply with the drug price negotiation requirements, requiring inflation rebates for all Medicare Part B and Part D drugs, with limited exceptions, if their drug prices increase faster than inflation, and redesigning Medicare Part D to reduce out-of-pocket prescription drug costs for beneficiaries, among other changes. Various industry stakeholders have initiated lawsuits against the federal government asserting that the price negotiation provisions of the Inflation Reduction Act are unconstitutional. The impact of these judicial challenges as well as future actions and agency rules implemented by the government on us and the pharmaceutical industry as a whole is unclear. The implementation of cost containment measures, including the prescription drug provisions under the Inflation Reduction Act, as well as other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our product candidates if approved. Complying with any new legislation and regulatory changes could be time-intensive and expensive, resulting in a material adverse effect on our business.

Further, many states have proposed or enacted legislation and administrative actions that seeks seek to indirectly or directly regulate pharmaceutical drug pricing, such as by requiring biopharmaceutical manufacturers to publicly report proprietary pricing information or to place a maximum price ceiling on pharmaceutical products purchased by state agencies. For example, the FDA recently authorized the state of Florida to import certain prescription drugs from Canada for a period of two years to help reduce drug costs, provided that Florida's Agency for Health Care Administration meets the requirements set forth by the FDA. Other states may follow Florida. Additionally, a number of states are considering or have enacted state drug price transparency and reporting laws that could substantially increase our compliance burdens and expose us to greater liability under such state laws once we begin commercialization after obtaining regulatory approval for any of our products candidates. We cannot be sure to what extent these and future legislative and regulatory efforts, whether FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate, if approved, is prescribed or used.

In the EU similar political, economic and regulatory developments may affect our ability to profitably commercialize any future products. In addition to continuing pressure on prices and cost containment measures, legislative developments at the EU or member state level may result in significant additional requirements or obstacles that may increase our operating costs. In international markets, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies. Our future products, if any, might not be considered medically reasonable and necessary for a specific indication or cost-effective by third-party payors, an adequate level of reimbursement might not be available for such products, and third-party payors' reimbursement policies might adversely affect our or our strategic partners' ability to sell any future products profitably.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-approval testing and other requirements.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or elsewhere. If we or our strategic partners are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or our strategic partners are not able to maintain regulatory compliance, our product candidates may lose any marketing approval that may have been obtained and we may not achieve or sustain profitability, which would adversely affect our business.

Unstable or unfavorable global market and economic conditions may have adverse consequences on our business, financial condition and stock price.

Global credit and financial markets have experienced extreme volatility and disruptions in the past several years, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, increases in the rate of inflation and uncertainty about economic stability. We cannot assure you that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our business, financial condition, and stock price may be adversely affected by any such economic downturn, volatile business environment,

[Table of Contents](#)

or large-scale unpredictable or unstable market conditions, including a prolonged government shutdown, geopolitical events such as the conflict between Russia and Ukraine and the conflict in Israel and the Gaza Strip, or a global pandemic such as the COVID-19 pandemic.

If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon development plans. In addition, there is a risk that one or more of our current service providers, manufacturers and other partners may not survive difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget.

Our business may become subject to economic, political, regulatory and other risks associated with international operations.

Our business is subject to risks associated with conducting business internationally. We have physical operations and personnel in Canada, the United States, Ireland and Singapore, and maintain offices in these three four countries. We have recently established a subsidiary in Singapore, and intend to hire personnel and establish an office there. In addition, some of our suppliers and collaborative and clinical trial relationships are located outside the United States. Accordingly, our future results could be harmed by a variety of factors, including:

- economic instability or weakness, including inflation, reduced growth, diminished credit availability, weakened consumer confidence or increased unemployment;
 - instability in the international geopolitical environment, including as a result of the Russian invasion of Ukraine; Ukraine and the conflict in Israel and the Gaza Strip;
 - sociopolitical instability in particular foreign economies and markets;
 - differing regulatory requirements for drug approvals in foreign countries;
 - potentially reduced protection for intellectual property rights;
 - difficulties in compliance with non-U.S. laws and regulations;
 - changes in non-U.S. regulations and customs, tariffs and trade barriers, including any changes that China may impose as a result of political tensions between Canada and China or the United States and China;
 - regulatory changes and economic conditions following the UK's withdrawal from the EU and uncertainty related to the terms of the withdrawal;
 - changes in non-U.S. currency exchange rates and currency controls;
 - trade protection measures, import or export licensing requirements or other restrictive actions by U.S. or non-U.S. governments;
 - differing reimbursement regimes, including price controls;
 - negative consequences from changes in tax laws;
 - workforce uncertainty in countries where labor unrest is more common than in the United States;
 - production shortages resulting from any events affecting raw material supply or manufacturing capabilities outside the United States;
-
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods and fires; and
 - supply and other disruptions resulting from the impact of public health epidemics, including the COVID-19 pandemic, on our strategic partners, third-party manufacturers, suppliers and other third parties upon which we rely.
- In particular, there is currently significant uncertainty about the future relationship between the United States and various other countries, most significantly China, with respect to trade policies, treaties, tariffs, taxes, and other limitations on cross-border operations. The U.S. government has made and continues to make significant additional changes in U.S. trade policy and may continue to take future actions that could negatively impact U.S. trade. For example, legislation has been introduced in Congress to limit certain U.S. biotechnology companies from using equipment or services produced or provided by select Chinese biotechnology companies, and others in Congress have advocated for the use of existing executive branch authorities to limit those Chinese service providers' ability to engage in business in the U.S. We cannot predict what actions may ultimately be taken with respect to trade relations between the United States and China or other countries, including countries which the U.S. government has identified as a foreign adversary that poses national security risks to the United States, and what products and services may be subject to such actions or what actions may be taken by the other countries in retaliation. If we are unable to obtain or use services from existing service providers or become unable to export or sell our products to any of our customers or service providers, our business, liquidity, financial condition, and/or results of operations would be materially and adversely affected.

Our business has been and may continue to be adversely affected by public health outbreaks and pandemics.

Our business has been and may continue to be adversely affected by public health outbreaks and pandemics, including the COVID-19 pandemic.

The COVID-19 pandemic has had a broad adverse impact on the global economy across many industries and has resulted in significant governmental measures being implemented to control the spread of the virus, including quarantines, travel restrictions and business shutdowns, as well as significant volatility in global financial markets. Recently, President Biden announced that On May 11, 2023, the administration intends to end federal government ended the COVID-19 national and public health emergencies on May 11, 2023, emergency, which ended a number of temporary changes made to federally funded programs while some continue to be in effect. The full impact of this termination of the public health emergencies on the FDA and other regulatory policies and operations are unclear.

Table of Contents

Certain clinical trial activities, including patient enrollment and site activations, may be delayed or otherwise impacted by COVID-19 or another If a public health outbreak, pandemic, or epidemic, or emergence of other infectious diseases. Although we do not currently anticipate any further material impacts to our business from COVID-19 or another pandemic or epidemic, these and similar, and perhaps more severe, disruptions in our operations could negatively impact our business and financial condition in the future, but the extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted, such as the location, duration and severity of outbreaks (including future potential waves or cycles), travel restrictions and social distancing, business closures or disruptions, and the effectiveness of actions taken to contain and treat the disease and to address its impact, including on financial markets.

If a resurgence of COVID-19 the emergence of another pandemic or epidemic, or the emergence of other infectious diseases cases and related disruptions were to occur, a lack of coordinated response on risk mitigation and global vaccination deployment could result in significant increases to the duration and severity of such event and could have a corresponding negative impact on our business. For example, insufficient vaccine availability, reduced effectiveness of vaccines over time or against new variants, or resistance to vaccination by certain persons may result in increasing infection and hospitalization rates, which have been and could be further complicated by the emergence of more virulent or infectious variants of the virus or other diseases.

If the COVID-19 pandemic, another pandemic or epidemic, or other infectious diseases surge, worsen or continue for a prolonged period of time, particularly in regions where we or our strategic partners and suppliers do business, we could experience disruptions that could significantly impact our current and planned clinical trials, preclinical research and other business activities, including:

- disruption to and delays in preclinical research activities due to extended closure or reduced capacity of lab facilities;
- further delays or difficulties in enrolling patients in our ongoing and planned clinical trials;
- patients discontinuing their treatment or follow-up visits;
- further delays or difficulties in clinical site initiation, including limitations on access to sites, limitations to site initiation activities that can be carried out remotely, and limitations on the number of clinical site staff on site from time to time;
- interruption of key clinical trial activities, such as clinical trial site monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others;
- shortages, disruptions in supply, logistics or other activities related to the procurement of materials and other supplies, which could have a negative impact on our ability to conduct preclinical research, initiate or complete our clinical trials or commercialize our product candidates;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of clinical trials;
- interruption of key business activities due to illness and/or quarantine of key individuals and delays associated with recruiting, hiring and training new temporary or permanent replacements for such key individuals, both internally and at our third-party service providers and strategic partners;
- limitations in resources that would otherwise be focused on the conduct of our business or our current or planned clinical trials or preclinical research, including because of sickness, the desire to avoid contact with large groups of people, restrictions on travel, or prolonged stay-at-home or similar working arrangements;
- delays in receiving approvals from regulatory authorities to initiate our planned clinical trials;
- changes in regulations as part of a response to the public health outbreaks, pandemics, or a resurgence of COVID-19 pandemic, another pandemic or epidemic, or other infectious diseases, cases and related disruptions, which may require us to change the ways in which our clinical trials are conducted and incur unexpected costs, or require us to discontinue clinical trials altogether;
- delays in necessary interactions with regulators (including the FDA), ethics committees and other important agencies and contractors due to limitations in employee resources or furlough of government or contractor personnel;
- disruptions to our strategic partners' operations, which could delay the development of our product candidates in certain geographical regions and thereby affect the timing of development and commercial milestone payments and royalties on potential future product sales we may receive; and
- limitations on our ability to recruit any necessary preclinical research, clinical, regulatory and other professional staff on the timeframe required to support our research and development programs.

Table The impact of Contents

such disruptions would be highly uncertain and would depend on factors such as the location, duration and severity, travel restrictions and social distancing, business closures or disruptions, and the effectiveness of actions taken to contain and treat the disease and to address its impact, including on financial markets. In addition, public health outbreaks, pandemics, or a resurgence of COVID-19 another pandemic or epidemic, or other infectious diseases cases and related disruptions could disrupt the global financial markets, reducing our ability to access capital, which could negatively affect our liquidity. If a resurgence of COVID-19, the emergence of another pandemic or epidemic, or the emergence of other infectious diseases were to occur, liquidity and could heighten the volatility of the financial market may be heightened, markets, which could adversely impact the value of our common stock.

Our business and current and future relationships with customers and third-party payors in the United States and elsewhere will be subject, directly or indirectly, to applicable federal and state anti-kickback, fraud and abuse, false claims, transparency, health information privacy and security, and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens, and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors in the United States and elsewhere play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval.

Our current and future arrangements with healthcare professionals, principal investigators, consultants, customers, and third-party payors and other entities may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, including the federal Anti-Kickback Statute and the federal False Claims Act, that may constrain the business or financial arrangements and relationships through which we conduct clinical research on product candidates and market, sell and distribute any products for which we obtain marketing approval. In addition, we may be subject to transparency laws and patient privacy regulation by the federal government and by the U.S. states and foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration (including any kickback, bribe or rebate), directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid;
- federal civil and criminal false claims laws and civil monetary penalty laws, including the federal False Claims Act, impose criminal or civil penalties, as applicable, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government (including the Medicare and Medicaid programs) or other third-party payor claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- HIPAA established the federal offense of health care fraud, which among other things, imposes criminal liability for knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g. public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of or payment for healthcare benefits, items or services relating to healthcare matters;
- HIPAA, as amended by HITECH, and its implementing regulations, which imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information without the appropriate authorization by entities subject to the law, such as health plans,

healthcare clearinghouses and healthcare providers and their respective business associates and their covered subcontractors;

- the federal Open Payments program under the Physician Payments Sunshine Act, created under Section 6002 of the PPACA and its implementing regulations, requires applicable group purchasing organizations and manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to HHS information related to "payments or other transfers of value" made in the previous year to covered recipients, including physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors, other health care professionals (such as nurse practitioners and physician assistants) and teaching hospitals, and information regarding ownership and investment interests held by physicians (as defined above) or their immediate family members; and
- analogous and similar state and foreign laws and regulations, including: state anti-kickback and false claims laws that may apply to our business practices (including research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by state governmental and non-governmental third-party payors,

[Table of Contents](#)

including private insurers); state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government; state laws that require drug manufacturers to track gifts and other remuneration and items of value provided to healthcare professionals and entities and file reports relating to pricing and marketing information; and state and foreign laws that govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of any available statutory exceptions and safe harbors, it is possible that some of our current and future business activities could be subject to challenge under one or more of such laws.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations may involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. Any failure or perceived failure by us to comply with such laws, regulations, or case law may result in governmental investigations or enforcement actions, litigation, claims and other proceedings, harm our reputation, and could result in significant liability. Additionally, if our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, including damages, fines, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of noncompliance with these laws and the curtailment or restructuring of our operations, which could have a material adverse effect on our business. If any of the physicians or other providers or entities with whom we expect to do business, including our strategic partners, is found not to be in compliance with applicable laws, it may be subject to criminal, civil or administrative sanctions, including exclusions from participation in government healthcare programs, which could also materially affect our business.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws, and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets. We can face criminal liability and other serious consequences for violations that can harm our business.

WeIn addition to potential risks discussed above at the risk factor entitled "Our business may become subject to economic, political, regulatory and other risks associated with international operations", we are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls, the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act 2010, the Proceeds of Crime Act 2002, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors, and other partners from authorizing, promising, offering, or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We currently engage third parties for clinical trials outside of the United States and we may in the future engage third parties to sell our products outside of the United States once we enter a commercialization phase, or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals. We may have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors, and other partners, even if we do not explicitly authorize or have actual knowledge of such activities. Any violation of the laws and regulations described

above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences.

Third-party manufacturers may not be able to comply with U.S. export control regulations, cGMP regulations or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in a necessity to replace current third parties, resulting in the possibility of supply delays, clinical holds on our trials, sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocations, seizures or recalls of product candidates or medicines, operating restrictions, and criminal prosecutions, any of which could significantly and adversely affect supplies of our medicines and harm our business, financial condition, results of operations and growth prospects.

[Table of Contents](#)

We have received an unsolicited, non-binding proposal from an existing investor to purchase our Company.

In April 2022, All Blue Falcons FZE ("All Blue Falcons"), an existing stockholder, submitted an unsolicited, non-binding proposal to purchase our Company for \$10.50 per share in cash. Our board of directors carefully reviewed the proposal and, in May 2022, unanimously determined that the unsolicited, non-binding proposal substantially undervalued our Company and was not in the best interest of the Company and its stockholders. While All Blue Falcons has not submitted a follow-up proposal and we have not had subsequent engagement with All Blue Falcons following our rejection of the non-binding proposal, reviewing this matter has in the past and may in the future divert management's and our board of directors' attention and has and may require us to incur significant costs related to our engagement of advisors. Any further actions by All Blue Falcons or others may disrupt our business and operations by causing uncertainty among and potentially loss of current and prospective employees, partners, suppliers and other constituencies important to our success or delay certain initiatives, transactions or the like that we are pursuing. Any of the foregoing could materially and negatively impact our business and financial results. The price of our common stock could be subject to price fluctuations due to the uncertainty associated with any such matter.

Risks Related to Our Financial Position and Need for Additional Capital

We have incurred significant losses since inception and anticipate that we will continue to incur losses for the foreseeable future. We have no products approved for commercial sale, and, to date as of December 31, 2023, we have not generated any revenue or profit from product sales. We may never achieve or sustain profitability.

We are a clinical-stage biopharmaceutical company. We have incurred significant losses since our inception. Our net loss for the years ended December 31, 2023 and 2021 was \$118.7 million and \$211.8 million, respectively, while net income for the year ended December 31, 2022 was \$124.3 million, while which was driven in large part by our entry into the Original Jazz Collaboration Agreement (as defined below) and the receipt of certain payments thereunder, and we do not anticipate being net loss income positive on a regular basis for the years ended December 31, 2021 and 2020 was \$211.8 million and \$180.6 million, respectively, foreseeable future. As of December 31, 2022 December 31, 2023, our accumulated deficit was \$558.8 million. We \$677.4 million. We expect to continue to incur losses for the foreseeable future as we continue our research and development of, and

seek regulatory approvals for, our product candidates, prepare for and **begin** to commercialize any approved product candidates and add infrastructure, which may include personnel, to support our product development efforts. In addition, inflationary pressure could adversely impact our financial results. The net losses and negative cash flows incurred **to date, as of December 31, 2023**, together with expected future losses, have had, and likely will continue to have, an adverse effect on our stockholders' deficit and working capital. The amount of future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability.

To become and remain profitable, we must succeed in developing and commercializing product candidates with significant market potential. This will require us to be successful in a range of challenging activities for which we are only in the preliminary stages, including developing product candidates, obtaining regulatory approval for such product candidates, and manufacturing, marketing and selling those product candidates for which we may obtain regulatory approval. We may never succeed in these activities and may never generate revenue from product sales that is significant enough to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become or remain profitable would depress our market value and could impair our ability to raise capital, expand our business, develop other product candidates, or continue our operations. A decline in the value of our company could also cause our stockholders to lose all or part of their investment.

Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of uncertainty. We have never generated any revenue from product sales and may never be profitable.

We have devoted substantially all of our financial resources and efforts to developing our proprietary therapeutic platforms, identifying potential product candidates and conducting preclinical studies and clinical trials. We and our partners are still developing our product candidates, and we have not completed development of any products. Our revenue **to date as of December 31, 2023** has been primarily revenue from the license of our proprietary therapeutic platforms for the development of product candidates by others or revenue from our strategic partners. Our ability to generate revenue and achieve profitability depends in large part on our ability, alone or with our strategic partners, to achieve milestones and to successfully complete the development of, obtain the necessary regulatory approvals for, and commercialize, product candidates. We do not anticipate generating revenue from sales of products in the near term.

[Table of Contents](#)

We will require substantial additional funding, which may not be available to us on acceptable terms, or at all, and, if not available, may require us to delay, scale back, or cease our product development programs or operations.

We currently have two clinical-stage lead product candidates, zanidatamab and zanidatamab zovodotin. Our partner Jazz has been responsible for the conduct of ongoing and future zanidatamab trials since May 2023, and is currently evaluating this product candidate in Phase 1, Phase 2, and Phase 3 clinical trials, including certain ongoing pivotal clinical trials. Following the transfer of certain of our personnel to Jazz in May 2023, we have been focused on the clinical development of zanidatamab zovodotin and our preclinical product candidates and general discovery efforts. We are currently **advancing two of our product candidates through evaluating zanidatamab zovodotin in a Phase 1 clinical development as well as other potential product candidates through discovery and preclinical development. trial in patients with recurrent or metastatic HER2-expressing solid tumors.** Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is expensive. In order to obtain regulatory approval, we will be required to conduct clinical trials for each indication for each of our product candidates. Although our collaboration agreements with Jazz and BeiGene provide for **the additional** future funding **requirements for our lead asset**, zanidatamab, we will continue to require additional funding to complete the development and commercialization of zanidatamab zovodotin, and to continue to advance the development of our other product candidates, and such funding may not be available on acceptable terms or at all. If sufficient funds on acceptable terms are not available when needed, or at all, we could be forced to significantly reduce operating expenses and delay, scale back or eliminate one or more of our development programs or our business operations. **For example, in January 2022, we began implementing a Company-wide reduction in workforce to help achieve a more cost-efficient organization, which we believe will enhance our ability to execute on our key priorities. While we completed the reduction in workforce by the end of 2022, the full impact of the reduction in workforce is not yet known.**

Our future funding requirements will depend on many factors, including:

- the number and characteristics of other product candidates that we pursue;
- the scope, progress, timing, cost and results of research, preclinical development, and clinical trials;
- the costs, timing and outcome of seeking and obtaining FDA and non-U.S. regulatory approvals;
- the costs associated with manufacturing our product candidates and establishing sales, marketing and distribution capabilities;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make in connection with the licensing, filing, defense and enforcement of any patents or other intellectual property rights;
- **our ability to achieve the anticipated cost reductions from the reduction in workforce implemented in 2022;**
- our ability to hire when needed additional management, scientific and medical personnel;
- the effect of competing products that may limit market penetration of our product candidates;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems; and
- the economic and other terms, timing of and success of our existing strategic partnerships, and any collaboration, asset monetization, licensing, or other arrangements into which we may enter in the future, including the timing of receipt of any milestone or royalty payments under these agreements.

Until we can generate a sufficient amount of product revenue to finance our cash requirements, which we may never do, we expect to finance future cash needs primarily through a combination of public and private equity offerings, debt financings, asset monetization, strategic partnerships and grant funding.

Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish substantial rights.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, our stockholders' ownership interest will be diluted, and the terms of these new securities may include liquidation or other preferences that adversely affect our stockholders' rights as common stockholders. On November 9, 2022, we entered into the Sales Agreement with Cantor to sell shares of our common stock having an aggregate offering price of up to \$150.0 million, from time to time, through an "at-the-market" equity offering program under which Cantor is acting as our sales agent. On June 16, 2023, we sold an aggregate of 3,350,000 shares of common stock under the Sales Agreement for net proceeds of \$26.2 million, after underwriting commissions and offering expenses. In addition, on December 23, 2023, we entered in a securities purchase agreement for a private placement with certain institutional accredited investors affiliated with EcoR1 Capital, LLC of 5,086,521 pre-funded warrants to purchase 5,086,521 shares of our common stock for an aggregate purchase price of approximately \$50.0 million. Debt financing, if available at all, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise additional funds through partnerships, collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, product candidates, or future revenue streams, or grant licenses on terms that are not favorable to us. We cannot assure that we will be able to obtain additional funding if and when necessary. If we are unable to obtain adequate financing on a timely basis, we could be required to delay, scale back or eliminate one or more of our development programs or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Our effective tax rate may change in the future.

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We are subject to U.S. federal income taxes on our earnings and the earnings of Contentsour non-U.S. subsidiaries in a manner that may adversely impact our effective tax rate. For example, we may have to include additional amounts in income under the so-called "global intangible low-taxed income" regime or as a result of the application of "controlled foreign corporation" rules. In addition, the United States has enacted the Inflation Reduction Act, which, among other changes, imposes a 1% excise tax on certain stock buybacks and an alternative minimum tax on adjusted financial statement income. In addition, our Canadian tax attributes (including net operating loss and tax credit carryforwards and deductible Scientific Research and Experimental Development Expenditure carryforwards) will generally not be available to offset U.S. income and may be subject to limitation. Further, our future operations and business structure may result in increased tax burden. For example, changes in our clinical development plans and business or commercialization strategies may result in an increased effective tax rate. Taxation of international business operations and intercompany transactions, including transactions between us and non-U.S. subsidiaries, is complicated. Any changes in the U.S. or non-U.S. taxation of such activities may increase our worldwide effective tax rate and harm our business, financial condition, and results of operations.

Risks Related to Our Dependence on Third Parties

We will depend on our collaborative relationship with Jazz to further develop and commercialize zanidatamab, and if our relationship is not successful or is terminated, we may be delayed in or unable to effectively develop and/or commercialize zanidatamab, which could have a material adverse effect on our business.

In October 2022, Zymeworks BC entered into the a License and Collaboration Agreement (the "Original Jazz Collaboration Agreement") with Jazz. Jazz, under which Jazz obtained development and commercialization rights of zanidatamab throughout the world, but excluding certain territories already covered by Zymeworks BC's agreement with BeiGene. Pursuant to the terms of the agreement, we received a \$50 million upfront payment following receipt of HSR Clearance and delivery of licenses and technology transfer to Jazz and a further payment of \$325 million following Jazz's decision to continue the collaboration after readout of the top-line clinical data from HERIZON-BTC-01. We are were also eligible to receive additional milestone payments upon achievement of certain regulatory and commercial milestones, as well as tiered royalties on Jazz's net sales of licensed products.

In April 2023, certain of our subsidiaries entered into the Transfer Agreement with Jazz Inc., an affiliate of Jazz. Pursuant to the terms of the Transfer Agreement, we took a series of steps designed to simplify, focus, and potentially expedite the clinical development and commercialization of zanidatamab in partnership with Jazz by transferring certain assets, contracts and employees associated with our zanidatamab development program to Jazz and its affiliates. As part of the transactions contemplated by the Transfer Agreement, at the Closing in May 2023, Zymeworks BC and Jazz amended and restated the Original Jazz Collaboration Agreement to reflect the transfer of responsibility for the Program (as amended, the "Amended Jazz Collaboration Agreement"). Under the Amended Jazz Collaboration Agreement, the financial terms of the Original Jazz Collaboration Agreement, as previously disclosed, are unchanged, except that the costs of the Program (including ongoing costs related to the service providers transferred to Jazz Inc. pursuant to the Transfer Agreement) incurred following the Closing are directly borne by Jazz instead of being incurred by us and charged back to Jazz for reimbursement, though Zymeworks BC will remain eligible for reimbursement of certain costs for activities where Zymeworks BC maintains responsibility under the Amended Jazz Collaboration Agreement. Other material terms in the Amended Jazz Collaboration Agreement also remain substantially similar to the terms of the Original Jazz Collaboration Agreement, including commercialization, term and termination, and certain other customary terms and conditions, including mutual representations and warranties, indemnification, and confidentiality provisions. We cannot be certain that our amended arrangement with Jazz will simplify, focus, or potentially expedite the clinical development and commercialization of zanidatamab in partnership with Jazz. We continue to depend on Jazz to collaborate with us to develop and commercialize zanidatamab in the territories covered by the Amended Jazz Collaboration Agreement and, as a result, the eventual success or commercial viability of zanidatamab is largely beyond our control. Following receipt of the initial payments totaling \$375 million, any Any future financial returns to us depend in large part on achievement of regulatory and commercialization milestones, plus a share of any revenue from sales. Therefore, our success, and any associated financial returns to us and our investors, will depend in significant part on Jazz's performance under the Amended Jazz Collaboration Agreement.

We are subject to a number of additional specific risks associated with our dependence on our collaborative relationship with Jazz, including:

- adverse decisions by Jazz regarding the development and commercialization of zanidatamab;
- possible disagreements as to the timing, nature and extent of development plans, including clinical trials or regulatory approval strategy;
- loss of significant rights if we fail to meet our obligations under the agreement;

- changes in key management personnel at Jazz; and
- possible disagreements with Jazz regarding the agreement, for example, with regard to ownership of intellectual property **rights, rights or program costs and reimbursement matters.**

If either we or Jazz fail to perform our respective obligations, any clinical trial, regulatory approval or development progress could be significantly delayed or halted, could result in costly or time-consuming litigation or arbitration and could have a material adverse effect on our business.

Decisions by Jazz to emphasize other drug candidates currently in its portfolio ahead of zanidatamab, or to add competitive agents to its portfolio could result in a decision to terminate the agreement, in which event, among other things, we may be responsible for paying any remaining costs of ongoing or future clinical trials. If Jazz decides to terminate the **Amended** Jazz Collaboration Agreement, we may be delayed in or unable to effectively develop and/or commercialize zanidatamab, which could have a material adverse effect on our business.

Any of the above discussed scenarios could adversely affect the timing and extent of the development and commercialization activities related to zanidatamab, which could materially and adversely impact our business.

Our existing strategic partnerships are important to our business, and future strategic partnerships will likely also be important to us. If we are unable to maintain our strategic partnerships, or if these strategic partnerships are not successful, our business could be adversely affected.

We have limited capabilities for drug development and commercialization of our product candidates, if approved. Accordingly, we have entered into strategic partnerships with other companies that we believe can provide such capabilities, including our collaboration and license agreements with Jazz, BeiGene, BMS, GSK, Daiichi Sankyo, Janssen, **LEO**, **Iconic Merck** and **Atreca Merck**. These relationships also have provided us with non-dilutive funding for our wholly owned pipeline and therapeutic platforms and we expect to receive additional funding under these strategic partnerships in the future. Our existing strategic partnerships, and any future strategic partnerships we enter into, may pose a number of risks, including the following:

- strategic partners have significant discretion in determining the efforts and resources that they will apply to these partnerships;
- strategic partners may not perform their obligations as expected;

[Table of Contents](#)

- strategic partners may not pursue development and commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the partners' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
 - strategic partners may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
 - strategic partners could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates if the strategic partners believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than our product candidates;
 - product candidates discovered in collaboration with us may be viewed by our strategic partners as competitive with their own product candidates or products, which may cause strategic partners to cease to devote resources to the commercialization of our product candidates;
 - a strategic partner with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product candidates;
 - disagreements with strategic partners, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
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- strategic partners may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;
 - strategic partners may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;
 - strategic partnerships may be terminated for the convenience of the partner and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates. For example, each of our collaboration and license agreements with Jazz, BeiGene, BMS, GSK, Daiichi Sankyo, Janssen, **LEO**, **Iconic Merck** and **Atreca Merck** may be terminated for convenience upon the completion of a specified notice period;
 - we may elect to enter into additional licensing or collaboration agreements to partner our product candidates in territories we currently retain, and in the event we grant exclusive rights to such partners, we would be precluded from potential commercialization of our product candidates within the territories in which we have a partner; and
 - strategic partners may not have the ability or the development capabilities to perform their obligations as expected, including as a result of the impact of **the COVID-19 pandemic or the emergence of another a** pandemic or epidemic on our strategic partners' operations or business.

If our strategic partnerships do not result in the successful development and commercialization of product candidates or if one of our partners terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under our strategic partnership agreements, our development of our therapeutic platforms and product candidates could be delayed and we may need additional resources to develop product candidates and our therapeutic platforms.

We face significant competition in seeking new strategic partners.

For some of our product candidates, we may in the future determine to collaborate with additional pharmaceutical and biotechnology companies for development and potential commercialization of therapeutic products. Our ability to reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the strategic partner's resources and expertise, the terms and conditions of the proposed collaboration and the proposed strategic partner's evaluation of a number of factors. These factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The strategic partner may also

[Table of Contents](#)

consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate.

Strategic partnerships are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future strategic partners. If we are unable to reach agreements with suitable strategic partners on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay one or more of our other development programs, delay potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into strategic partnerships and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market or continue to develop our therapeutic platforms and our business may be materially and adversely affected.

We rely on third-party manufacturers to produce our product candidates and on other third parties to provide supplies and store, monitor and transport bulk drug substance and drug product. We and our third-party partners may encounter difficulties with respect to these activities that could delay or impair our ability to initiate or complete our clinical trials or commercialize approved products.

We do not currently own or operate any manufacturing facilities. We rely on our strategic partners to manufacture product candidates licensed to them or work with multiple third-party contract manufacturers to produce sufficient quantities of materials required for the manufacture of our product candidates for preclinical testing and clinical trials, in compliance with applicable regulatory and quality standards, and intend to do so for the commercial manufacture of our products. If we are unable to arrange for such third-party manufacturing sources, or fail to do so on commercially reasonable terms, we may not be able to successfully produce sufficient supply of product candidate or we may be delayed in doing so. Such failure or substantial delay could materially harm our business.

The manufacture of biopharmaceutical products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. The process of manufacturing our product candidates is susceptible to product loss due to contamination, equipment failure or improper installation or operation of equipment, vendor or operator error, inconsistency in yields, variability in product characteristics and difficulties in scaling the production process. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our product candidates or in the third-party manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. All of our engineered antibodies are manufactured **in accordance with cGMP** by utilizing cells that are stored in a cell bank. We have one master cell bank and one working cell bank **utilized for zanidatamab (also used for zanidatamab zovodotin) and one master cell bank for each antibody manufactured in accordance with cGMP. While we believe we would have adequate back up at a secondary storage location, should of ZW191 and ZW171. Should any cell bank be lost in a catastrophic event, it is possible that we could lose part of a cell bank and have our manufacturing potentially impacted by the need to replace the cell bank.** Any adverse developments affecting manufacturing operations for our product candidates, if any are approved, may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our products. We may also have to take inventory write-offs and incur other charges and expenses for products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives.

Furthermore, reliance on third-party manufacturers entails risks to which we would not be subject if we manufactured product candidates ourselves, including reliance on the third party for regulatory compliance and quality control and assurance, volume production, the possibility of breach of the manufacturing agreement by the third party because of factors beyond our control (including a failure to manufacture our product candidates in accordance with our product specifications) and the possibility of termination or nonrenewal of the agreement by the third party at a time that is costly or damaging to us. In addition, the FDA, EMA and other regulatory authorities require that our product candidates be manufactured according to cGMP and similar foreign standards. Pharmaceutical manufacturers and their subcontractors are required to register their facilities or products manufactured at the time of submission of the marketing application and then annually thereafter with the FDA and certain state and foreign agencies. They are also subject to periodic unannounced inspections by the FDA, state and other foreign authorities. Any subsequent discovery of problems with a product, or a manufacturing or laboratory facility used by us or our strategic partners, may result in restrictions on the product or on the manufacturing or laboratory facility, including marketed product recall, suspension of manufacturing, product seizure, or a voluntary withdrawal of the drug from the market. We may have little to no control regarding the occurrence of third-party manufacturer incidents. Any failure by our third-party manufacturers to comply with cGMP or failure to scale up manufacturing processes, including any failure to deliver sufficient quantities of

[Table of Contents](#)

product candidates in a timely manner, could lead to a delay in, or failure to obtain, regulatory approval of any of our product candidates.

In addition to third-party manufacturers, we rely on other third parties to store, monitor and transport bulk drug substance and drug product. If we are unable to arrange for such third-party sources, or fail to do so on commercially reasonable terms, we may not be able to successfully supply sufficient product candidate or we may be delayed in doing so. Such failure or substantial delay could materially harm our business.

In addition, disruptions to ports and other shipping infrastructure, as were experienced during the COVID-19 pandemic, may result in shortages or delays impacting the availability of materials and other supplies, which could negatively impact our manufacturers, suppliers and other third parties on whom we rely. While we have not yet suffered any direct, material negative impacts from these ongoing supply chain disruptions, we cannot be certain that we will not be impacted, which could increase our costs or negatively impact our development timelines.

We rely on third parties to monitor, support, conduct and oversee clinical trials of the product candidates that we are developing and, in some cases, to maintain regulatory files for those product candidates. We may not be able to obtain regulatory approval for our product candidates or commercialize any products that may result from our development efforts if we are not able to maintain or secure agreements with such third parties on acceptable terms, if these third parties do not perform their services as required, or if these third parties fail to timely transfer any regulatory information held by them to us.

We rely on entities outside of our control, which may include academic institutions, CROs, hospitals, clinics and other third-party strategic partners, to monitor, support, conduct and oversee preclinical studies and clinical trials of our current and future product candidates. We also rely on third parties to perform clinical trials on our current and future product candidates when they reach that stage. As a result, we have less control over the timing and cost of these studies and the ability to recruit trial subjects than if we conducted these trials with our own personnel.

If we are unable to maintain or enter into agreements with these third parties on acceptable terms, or if any such engagement is terminated prematurely, we may be unable to enroll patients on a timely basis or otherwise conduct our trials in the manner we anticipate. In addition, there is no guarantee that these third parties will devote adequate time and resources to our studies or perform as required by our contract or in accordance with regulatory requirements, including maintenance of clinical trial information regarding our product candidates. These third parties, in turn, may face their own constraints in obtaining the resources and personnel needed to perform the work for which we engage them. If these third parties fail to meet expected deadlines, fail to transfer to us any regulatory information in a timely manner, fail to adhere to protocols or fail to act in accordance with regulatory requirements or our agreements with them, or if they otherwise perform in a substandard manner or in a way that compromises the quality or accuracy of their activities or the data they obtain, then clinical trials of our product candidates may be extended or delayed with additional costs incurred, or our data may be rejected by the FDA, EMA or other regulatory agencies.

Ultimately, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on third parties does not relieve us of our regulatory responsibilities.

We and our CROs are required to comply with GCP regulations and guidelines enforced by the FDA, the competent authorities of the member states of the EU and comparable foreign regulatory authorities for products in clinical development. Regulatory authorities enforce these GCP regulations through periodic inspections of clinical trial sponsors, principal investigators and clinical trial sites. If we or any of our CROs fail to comply with applicable GCP regulations, the clinical data generated in our clinical trials may be deemed unreliable and our submission of marketing applications may be delayed or the FDA may require us to perform additional clinical trials before approving our marketing applications. Upon inspection, the FDA could determine that any of our clinical trials fail or have failed to comply with applicable GCP regulations. In addition, our clinical trials must be conducted with product produced under the cGMP regulations enforced by the FDA, and our clinical trials may require a large number of test subjects. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process and increase our costs. Moreover, our business may be implicated if any of our CROs violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

If any of our clinical trial sites terminate for any reason, we may experience the loss of follow-up information on patients enrolled in our ongoing clinical trials unless we are able to transfer the care of those patients to another qualified clinical trial

[Table of Contents](#)

site. Further, if our relationship with any of our CROs is terminated, we may be unable to enter into arrangements with alternative CROs on commercially reasonable terms, or at all.

Switching or adding CROs or other suppliers can involve substantial cost and require extensive management time and focus. In addition, there is a natural transition period when a new CRO or supplier commences work. As a result, delays may occur, which can materially impact our ability to meet our desired clinical development timelines. If we are required to seek alternative supply arrangements, the resulting delays and potential inability to find a suitable replacement could materially and adversely impact our business.

We rely on third parties for various operational and administrative aspects of our business, including for certain cloud-based software platforms, which impact our financial, operational and research activities. If any of these third parties fail to provide timely, accurate and ongoing service or if the cloud-based platforms suffer outages that we are unable to mitigate, our business may be adversely affected.

We currently rely upon third-party consultants and contractors to provide certain operational and administrative services, including external financial, legal, [information technology](#), clinical and research consultation. The failure of any of these third parties to provide accurate and timely service may adversely impact our business operations. In addition, if such third-party service providers were to cease operations, temporarily or permanently, face financial distress or other business disruption, or increase their fees, or if our relationships with these providers deteriorate, we could suffer increased costs until an equivalent provider could be found, if at all, or we could develop internal capabilities, if ever.

In addition, if we are unsuccessful in choosing or finding high-quality partners, if we fail to negotiate cost-effective relationships with them, or if we ineffectively manage these relationships, it could have an adverse impact on our business and financial performance.

Further, our operations depend on the continuing and efficient operation of our information technology and communications systems and infrastructure, and specifically on “cloud-based” platforms. These platforms are vulnerable to damage or interruption from earthquakes, vandalism, sabotage, terrorist attacks, floods, fires, power outages, telecommunications failures, and computer viruses or other deliberate attempts to harm the systems. The occurrence of a natural or intentional disaster, any decision to close a facility we are using without adequate notice, or particularly an unanticipated problem at our cloud-based virtual server facility, could result in harmful interruptions in our service, resulting in adverse effects to our business.

Risks Related to Our Intellectual Property

Our commercial success depends significantly on our ability to operate without infringing the patents and other proprietary rights of third parties.

Our success will depend in part on our ability to operate without infringing the proprietary rights of third parties. Other entities may have or obtain patents or proprietary rights that could limit our ability to make, use, sell, offer for sale or import our future approved products or impair our competitive position. For example, certain patents and patent applications held by third parties cover Fab and Fc region engineering methods for bispecific antibodies, and antibodies having mutations in Fab heavy and light chain regions and Fc regions to generate correctly paired bispecific antibodies. If our products or our strategic partners’ products incorporate any Fab or Fc region mutations covered by any claims of these patents or patents that may issue from these applications, and if licenses for them are not available on commercially reasonable terms or at all, and we are unable to invalidate or render unenforceable those patents, our business could be materially harmed.

We are also aware of third-party patents and patent applications containing claims directed to compositions and methods for treating various forms of cancer with antibodies targeting HER2, alone or in combination with other anti-cancer agents, which patents and applications could potentially be construed to cover our product candidates and the use thereof to treat cancer. If our products or our strategic partners’ products were found to infringe any such patents, and if licenses for them are not available on commercially reasonable terms, or at all, and we were unable to invalidate or render unenforceable those patents, our business could be materially harmed. These patents may not expire before we receive marketing authorization for our product candidates, and could delay the commercial launch of one or more future products. There is also no assurance that there are not third-party patents or patent applications of which we are aware, but which we do not believe are relevant to our business, which may, nonetheless, ultimately be found to limit our ability to make, use, sell, offer for sale or import our future approved products or impair our competitive position.

[Table of Contents](#)

Patents that we may ultimately be found to infringe could be issued to third parties. Third parties may have or obtain valid and enforceable patents or proprietary rights that could block us from developing product candidates using our technology. Our failure to obtain a license to any patent covering any technology that we require may materially harm our business, financial condition and results of operations. Moreover, our failure to maintain a license to any patent covering any technology that we require may also materially harm our business, financial condition and results of operations. Furthermore, we would be exposed to a threat of litigation.

In the pharmaceutical industry, significant litigation and other proceedings regarding patents, patent applications, trademarks and other intellectual property rights are commonplace. Any such lawsuits and proceedings could be costly and could affect our results of operations and divert the attention of our management and scientific personnel. Some of our competitors may be able to sustain the cost of such litigation and proceedings more effectively than we can because of their substantially greater resources. There is a risk that a court would decide that we or our strategic partners are infringing a third party’s patents and would order us or our strategic partners to stop the activities or stop the manufacture, use, or sale of any product covered by the patents. In that event, we or our strategic partners may not have a viable alternative to the technology protected by the patent and may need to halt work on the affected product candidate or cease commercialization of an approved product. In addition, there is a risk that a court would order us or our strategic partners to pay third-party damages or some other monetary award, depending upon the jurisdiction. An adverse outcome in any litigation or other proceeding could subject us to significant liabilities to third parties, potentially including treble damages and attorneys’ fees if we are found to have willfully infringed, and we may be required to cease using the technology that is at issue or to license the technology from third parties. We may not be able to obtain any required licenses on commercially acceptable terms or at all. Any of these outcomes could have a material adverse effect on our business.

If we are unable to obtain, maintain and enforce patent and trade secret protection for our product candidates and related technology, our business could be materially harmed.

Our strategy depends on our ability to identify and seek patent protection for our discoveries. This process is expensive and time consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner or in all jurisdictions where protection may be commercially advantageous. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we have licensed from third parties. Therefore, our owned or in-licensed patents and patent applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. Our patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless, and until, patents issue from such applications, and then only to the extent the issued claims cover the technology. The patent applications that we own or in-license may fail to result in issued patents with claims that cover our current and future product candidates in the United States or in other countries.

Moreover, the patent position of biopharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has been the subject of much litigation. The issuance of a patent does not ensure that it is valid or enforceable. Third parties may challenge the validity, enforceability or scope of our issued patents, and such patents may be narrowed, invalidated, circumvented, or deemed unenforceable. In addition, changes in law may introduce uncertainty in the enforceability or scope of patents owned by biotechnology companies. If our patents are narrowed, invalidated or held unenforceable, third parties may be able to commercialize our technology or products and compete directly with us without payment to us. There is no assurance that all potentially relevant prior art relating to our patents and patent applications has been found, and such

prior art could potentially invalidate one or more of our patents or prevent a patent from issuing from one or more of our pending patent applications. There is also no assurance that there is not prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim in our patents and patent applications, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim.

Furthermore, even if our patents are unchallenged, they may not adequately protect our intellectual property, provide exclusivity for our product candidates, prevent others from designing around our claims or provide us with a competitive advantage. The legal systems of certain countries do not favor the aggressive enforcement of patents, and the laws of other countries may not allow us to protect our inventions with patents to the same extent as the laws of the United States. Because patent applications in the United States and many other jurisdictions are typically not published until 18 months after filing, or in some cases not at all, and because publications of discoveries in scientific literature lag behind actual discoveries, we cannot be certain that we were the first to make the inventions claimed in our issued patents or pending patent applications, or that we were the first to file for protection of the inventions set forth in our patents or patent applications. As a result, we may not be able to obtain or maintain protection for certain inventions. Therefore, the issuance, validity, enforceability, scope and

[Table of Contents](#)

commercial value of our patents in the United States and in other countries cannot be predicted with certainty and, as a result, any patents that we own or license may not provide sufficient protection against competitors. We may not be able to obtain or maintain patent protection from our pending patent applications, from those we may file in the future, or from those we may license from third parties. Moreover, even if we are able to obtain patent protection, such patent protection may be of insufficient scope to achieve our business objectives. In addition, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing our own patented product and practicing our own patented technology.

Our patents covering one or more of our products or product candidates could be found invalid or unenforceable if challenged.

Any of our intellectual property rights could be challenged or invalidated despite measures we take to obtain patent and other intellectual property protection with respect to our product candidates and proprietary technology. For example, if we were to initiate legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that our patent is invalid and/or unenforceable. In patent litigation in the United States and in some other jurisdictions, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld material information from the U.S. Patent and Trademark Office ("USPTO") or the applicable foreign counterpart, or made a misleading statement, during prosecution. A litigant or the USPTO itself could challenge our patents on this basis even if we believe that we have conducted our patent prosecution in accordance with the duty of candor and in good faith. The outcome following such a challenge is unpredictable.

With respect to challenges to the validity of our patents, for example, there might be invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on a product candidate. Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others. The cost of defending such a challenge, and any resulting loss of patent protection, could have a material adverse impact on one or more of our product candidates and our business.

Enforcing our intellectual property rights against third parties may also cause such third parties to file other counterclaims against us, which could be costly to defend and could require us to pay substantial damages, cease the use, manufacture, or sale of certain products or enter into a license agreement and pay royalties (which may not be possible on commercially reasonable terms or at all). Any efforts to enforce our intellectual property rights are also likely to be costly and may divert the efforts of our scientific and management personnel.

Our intellectual property rights will not necessarily provide us with competitive advantages.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to make compounds that are similar to our product candidates but that are not covered by the claims of the patents that we or our strategic partners own or have exclusively licensed;
- others may independently develop similar or alternative technologies without infringing our intellectual property rights;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- we may obtain patents for certain compounds many years before we obtain marketing approval for products containing such compounds, and because patents have a limited life, which may begin to run prior to the commercial sale of the related product, the commercial value of our patents may be limited;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may fail to develop additional proprietary technologies that are patentable;

[Table of Contents](#)

- the laws of certain countries may not protect our intellectual property rights to the same extent as the laws of the United States, or we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate; and
- the patents of others may have an adverse effect on our business, for example by preventing us from marketing one or more of our product candidates for one or more indications.

Any of the aforementioned threats to our competitive advantage could have a material adverse effect on our business.

We may become involved in lawsuits to protect or enforce our patents and trade secrets, which could be expensive, time consuming and unsuccessful.

Third parties may seek to market biosimilar versions of any approved products. Alternatively, third parties may seek approval to market their own products similar to or otherwise competitive with our product candidates. In these circumstances, we may need to defend or assert our patents, including by filing lawsuits alleging patent infringement. The outcome following legal assertions of invalidity and unenforceability is unpredictable. In any of these types of proceedings, a court or agency with jurisdiction may find our patents invalid or unenforceable. Even if we have valid and enforceable patents, these patents still may not provide protection against competing products or processes sufficient to achieve our business objectives.

Even after they have issued, our patents and any patents that we license may be challenged, narrowed, invalidated or circumvented. If our patents are invalidated or otherwise limited or will expire prior to the commercialization of our product candidates, other companies may be better able to develop products that compete with ours, which could adversely affect our competitive business position, business prospects and financial condition. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

The following are examples of litigation and other adversarial proceedings or disputes that we could become a party to involving our patents or patents licensed to us:

- we or our strategic partners may initiate litigation or other proceedings against third parties to enforce our patent or trade secret rights;
- third parties may initiate litigation or other proceedings seeking to invalidate patents owned by or licensed to us or to obtain a declaratory judgment that their product or technology does not infringe our patents or patents licensed to us;
- third parties may initiate opposition or reexamination proceedings challenging the validity or scope of our patent rights, requiring us or our strategic partners and/or licensors to participate in such proceedings to defend the validity and scope of our patents;
- there may be a challenge or dispute regarding inventorship or ownership of patents or trade secrets currently identified as being solely or co-owned by us or by a licensor who has granted a license to us;
- the USPTO may initiate an interference between patents or patent applications owned by or licensed to us and those of our competitors, requiring us or our strategic partners and/or licensors to participate in an interference proceeding to determine the priority of invention, which could jeopardize our patent rights; or
- third parties may seek approval to market biosimilar versions of our future approved products prior to expiration of relevant patents owned by or licensed to us, requiring us to defend our patents, including by filing lawsuits alleging patent infringement.

These lawsuits and proceedings would be costly and could affect our results of operations and divert the attention of our managerial and scientific personnel. Adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we or our licensors can. There is a risk that a court or administrative body would decide that our patents are invalid, unenforceable or not infringed or trade secrets not misappropriated by a third party's activities, or that the scope of certain issued claims must be further limited. An adverse outcome in a litigation or proceeding involving our own patents or trade secrets could limit our ability to assert our patents or trade secrets against these or other competitors, affect our ability to receive royalties or other licensing consideration from our licensees, and may curtail or preclude our ability to exclude third parties from making, using and selling similar or competitive products. Any of these occurrences could adversely affect our competitive business position, business prospects and financial condition.

We may not be able to prevent, alone or with our licensors or licensees, infringement or misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States. Any

[Table of Contents](#)

litigation or other proceedings to enforce our intellectual property rights may fail, and even if successful, may result in substantial costs and distract our management and other employees.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have an adverse effect on the price of our common stock.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- others may be able to develop a platform that is similar to, or better than, ours in a way that is not covered by the claims of our patents;
- others may be able to make compounds that are similar to our product candidates but that are not covered by the claims of our patents;

- we might not have been the first to make the inventions covered by patents or pending patent applications;
 - we might not have been the first to file patent applications for these inventions;
 - any patents that we obtain may not provide us with any competitive advantages or may ultimately be found invalid or unenforceable; or
-
- we may not develop additional proprietary technologies that are patentable or that afford meaningful trade secret protection.

Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products, including biosimilars. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Further, recent judicial decisions in the U.S. raised questions regarding the award of patent term adjustment (PTA) for patents in families where related patents have issued without PTA. Thus, it cannot be said with certainty how PTA will be viewed in the future and whether patent expiration dates may be impacted.

If we do not obtain protection under the Hatch-Waxman Amendments and similar legislation in other countries for extending the term of patents covering each of our product candidates, our business may be materially harmed.

Depending upon the timing, duration and conditions of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for that product will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced, possibly materially. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case.

If we are unable to protect the confidentiality of our proprietary information, the value of our technology and products could be adversely affected.

In addition to patent protection, we also rely on other proprietary rights, including protection of trade secrets, and other proprietary information. For example, we treat our confidential and proprietary computational technologies, including unpatented know-how and other proprietary information, as trade secrets. We enter into confidentiality agreements with our employees, consultants, strategic partners and others upon the commencement of their relationships with us. These agreements

[Table of Contents](#)

provide that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. Our agreements with employees and our personnel policies also provide that any inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. However, we may not obtain these agreements in all circumstances, and individuals with whom we have these agreements may not comply with their terms. We cannot guarantee that we have entered into such agreements with each party that has or may have had access to, or houses or hosts, our trade secrets or proprietary information or that has been involved in the development of intellectual property. Further, despite such agreements, such inventions or confidential information may become disclosed or assigned to third parties. Monitoring unauthorized uses and disclosures is difficult and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. In the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information. To the extent that our employees, consultants or contractors use technology or know-how owned by third parties in their work for us, disputes may arise between us and those third parties as to the rights in such technology or know-how or in related inventions. To the extent that an individual who is not obligated to assign rights in intellectual property to us is rightfully an inventor of intellectual property, we may need to obtain an assignment or a license to that intellectual property from that individual, or a third party or from that individual's assignee. Such assignment or license may not be available on commercially reasonable terms or at all.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems and cloud storage sources, but such security measures may be breached, including through cyber-hacking or cyberattacks, and we may not have adequate remedies for any breach.

Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. The disclosure of our trade secrets would impair our competitive position and may materially harm our business, financial condition and results of operations. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to maintain trade secret protection could adversely affect our competitive business position. In addition, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such third party, or those to whom they communicate such technology or information, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, or if we otherwise lose protection for our trade secrets or proprietary know-how, the value of this information may be greatly reduced and our business and competitive position could be harmed. Adequate remedies may not exist in the event of unauthorized use or disclosure of our proprietary information.

As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously or concurrently employed at research institutions and/or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that these employees, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers, or that patents and applications we have filed to protect inventions of these employees, even those related to one or more of our product candidates, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims. Such trade secrets or other proprietary information could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our technology or products. Such license may not be available on commercially reasonable terms or at all. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by regulations and governmental patent agencies, and our patent protection could be reduced or eliminated for noncompliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents or applications will be due to the USPTO and various foreign patent offices at various points over the lifetime of our patents or applications. We have systems in place to remind us to pay these fees, and we rely on our outside patent annuity service to pay these fees when due. Additionally, the USPTO and various foreign patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If such an event were to occur, it could have a material adverse effect on our business.

[Table of Contents](#)

We may be subject to claims challenging the inventorship of our patents and other intellectual property.

Although we are not currently experiencing any claims challenging the inventorship or ownership of our patents, we may in the future be subject to claims that former employees, strategic partners or other third parties have an interest in our patents or other intellectual property as an inventor or co-inventor. While it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. For example, the assignment of intellectual property rights may not be self-executing or the assignment agreements may be breached, or we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Patent protection and patent prosecution for some of our product candidates may be dependent on, and the ability to assert patents and defend them against claims of invalidity may be maintained by, third parties.

There may be times **in the future** when certain patents that relate to our product candidates or any approved products are controlled by our licensees or licensors. Although we may, under such arrangements, have rights to consult with our strategic partners on actions taken as well as back-up rights of prosecution and enforcement, we have in the past and may in the future relinquish rights to prosecute and maintain patents and patent applications within our portfolio as well as the ability to assert such patents against infringers.

If any current or future licensee or licensor with rights to prosecute, assert or defend patents related to our product candidates fails to appropriately prosecute and maintain patent protection for patents covering any of our product candidates, or if patents covering any of our product candidates are asserted against infringers or defended against claims of invalidity or unenforceability in a manner that adversely affects such coverage, our ability to develop and commercialize any such product candidate may be adversely affected and we may not be able to prevent competitors from making, using and selling competing products.

Changes in patent laws or patent jurisprudence could diminish the value of patents in general, thereby impairing our ability to protect our products.

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. Changes in either the patent laws or in the interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property. We cannot predict the breadth of claims that may be allowed or found to be enforceable in our patents, in our strategic partners' patents or in third-party patents. Recent U.S. Supreme Court rulings have either narrowed the scope of patent protection available in certain circumstances or weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this has created uncertainty with respect to the validity, scope and value of patents, once obtained.

For our U.S. patent applications containing a priority claim after March 16, 2013, there is a greater level of uncertainty in the patent law. In September 2011, the Leahy-Smith America Invents Act, also known as the America Invents Act ("AIA"), was signed into law. The AIA includes a number of significant changes to U.S. patent law, including provisions that affect the way patent applications will be prosecuted and may also affect patent litigation.

The AIA and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have an adverse effect on our business. An important change introduced by the AIA is that, as of March 16, 2013, the United States transitioned to a "first-to-file" system for deciding which party should be granted a patent when two or more patent applications are filed by different parties disclosing or claiming the same invention.

A third party that has filed, or files a patent application in the USPTO after March 16, 2013, but before us, could be awarded a patent covering a given invention, even if we had made the invention before it was made by the third party. This requires us to be cognizant of the time from invention to filing of a patent application.

Among some of the other changes introduced by the AIA are changes that limit where a patentee may file a patent infringement suit and providing opportunities for third parties to challenge any issued patent in the USPTO. This applies to all of our U.S.

[Table of Contents](#)

patents, even those issued before March 16, 2013. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U.S. federal court necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action.

Depending on decisions by the U.S. Congress, the U.S. federal courts, the USPTO or similar authorities in foreign jurisdictions, the laws and regulations governing patents could change in unpredictable ways that may weaken our and our licensors' ability to obtain new patents or to enforce existing patents we and our licensors or partners may obtain in the future. For example, the U.S. Supreme Court held in *Amgen v. Sanofi* (2023) that a functionally claimed genus was invalid for failing to comply with the enablement requirement of the Patent Act. As such, any of our patent rights with functional claims may be vulnerable to third party challenges seeking to invalidate these claims for lacking enablement or adequate support in the specification.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some countries do not protect intellectual property rights to the same extent as laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our current or future products, if any, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Recent U.S. Supreme Court cases have narrowed the scope of what is considered patentable subject matter, for example, in the areas of software and diagnostic methods involving the association between treatment outcome and biomarkers. This could impact our ability to patent certain aspects of our technology in the United States.

Many companies have encountered significant problems in protecting and defending intellectual property rights in jurisdictions other than the United States. The legal systems of certain countries do not favor the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Additionally, the requirements for patentability may differ in certain countries. For example, China has a heightened requirement for patentability, and specifically requires a detailed description of medical uses of a claimed drug. In India, unlike the United States, there is no link between regulatory approval of a drug and its patent status. In addition to India, certain countries in Europe and developing countries, including China, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

Geo-political actions in the United States and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future licensors or licensees and the maintenance, enforcement or defense of our issued patents or those of any current or future licensors or licensees. For example, the United States, Canadian, and foreign government actions related to Russia's invasion of Ukraine may limit or prevent filing, prosecution and maintenance of patent applications in Russia. Government actions may also prevent maintenance of issued patents in Russia. These actions could result in abandonment or lapse of our patents or patent applications, resulting in partial or complete loss of patent rights in Russia. If such an event were to occur, it could have a material adverse effect on our business. In addition, a decree was adopted by the Russian government in March 2022, allowing Russian companies and individuals to exploit inventions owned by patentees that have citizenship or nationality in, are registered in, or have a predominately primary place of business or profit-making activities in the United States and other countries that Russia has deemed unfriendly without consent or compensation. Consequently, we would not be able to prevent third parties from practicing our inventions in Russia.

[Table of Contents](#)

or from selling or importing products made using our inventions in and into Russia. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

As another example, the complexity and uncertainty of European patent laws have increased in recent years. In Europe, a new unitary patent system **will likely be** introduced **by the end of 2023, on June 1, 2023**, which **would** significantly impact European patents, including those granted before the introduction of **such a** system. Under the unitary patent system, European applications **will soon** have the option, upon grant of a patent, of becoming a Unitary Patent which **will be** subject to the jurisdiction of the Unitary Patent Court (UPC). As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation. Patents granted before the implementation of the UPC **will** have the option of opting out of the jurisdiction of the UPC and remaining as national patents in the UPC countries. Patents that remain under the jurisdiction of the UPC **will be** potentially vulnerable to a single **UPC-based UPC**.

based revocation challenge that, if successful, could invalidate the patent in all countries who are signatories to the UPC. We cannot predict with certainty the long-term effects of any potential changes.

We use open source software in connection with our internal research and development programs, which could negatively affect our ability to develop products and subject us to litigation or other actions.

We use open source software in connection with our internal research and development programs. The terms of many open source licenses have not been interpreted by U.S. courts or courts outside of the U.S., and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to use this software. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software, or claiming that software we developed using such open source software is a derivative work of open source software and demanding the release of portions of our source code, or otherwise seeking to enforce the terms of the applicable open source license. Litigation could be costly for us to defend, have a negative effect on our financial condition and results of operations or require us to devote additional research and development resources to change our platform and offerings.

If we were to combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, or could be claimed to have occurred, in part because open source license terms are often ambiguous. If we inappropriately use open source software, or if the license terms for open source software that we use change, we may be required to re-engineer our platform, incur additional costs, discontinue the use of some or all of our platform or take other remedial actions.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, because open source licensors generally do not provide warranties or assurance of title or controls on origin of the software. In addition, many of the risks associated with usage of open source software, such as the lack of warranties or assurances of title, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have established processes to help alleviate these risks, including a review process for the use of open source software, but we cannot be sure that all of our use of open source software is in a manner that is consistent with our current policies and procedures, or will not subject us to liability. Any of these risks could be difficult to eliminate or manage and, if not addressed, could have an adverse effect on our business, financial condition and results of operations.

We will need to obtain FDA approval for any proposed product candidate names, and any failure or delay associated with such approval may adversely affect our business.

Any proprietary name or trademark we intend to use for our product candidates will require approval from the FDA regardless of whether we have secured a formal trademark registration from the USPTO. The FDA typically conducts a review of proposed product candidate names, including an evaluation of the potential for confusion with other product names. The FDA may also object to a product name if it believes the name inappropriately implies certain medical claims or contributes to an overstatement of efficacy. If the FDA objects to any product candidate names we propose, we may be required to adopt an alternative name for our product candidates. If we adopt an alternative name, we would lose the benefit of any existing trademark applications for such product candidate and may be required to expend significant additional resources in an effort to identify a suitable product name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. We may be unable to build a successful brand identity for a new trademark in a timely manner or at all, which would limit our ability to commercialize our product candidates.

[Table of Contents](#)

Risks Related to the Redomicile Transactions

We may fail to realize certain benefits of the Redomicile Transactions, including as a result of the shares of our common stock not being included in a U.S. stock market index.

We believe that the Redomicile Transactions will enhance stockholder value over the long-term and raise the profile and marketability of our capital stock in the United States through, among other things, the ability to attract deeper and growing pools of passive investment capital in the United States, particularly if shares of our common stock are included in certain U.S. stock market indices and other investment vehicles that only include securities of U.S.-incorporated companies. However, if shares of our common stock are not included in such U.S. stock market indices, this could result in increased selling pressure and/or decreased demand for our common stock that would increase stock price volatility or cause the market price of the shares of our common stock to fall. Initial inclusion and continued inclusion in a stock market index or fund is not guaranteed and is subject to numerous factors which can be applied subjectively by the entity managing the index or fund. There are no assurances that we will be included in any U.S. stock market indices or funds in a timely manner, or at all. Even if we are included in a U.S. stock market index or fund, the entities managing such indices or funds may change their inclusion criteria, resulting in the future exclusion from such index or fund.

In addition, we incurred a number of non-recurring costs associated with the Redomicile Transactions, including legal fees, accountants' fees, proxy solicitor fees, filing fees, mailing expenses and financial printing expenses. The completion of the Redomicile Transactions and the associated reorganization of our corporate structure may result in additional and unforeseen expenses in the future. While it is expected that benefits of the Redomicile Transactions will offset these transaction costs over time, this net benefit may not be achieved in the short-term or at all. These combined factors could adversely affect our business and overall financial condition. The success of the Redomicile Transactions will depend, in part, on our ability to realize the anticipated benefits associated with the Redomicile Transactions and associated reorganization of our corporate structure, and we may not be able to realize such benefits on a timely basis or at all.

The Redomicile Transactions may result in sales of shares of our common stock by certain retail and institutional stockholders or investment funds that are not permitted to hold shares of our common stock under their internal guidelines.

The Redomicile Transactions may result in sales of shares of our common stock by certain retail and institutional stockholders or investment funds (including Canadian-focused funds) that are not permitted to hold shares of our common stock under their internal guidelines, or are limited in the size of any such investments. Such sales could result in increased selling pressure and/or decreased demand for shares of our common stock, which could increase stock price volatility or cause the market price of the shares of our common stock to fall. As a result of the foregoing, certain of these investors may be required under their internal guidelines to sell their shares at times when, or at prices for which, they would otherwise not have sold. If an investor sells its shares at a time when the market price is lower than their cost basis in the shares, the investor will suffer a loss that could be significant to such investor.

Our business may be impacted by the uncertainty associated with the Redomicile Transactions.

Following completion of the Redomicile Transactions, our principal executive offices are located in Middletown, Delaware. We have physical operations and personnel in Canada, the United States, and Ireland, and maintain offices in these three countries. Our executive officers and directors are located in several jurisdictions, including the United States, Canada and the United Kingdom.

Certain relationships, including with employees, suppliers, CROs, partners, collaborators, governments and other stakeholders, may be subject to disruption due to uncertainty associated with the Redomicile Transactions. Specifically, certain stakeholders may be reluctant to engage in business with us following the completion of the Redomicile Transactions or may impose additional conditions on or apply less favorable terms to transactions involving us. This could have an adverse effect on our business and operations.

In connection with the completion of the Redomicile Transactions we may need to enter into certain new arrangements which may not be on terms as favorable as arrangements entered into by Zymeworks BC.

In connection with completion of the Redomicile Transactions we may need to enter into new arrangements as the ultimate parent company to Zymeworks BC and its subsidiaries. While we anticipate such terms will be materially consistent with existing arrangements, there is no assurance that such arrangement will not impose additional operating or financial restrictions on us, or that such arrangements will be on commercially reasonable terms or terms that are acceptable to us.

[Table of Contents](#)

In addition, the completion of the Redomicile Transactions may have triggered certain technical change in control, right of first offer, notice, consent, assignment or other provisions in agreements to which Zymeworks BC or our other subsidiaries are a party. If we are unable to assert that such provisions should not apply, or we are unable to comply with or negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, including potentially terminating such agreements or seeking monetary damages. Even if we are able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to us.

Negative publicity resulting from the Redomicile Transactions could adversely affect our business and the market price of our common stock.

Transactions similar to the Redomicile Transactions that have been undertaken by other companies have in some cases generated significant news coverage, some of which has been negative. Negative publicity generated by the Redomicile Transactions could cause certain persons with whom we have a business relationship to be more reluctant to do business with us. In addition, negative publicity could cause certain of our employees, particularly those in Canada, to perceive uncertainty regarding future opportunities available to them. Either of these events could have a significant adverse impact on our business. Negative publicity could also cause some of our stockholders to sell their shares or decrease the demand for new investors to purchase such shares, which could have an adverse impact on the price of our common stock.

Our current organizational structure may result in certain tax and operational inefficiencies that may adversely affect our business, financial condition and results of operations.

On October 13, 2022, the Redomicile Transactions were completed, which were governed by a transaction agreement dated July 14, 2022, as restated and amended on August 18, 2022 (the "Restated and Amended Transaction Agreement"), by and among Zymeworks BC, us, CallCo and ExchangeCo. Pursuant to the terms of the Restated and Amended Transaction Agreement, we, Zymeworks BC, CallCo and ExchangeCo agreed, among other things, to use reasonable efforts to take certain corporate steps and actions, as may be necessary or desirable, to effect and implement certain post-arrangement transactions following the implementation of the arrangement under the BCBCA (the "Post-Arrangement Transactions"), including the movement of certain subsidiaries of Zymeworks BC so that they become our directly, wholly-owned subsidiaries. Following Zymeworks BC's entry into the Jazz Collaboration Agreement, we reevaluated the potential impacts of completing the Post-Arrangement Transactions and have determined that completing the Post-Arrangement Transactions as contemplated in the Restated and Amended Transaction Agreement would result in negative tax consequences. As a result, we are evaluating alternatives to the previously contemplated Post-Arrangement Transactions with our advisors. We cannot be certain that we will be able to identify and implement an alternative set of post-arrangement transactions. Even if we do identify an alternative set of post-arrangement transactions, we cannot be certain that such alternative will result in a more tax-efficient or operationally-efficient organizational structure. While we are evaluating alternative approaches, our current organizational structure may result in certain tax and operational inefficiencies that may adversely affect our business, financial condition and results of operations.

Our effective tax rate may change in the future.

We are subject to U.S. federal income taxes on our earnings and the earnings of our non-U.S. subsidiaries in a manner that may adversely impact our effective tax rate. For example, we may have to include additional amounts in income under the so-called "global intangible low-taxed income" regime or as a result of the application of "controlled foreign corporation" rules. In addition, the United States has enacted the Inflation Reduction Act, which, among other changes, imposes a 1% excise tax on certain stock buybacks and an alternative minimum tax on adjusted financial statement income. In addition, our Canadian tax attributes (including net operating loss and tax credit carryforwards and deductible Scientific Research and Experimental Development Expenditure carryforwards) will generally not be available to offset U.S. income and may be subject to limitation.

Further, our future operations and business structure may result in increased tax burden. For example, changes in our clinical development plans and business or commercialization strategies may result in an increased effective tax rate. Taxation of international business operations and intercompany transactions, including transactions between us and non-U.S. subsidiaries, is complicated. Any changes in the U.S. or non-U.S. taxation of such activities may increase our worldwide effective tax rate and harm our business, financial condition, and results of operations.

Enforcement of rights against us in Canada may be limited.

Following the Redomicile Transactions, our principal executive offices are located in Middletown, Delaware and the majority of our directors, officers and experts reside outside of Canada. Accordingly, it may not be possible for our stockholders to effect service of process within Canada upon us or the majority of our directors, officers or experts, or to enforce judgments obtained in Canadian courts against us or the majority of our directors, officers or experts.

[Table of Contents](#)

Risks Related to the Exchangeable Shares

The Exchangeable Shares will not be listed on any stock exchange.

Pursuant to the Redomicile Transactions, holders of Zymeworks BC common shares exchanged their Zymeworks BC common shares for shares of our common stock or, at their election with respect to all or a portion of their Zymeworks BC common shares and subject to applicable eligibility criteria and an overall cap, exchangeable shares (the "Exchangeable Shares") in the capital of ExchangeCo. The Exchangeable Shares will not be listed on any stock exchange. Although Exchangeable Shares are exchangeable at the option of the holder for shares of our common stock, there is no market through which the Exchangeable Shares may be sold, and holders may not be able to sell their Exchangeable Shares.

Holders of Exchangeable Shares may experience a delay in receiving shares of our common stock from the date they request an exchange, which may affect the value of the shares the holder receives in such exchange.

Holders of Exchangeable Shares who request an exchange may not receive shares of our common stock until a period of time after the applicable request is received. During this period, the market price of our common stock may increase or decrease. Any such increase or decrease would affect the value of the consideration to be received by such a holder of Exchangeable Shares upon a subsequent sale of shares of our common stock received in the exchange.

There may be a taxable event for a holder of Exchangeable Shares beyond such holder's control.

A holder of Exchangeable Shares will be considered to have disposed of Exchangeable Shares (i) on a redemption (including pursuant to a retraction request) of such Exchangeable Shares by holders of Exchangeable Shares or ExchangeCo, and (ii) on an acquisition of such Exchangeable Shares by us or CallCo. Although each is a taxable event, the Canadian federal income tax consequences of the disposition will be different depending on whether the event giving rise to the disposition is a redemption or an acquisition.

Prior to the sunset date of the Exchangeable Shares, ExchangeCo may redeem Exchangeable Shares in limited circumstances, and ExchangeCo shall redeem the Exchangeable Shares on the sunset date. Accordingly, an Eligible Holder may have a taxable event in a transaction beyond their control.

The tax treatment of Exchangeable Shares for non-Canadian tax purposes is uncertain.

The tax treatment of Exchangeable Shares for non-Canadian tax purposes, including U.S. federal income tax purposes, is uncertain. Holders of Exchangeable Shares who are subject to taxation in jurisdictions other than Canada should consult with their tax advisors regarding the tax treatment of Exchangeable Shares under non-Canadian tax laws and regulations.

Risks Related to Additional Legal and Compliance Matters

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, insider trading, and noncompliance with our policies and procedures.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations, to provide accurate information to the FDA, to comply with federal and state health care fraud and abuse laws and regulations, to report financial information or data accurately or to disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We have adopted a Code of Conduct and Business Ethics, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business,

including the imposition of significant fines or other sanctions. In addition, employees may become subject of allegations of gender discrimination and other misconduct that are not in compliance with our policies and procedures, which, regardless of the ultimate outcome, may result in adverse publicity that could materially harm our brand, reputation and business.

[Table of Contents](#)

If we or our contractors or agents market products in a manner that violates healthcare fraud and abuse laws, or if we violate government price reporting laws and transparency laws, we may be subject to civil or criminal penalties.

In addition to FDA restrictions on the marketing of pharmaceutical products, federal and state healthcare laws restrict certain business practices in the biopharmaceutical industry. Although we currently do not have any products on the market, we may be subject, and if our product candidates are approved and we begin commercialization will be subject, to additional healthcare laws and regulations enforced by the federal government and by authorities in the states and foreign jurisdictions in which we conduct our business. These state and federal healthcare laws, commonly referred to as "fraud and abuse" laws, have been applied to restrict certain marketing practices in the pharmaceutical industry, and include anti-kickback, false claims, data privacy and security and transparency statutes and regulations.

Federal false claims laws prohibit, among other things, any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government or knowingly making, or causing to be made, a false statement to get a false claim paid. The federal healthcare program anti-kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or in return for, purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. Most states also have statutes or regulations similar to the federal anti-kickback law and federal false claims laws, which may apply to items such as pharmaceutical products and services reimbursed by private insurers. Administrative, civil and criminal sanctions may be imposed under these federal and state laws.

The federal civil monetary penalties statute imposes penalties against any person or entity who, among other things, is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

HIPAA created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, including private third-party payors, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of, or payment for, healthcare benefits, items or services.

In addition, we may be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business. HIPAA, as amended by HITECH, and its implementing regulations, imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's security standards directly applicable to business associates-independent contractors or agents of covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity. HITECH also created four new tiers of civil monetary penalties, and newly empowered state attorneys general with the authority to enforce HIPAA. In January 2013, the Office for Civil Rights of the U.S. Department of Health and Human Services issued the Final Omnibus Rule under HIPAA pursuant to HITECH that makes significant changes to the privacy, security and breach notification requirements and penalties. The Final Omnibus Rule generally took effect in September 2013 and enhances certain privacy and security protections, and strengthens the government's ability to enforce HIPAA. The Final Omnibus Rule also enhanced requirements for both covered entities and business associates regarding notification of breaches of unsecured protected health information. In addition, state laws govern the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways. These state laws may not have the same effect and often are not preempted by HIPAA, thus complicating compliance efforts.

Additionally, the PPACA also included the federal Physician Payments Sunshine Act, which requires applicable group purchasing organizations and manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually information related to certain payments or other transfers of value made in the previous year to covered recipients, including physicians, as defined by law, and teaching hospitals and, effective for data reported in 2022, expanded to include nurse practitioners, physician assistants, clinical nurse specialists, certified registered nurse anesthetists and anesthesiologist assistants, and certified nurse-midwives, including certain ownership and investment interests held by physicians or their immediate family members. Failure to comply with the required reporting requirements could subject applicable reporting entities such as manufacturers to substantial civil monetary penalties.

Also, many states have similar healthcare statutes or regulations that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. Certain states require pharmaceutical companies to implement a comprehensive compliance program that includes a limit or outright ban on expenditures for, or payments to,

[Table of Contents](#)

individual medical or health professionals and/or require pharmaceutical companies to track and report gifts and other payments made to physicians and other healthcare providers.

If our operations are found to be in violation of any of the healthcare laws or regulations described above or any other laws that apply to us, we may be subject to penalties, including potentially significant criminal, civil or administrative penalties, damages, fines, disgorgement, individual imprisonment, exclusion of products from reimbursement under government programs, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings or the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. To the extent that any of our products will be sold in a foreign country, we may be subject to similar foreign laws and regulations, which may include, for instance, applicable post-marketing requirements, including safety surveillance, fraud and abuse laws, and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals.

If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected.

Our research and development involves, and may in the future involve, the use of potentially hazardous materials and chemicals. Our operations may produce hazardous waste products. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards mandated by local, state and federal laws and regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for resulting damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations and fire and building codes, including those governing laboratory procedures, exposure to blood-borne pathogens, use and storage of flammable agents and the handling of biohazardous materials. Although we maintain workers' compensation insurance as prescribed by certain jurisdictions in which we operate to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of these materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties if we violate, any of these laws or regulations.

We may be subject to certain costs and inefficiencies as a result of our 2022 Redomicile Transactions.

As a result of the Redomicile Transactions, we became a Delaware corporation on October 13, 2022 following the completion of an arrangement under the Business Corporations Act (British Columbia). Pursuant to the agreements governing the Redomicile Transactions, we agreed to use reasonable efforts to take certain corporate steps and actions, as may be necessary or desirable, to effect and implement certain post-arrangement transactions, including the internal reorganization of certain subsidiaries (the "Post-Arrangement Transactions"). Following the entry into the Original Jazz Collaboration Agreement subsequent to the Redomicile Transactions, we determined that completing the Post-Arrangement Transactions as originally contemplated would result in negative tax consequences. As a result, we do not currently intend to complete the Post-Arrangement Transactions. While we expect to manage any tax and operational inefficiencies that may result under our current organizational structure, and we may pursue additional internal reorganizations in the future, certain tax and operational inefficiencies may persist notwithstanding our management and/or additional reorganization that could adversely affect our business, financial condition and results of operations.

In addition, we incurred a number of non-recurring costs associated with the Redomicile Transactions, including legal fees, accountants' fees, proxy solicitor fees, filing fees, mailing expenses and financial printing expenses. The completion of the Redomicile Transactions and the associated reorganization of our corporate structure may result in additional and unforeseen expenses in the future. While it is expected that benefits of the Redomicile Transactions will offset these transaction costs over time, this net benefit may not be achieved in the short-term or at all. These combined factors could adversely affect our business and overall financial condition. The success of the Redomicile Transactions will depend, in part, on our ability to realize the anticipated benefits associated with the Redomicile Transactions and associated reorganization of our corporate structure, and we may not be able to realize such benefits on a timely basis or at all.

Risks Related to Employee Matters and Managing Growth

We may fail to achieve the expected cost savings and related benefits from our 2022 reduction in workforce.

In January 2022, we announced a plan to reduce our workforce to reflect our renewed focus on key priorities and enable us to help achieve a more cost-efficient organization necessary to execute on those priorities. While we completed the reduction in workforce by the end of 2022, the full impact of the reduction in workforce is not yet known.

We may fail to effectively achieve the stated goals of the reduction in workforce. Our plans may also change as we continue to refocus on our key priorities. These actions may take more time than we currently estimate and we may not be able to achieve the cost-efficiencies sought. In addition, while the reduction in workforce was completed in 2022, it may still negatively impact employee morale for those that were not directly impacted, which may increase employee attrition and hinder our ability to achieve our key priorities. Any failure to achieve the expected benefits from the reduction in workforce or from other recent management and personnel related changes could adversely affect our stock price, financial condition and ability to achieve our key priorities.

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on key members of our senior management team, including Kenneth Galbraith, the Chair of our board of directors, and Chief Executive Officer, Neil Klompas, our President and Chief Operating Executive Officer, Christopher Astle, our Chief Financial Officer, Paul Moore, our Chief Scientific Officer, Jeffrey Smith, our Chief Medical Officer, and other key members of our senior management, scientific and clinical teams. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time. The loss of the services of our key senior managers and employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy.

Retention and any future recruitment of qualified scientific, technical, clinical, manufacturing and sales and marketing personnel will also be critical to our success. In connection with the transactions contemplated by the Transfer Agreement in May 2023, certain of our clinical operations personnel and other personnel with later-stage development experience were transferred to Jazz. If we are successful in advancing the development of zanidatamab zovodotin and our preclinical candidates, we will need to evaluate any organizational hiring needs. In addition, we will need to effectively manage our managerial, operational,

[Table of Contents](#)

financial, development and other resources in order to successfully pursue our research, development and commercialization efforts for our existing and future product candidates. Furthermore, replacing key senior managers and employees may be difficult and may take an extended period of time because of the limited talent pool in our industry due to the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. The reduction in workforce announced in January 2022 may also make retention of our current personnel both more important and more challenging. Intense competition for attracting key skill-sets and the impact of inflationary pressure on wages may limit our ability to attract, retain and motivate key personnel on acceptable terms. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our business strategy will be limited.

As we advance our development and commercialization plans and strategies, we may need to grow or modify our organization, and we may experience difficulty in managing such change, which could disrupt our operations.

As of December 31, 2022 December 31, 2023, we had 291 272 full-time employees, employees, which reflects the reduction in the number of our employees as a result of the transfer to Jazz Inc. or a Jazz affiliate of certain employees in connection with the Closing of the Transfer Agreement transactions. As we advance our development and commercialization plans and strategies in the future, we anticipate that we may need to expand or modify our employee base. Additionally, as our product candidates enter and advance through preclinical studies and any clinical trials, we may need to expand our development, manufacturing, regulatory sales and marketing capabilities or contract with other organizations to provide these capabilities for us. We believe the need for future expansion in these areas will increase as our product candidates reach later stages of preclinical and clinical development. Future growth would impose significant added responsibilities on members of management, including the need to identify, recruit, maintain, motivate and integrate additional employees. Also, our management may need to divert a disproportionate amount of their attention away from our day-to-day activities and devote a substantial amount of time to managing any necessary growth activities. We may not be able to effectively manage an expansion of our operations, which may result in weaknesses in our infrastructure, give rise to operational errors, loss of business opportunities, loss of employees and reduced productivity amongst remaining employees. Any growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of existing and additional product candidates. If our management is unable to effectively manage any needed growth, our expenses may increase more than expected, our ability to generate or grow revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize our product candidates and compete effectively with others in our industry will depend on our ability to effectively manage any future growth.

Risks Related to Our Common Stock

Our stock price is likely to be volatile and the market price of our common stock may drop below the price paid by stockholders.

Investors should consider an investment in our common stock as risky and invest only if they can withstand a significant loss and wide fluctuations in the market value of their investment. Investors may be unable to sell their common stock at or above the price they paid for such stock due to fluctuations in the market price of our common stock arising from changes in our operating performance or prospects. Some of the factors that may cause the market price of our common stock to fluctuate or decrease include:

- results and timing of our clinical trials and clinical trials of our competitors' products;
- failure or discontinuation of any of our development programs;
- the success of our partnerships, including our and Jazz's ability and efforts to collaborate to develop and commercialize zanidatamab in the territories covered by the Amended Jazz Collaboration Agreement;
- our ability to achieve milestones and receive associated milestone payments pursuant to the terms of our collaboration agreements;
- issues in manufacturing our product candidates or future approved products;
- regulatory developments or enforcement in the United States and foreign countries with respect to our product candidates or our competitors' products;
- competition from existing products or new products that may emerge;
- developments or disputes concerning patents or other proprietary rights;

Table of Contents

- introduction of technological innovations or new commercial products by us or our competitors;
- announcements by us, our strategic partners or our competitors of significant acquisitions, strategic partnerships, joint ventures, or capital commitments;
- changes in estimates or recommendations by securities analysts that cover our common stock;
- fluctuations in the valuation of companies in the biotechnology industry or otherwise perceived by investors to be comparable to us;
- additional instances of stockholder activism, including unsolicited takeover proposals or proxy contests;
- claims or litigation related to our stockholder rights plan;
- public concern over our product candidates or any future approved products;
- litigation;
- future sales of our common stock;
- stock price and volume fluctuations attributable to inconsistent trading volume levels of our common stock;
- additions or departures of key personnel;
- our ability to execute on our key strategic priorities;
- changes in the structure of health care payment systems in the United States or other countries;

- failure of any of our product candidates, if approved, to achieve commercial success;
- economic and other external factors or other disasters or crises, including pandemics;
- period-to-period fluctuations in our financial condition and results of operations, including the timing of receipt of any milestone or other payments under commercialization or licensing agreements;
- general market conditions and market conditions for biopharmaceutical stocks;
- potential disagreements or disputes with certain of our stockholders;
- overall fluctuations in U.S. equity markets; and
- other factors that may be unanticipated or out of our control.

In addition, the stock market in general, and the stock of biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the relevant companies, including recently in connection with the COVID-19 pandemic, which has resulted in increased volatility and decreased stock prices for many companies notwithstanding the lack of a fundamental change in their underlying business models or prospects. Broad market and industry factors, including potentially worsening economic conditions and other adverse effects or developments, relating to the COVID-19 pandemic, may negatively affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk Factors" section, could have a material adverse effect on the market price of our common stock.

An active trading market for our common stock may not be sustained.

Our common stock was first listed on the NYSE New York Stock Exchange (the "NYSE") in connection with the completion of the Redomicile Transactions on October 13, 2022. In December 2022, we moved our listing to The Nasdaq Stock Market LLC. There can be no assurance that an active trading market for our common stock will be sustained or continue to be as active or liquid as was the trading market for Zymeworks BC's common shares prior to the Redomicile Transactions, and the trading price of our common stock may be effectively lower than the trading price of Zymeworks BC's common shares. LLC ("Nasdaq"). If an active market for our common stock does not continue, it may be difficult for our stockholders to sell their stock without depressing the market price for the common stock or sell their common stock at or above the prices at which they acquired their common stock or sell their common stock at the time they would like to sell. Any inactive trading market for our common stock may also impair our ability to raise capital to continue to fund our operations by selling common stock and may impair our ability to acquire other companies or technologies by using our common stock as consideration.

We may fail to meet the continued listing requirements of The Nasdaq Stock Market LLC, Nasdaq. If Nasdaq delists our shares of common stock from trading on its exchange, we could face significant material adverse consequences, including:

Table of Contents

- significant impairment of the liquidity for our common stock, which may substantially decrease the market price of our common stock;
- a limited availability of market quotations for our securities;
- a determination that our common stock qualifies as a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock;
- a limited amount of news and analyst coverage for our company; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Substantial future sales of our common stock, or the perception that these sales could occur, may cause the price of our common stock to drop significantly, even if our business is performing well.

A large volume of sales of our common stock could decrease the prevailing market price of our common stock and could impair our ability to raise additional capital through the sale of equity securities in the future. Even if a substantial number of sales of our common stock does not occur, the mere perception of the possibility of these sales could depress the market price of our common stock and have a negative effect on our ability to raise capital in the future.

Our management team has broad discretion to use the net proceeds from public and private and debt financings our financing activities as well as funds received pursuant to our strategic collaborations, and its investment of these proceeds may not yield a favorable return. They may invest the proceeds in ways with which our stockholders disagree.

Our management team has broad discretion in the application of the net proceeds we received pursuant to our January 2022 public offering of common shares and pre-funded warrants to purchase common shares, as well as funds we receive from time to time pursuant to our financing activities and from our strategic collaborations, and that we may receive including proceeds received from future fundraising efforts, including our strategic collaboration with Jazz and pursuant to any "at-the-market" equity offering programs we may use from time to time, and we could spend or invest the proceeds in ways with which our stockholders disagree. Accordingly, stockholders will need to rely on our management team's judgment with respect to the use of these proceeds. However, the failure by management to apply these funds effectively could negatively affect our ability to operate and grow our business.

We cannot specify with certainty all of the particular uses for the net proceeds to be received from our fundraising efforts or for the funds received from time to time pursuant to our strategic collaborations. In addition, the amount, allocation and timing of our actual expenditures will depend upon numerous factors, including additional milestone payments received from our strategic partnerships and royalties received on sale of any future approved product. Accordingly, we will have broad discretion in using these proceeds. Until the net proceeds are used, they may be placed in investments that do not produce significant income or that may lose value.

We do not anticipate paying cash dividends for the foreseeable future, and accordingly, stockholders must rely on stock appreciation for any return on their investment.

We have never paid any dividends on our common stock. We currently intend to retain our future earnings, if any, to fund the development and growth of our business and do not anticipate that we will declare or pay any cash dividends on our common stock in the foreseeable future. As a result, capital appreciation, if any, of our common stock will be the sole source of gain on investment in our common stock for the foreseeable future. Investors seeking cash dividends should not invest in our common stock.

Any future determination to pay dividends will be at the discretion of our board of directors and will depend upon many factors, including our results of operations, financial position, capital requirements, distributable reserves, credit terms, general economic conditions and other factors as our board of directors may deem relevant from time to time. Consequently, future dividends payable to investors are not guaranteed.

Our principal stockholders, in aggregate, could exert substantial influence over us which could delay or prevent a change in corporate control or result in the entrenchment of management or the board of directors.

Our principal stockholders, being our stockholders that beneficially own 5% or more of our common stock, together with their affiliates and related persons, in aggregate, beneficially own approximately 51.4% 47.2% of our outstanding common stock as of December 31, 2022 December 31, 2023. Our directors and executive officers beneficially own, in the aggregate, approximately 1.9% 1.4% of our outstanding common stock as of December 31, 2022 December 31, 2023. Our principal stockholders, if acting together (with or without our

[Table of Contents](#)

directors and executive officers), may have the ability to exert substantial influence over the outcome of matters submitted to our stockholders for approval, including the election and removal of directors and any merger or sale of all or substantially all of our assets. In addition, our principal stockholders, if acting together (with or without our directors and executive officers), may have the ability to exert substantial influence over the management and affairs of our company. Accordingly, this concentration of ownership could harm the market price of our common stock by:

- delaying, deferring, or preventing a change in control;
- entrenching our management or the board of directors;
- impeding a merger, takeover, or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

We have recently qualified as an accelerated filer and may no longer provide scaled disclosures as a smaller reporting company beginning with our Quarterly Report on Form 10-Q for the quarter ending March 31, 2024, which will increase our costs and any decision demands on management.

We are an accelerated filer and beginning with our part to comply only with certain reduced reporting and disclosure requirements applicable to such companies could make our common stock less attractive to investors.

As a result of our public float (the market value of our common stock held by non-affiliates) as of June 30, 2022 Quarterly Report on Form 10-Q for the quarter ending March 31, 2024, we qualify may no longer provide scaled disclosure as a "smaller reporting company," "company" as defined under the Exchange Act. In addition, we are a "non-accelerated filer" as defined under the Exchange Act. For as long as we continue to be

As a smaller reporting company, or a non-accelerated filer, we may choose had the option to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, that are not smaller reporting companies or non-accelerated filers, as applicable, including, but not limited to, an reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

In addition, as a non-accelerated filer and smaller reporting company, we previously availed ourselves of the exemption from the requirement that our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting under Section 404. We have opted not to obtain such attestation from As an accelerated filer, we may no longer avail ourselves of this exemption.

Because our independent registered public accounting firm is required to undertake an assessment of our internal control over financial reporting, the cost of our compliance with Section 404 has correspondingly increased. For so long as we are an accelerated filer, we expect to incur significant expense and devote substantial management effort toward ensuring compliance with Section 404. We may need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge, and it may be difficult to recruit and maintain such personnel. Implementing any appropriate changes to our internal control over financial reporting may require specific compliance training for our directors, officers and employees and take a significant period of time to complete. Such changes may not, however, be effective in connection with this Annual Report on Form 10-K. This decision may have a detrimental impact on our ability to maintain maintaining the adequacy of our internal control over financial reporting, and

any failure to maintain **that** adequacy, or **consequent** inability to produce accurate financial statements or other reports on a timely basis, could increase our operating costs and could materially impair our ability to operate our business.

For so long as we choose to rely on any of these disclosure exemptions, the information we provide stockholders will be different than the information that is available with respect to other public companies. Moreover, if some investors find our common stock less attractive as a result of any choices to reduce our disclosure, there may be a less active trading market for our common stock and the market price of our common stock may be more volatile.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

Under the Sarbanes-Oxley Act of 2002, we are required to establish and maintain effective internal control over financial reporting and adequate disclosure controls and procedures. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may conclude that there are material weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented or reviewed. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation.

We have In 2022, we transitioned to a new enterprise resource planning system, which we believe will lead to improvements in our internal control over financial reporting. Although we have completed this transition to a new enterprise resource planning system, the full impact of this transition is not yet known. If, during the evaluation and testing process of our internal controls, we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses in our internal controls over financial reporting in the future. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. Furthermore, if we cannot provide reliable financial reports or prevent fraud, including as a result of remote working by our employees, our business and results of operations would likely be materially and adversely affected.

Holders of our Exchangeable Shares are subject to additional risks.

Pursuant to the Redomicile Transactions, certain holders of common shares of our predecessor company exchanged their common shares for exchangeable shares (the "Exchangeable Shares") in the capital of our subsidiary ExchangeCo. (as defined below) Exchangeable Shares are exchangeable at the option of the holder for shares of our common stock.

Exchangeable Shares are subject to additional risks, including:

Table: The Exchangeable Shares are not and will not be listed on any stock exchange. There is no market through which the Exchangeable Shares may be sold, and holders may not be able to sell their Exchangeable Shares.

- **Holders of Contents** Exchangeable Shares who request an exchange may not receive shares of our common stock until a period of time after the applicable request is received. During this period, the market price of our common stock may increase or decrease. Any such increase or decrease would affect the value of the consideration to be received by such a holder of Exchangeable Shares upon a subsequent sale of shares of our common stock received in the exchange.
- Exchangeable Shares may be subject to different tax consequences under Canadian law depending on whether the exchangeable shares are disposed of in a redemption or an acquisition by one of our subsidiaries, and such transaction may not be within the control of the holder.
- The tax treatment of Exchangeable Shares for non-Canadian tax purposes, including U.S. federal income tax purposes, is uncertain.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws might delay, discourage or prevent a change in control of Zymeworks or changes in our management, thereby depressing the market price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of Zymeworks more difficult or delay or prevent changes in control of its management. Among other things, these provisions:

- authorize our board of directors to issue shares of preferred stock and determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval;
- permit only the board of directors to establish the number of directors and fill vacancies and newly created directorships on the board, provided that the board of directors' ability to increase the size of the board and fill vacancies and newly created directorships will be subject to the restrictions in our amended and restated certificate of incorporation and amended and restated bylaws;
- establish that members of our board of directors serve in one of three staggered terms of three years each;
- provide that our directors may only be removed by the affirmative vote of at least 66 2/3% of the voting power of the shares cast on such proposal;

- permit stockholders to only take actions at a duly called annual or special meeting and not by written consent;
- require that stockholders give advance notice to nominate directors or submit proposals for consideration at stockholder meetings;
- not provide for cumulative voting rights in the election of directors;
- provide that special meetings of Zymeworks' stockholders may be called only by the board of directors, the chairperson of the board of directors, Zymeworks' chief executive officer, president or the secretary upon request from holders of no less than 20% of our outstanding voting stock, subject to the limitations and requirements set forth in our amended and restated bylaws; and
- require a super-majority vote of stockholders to amend some of the provisions described above.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the DGCL, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested stockholder" for a period of three years following the date on which the stockholder became an "interested stockholder" unless certain conditions are met.

These provisions, alone or together, could delay, discourage or prevent a transaction involving a change in control of Zymeworks. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause Zymeworks to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of common stock, and could also affect the price that some investors are willing to pay for our common stock.

The stockholders' rights plan adopted by our board of directors may discourage a third party from acquiring us in a manner that could result in a premium price to our stockholders.

On October 12, 2022, we entered into a Preferred Stock Rights Agreement (the "New Rights Plan") pursuant to which our board of directors authorized and declared a dividend distribution of one right (each, a "Right") for each share of our common stock outstanding on October 13, 2022 (the "Record Date"), and for each share of common stock that becomes outstanding between the Record Date and the earlier of the date the Rights become exercisable and the expiration of the Rights. Each Right entitles the registered holder to purchase from us one one-thousandth of a share of our Series B Participating Preferred Stock at an exercise price of \$74.00, subject to adjustment. In general terms, the New Rights Plan works by imposing a significant penalty upon any person or group that acquires 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the shares of our common stock without the approval of our board of directors. As a result, the overall effect of the New Rights Plan and the issuance of the Rights may be to render more difficult or discourage a merger, amalgamation, arrangement, take-over bid, tender or exchange offer or other business combination involving us that is not approved by our board of directors. However, neither the New Rights Plan nor the Rights should interfere with any merger, amalgamation, arrangement, take-over bid, tender or exchange offer or other business combination approved by the Board. The terms of the New Rights Plan are substantively similar in all material respects to the terms of the

[Table of Contents](#)

Zymeworks BC Preferred Shares Rights Agreement, which expired in connection with the completion of the Redomicile Transactions.

Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between Zymeworks and its stockholders, and also provide that the federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, each of which could limit our stockholders' ability to choose the judicial forum for disputes with Zymeworks or its directors, officers, stockholders or employees.

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, stockholders, officers or other employees to Zymeworks or our stockholders, (3) any action arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware), except for any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction. This provision does not apply to any action brought to enforce a duty or liability created by the Exchange Act and the rules and regulations thereunder.

Section 22 of the Securities Act establishes concurrent jurisdiction for federal and state courts over Securities Act claims. Accordingly, both state and federal courts have jurisdiction to hear such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring or holding or owning (or continuing to hold or own) any interest in any of our securities shall be deemed to have notice of and consented to the foregoing bylaw provisions. Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our current or former directors, officers, stockholders or other employees, which may discourage such lawsuits against us and our current and former directors, officers, stockholders and other employees. Our stockholders will not be deemed to have waived its compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions.

The enforceability of similar exclusive forum provisions in other companies' organizational documents have been challenged in legal proceedings, and, while certain courts have determined these provisions are enforceable, it is possible that a court of law could rule that these types of provisions are inapplicable or unenforceable if they are challenged in a proceeding or otherwise. If a court were to find either exclusive forum provision contained in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur significant additional costs associated with resolving such action in other jurisdictions, which could harm our financial condition and results of operations.

General Risk Factors

We are at risk of securities class action litigation.

Securities class action litigation has often been brought against companies following a decline in the market price of their securities. This risk is especially relevant for us because biotechnology companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could materially harm our business.

[Table of Contents](#)

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. We cannot assure that analysts will cover us or provide accurate or favorable coverage. If one or more of the analysts who cover us downgrade our stock or change their opinion of our common stock negatively, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline. Moreover, the research and reports that analysts publish may suggest a price for our common stock that does not fully or accurately reflect the true value of our company. Furthermore, even if such analyst publications are favorable, these reports could have negative consequences for us.

Item 1B. Unresolved Staff **Comments** **Comments**.

Not applicable.

Item 1C. **Cybersecurity**.

Our board of directors is responsible for overseeing our risk management program, and cybersecurity is a critical element that has been integrated into our overall risk management program. Management is responsible for the day-to-day administration of our risk management program and our cybersecurity policies, processes, and practices.

We aim to incorporate industry practices throughout our cybersecurity program. Our cybersecurity strategy focuses on implementing effective and efficient controls, technologies, and other processes to assess, identify, and manage cybersecurity risks. Our cybersecurity program is informed by applicable industry standards and is assessed regularly by independent third-party auditors.

Cybersecurity Risk Management and Strategy

Our cybersecurity risk management strategy focuses on several areas:

- **Identification and Escalation:** We have implemented a cross-functional approach to assessing, identifying and managing cybersecurity threats and incidents. Our program includes controls and procedures to identify, classify and escalate certain cybersecurity incidents to provide management visibility and obtain direction from management.
- **Technical Safeguards:** We implement technical safeguards that are designed to protect our information systems from cybersecurity threats, which are evaluated and improved through vulnerability assessments and cybersecurity threat intelligence, as well as outside audits and certifications.
- **Incident Response and Recovery Planning:** We have established and maintain incident response, business continuity, and disaster recovery plans designed to address our response to a cybersecurity incident. We conduct periodic tabletop exercises to test these plans and ensure personnel are familiar with their roles in a response scenario.
- **Third-Party Risk Management:** We maintain a risk-based approach to identifying and overseeing cybersecurity threats presented by third parties, including vendors, service providers, and other external users of our systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems, including any outside auditors or consultants who advise on our cybersecurity systems.
- **Education and Awareness:** We provide regular, mandatory training for all employees regarding cybersecurity threats as a means to equip our employees with tools to make employees aware of and to address cybersecurity threats, and to communicate our evolving information security policies, standards, processes, and practices.

We conduct periodic assessments and testing of our policies, standards, processes, and practices in a manner intended to address cybersecurity threats and events. We adjust our cybersecurity policies, standards, processes, and practices as necessary based on the information provided by these assessments, audits, and reviews. We, like any company operating in the current environment, have experienced cybersecurity incidents in the past. However, we have not experienced a cybersecurity event that was determined to be material. For additional information regarding whether any risks from cybersecurity threats are reasonably likely to materially affect our company, including our business strategy, results of operations, or financial condition, see Item 1A, "Risk Factors", of this Annual Report on Form 10-K, including the risk factor titled "Security breaches and incidents, loss of data and other disruptions could compromise sensitive information related to our business or protected health information or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation."

Governance

Our board of directors, in coordination with the audit committee of our board of directors, oversees our risk management program, including the management of cybersecurity threats. Our board of directors and our audit committee receive prompt and timely information regarding cybersecurity risks, as well as ongoing updates regarding any such risk, from senior management.

Our Senior Director, IT who has over 20 years' experience with cybersecurity at public companies, in coordination with senior management including our Chief Executive Officer, works collaboratively across our company to implement a program designed to protect our information systems from cybersecurity threats and to promptly respond to cybersecurity incidents in accordance with our incident response and recovery plans. To facilitate the success of our cybersecurity program, a cross-functional team throughout our company addresses cybersecurity threats and responds to cybersecurity incidents. Through ongoing communications with this team, the Senior Director, IT and senior management are informed about and monitor the prevention, detection, mitigation and remediation of cybersecurity threats and incidents in real time and report such threats and incidents to the Audit Committee when appropriate.

Item 2. Properties Properties.

Our principal executive offices are located at 108 Patriot Drive, Suite A, Middletown, Delaware 19709. We maintain physical operations and personnel in Canada, the United States, Ireland and Ireland. We have recently established a subsidiary in Singapore, and intend to hire personnel and establish an office there. Singapore.

Our Vancouver offices are located in a single building containing office and laboratory space at 114 East 4th Avenue, Suite 800 Vancouver, British Columbia, Canada, V5T 1G4. The lease for our Vancouver location, which we entered into in January 2019, has an initial term expiring in February 2032, with two five-year extension options. We completed our relocation to this space in February 2022 from our prior Vancouver office and laboratory spaces. Our leases for those prior Vancouver office and laboratory spaces expired in February 2022.

Our former U.S. office is located in Seattle, Washington at 1215 4th Avenue, Suite 2100, Seattle, Washington, 98181. The lease for our Seattle office, this location, which we entered into in February 2019, expires has an expiration date in May 2027. We are in the process of terminating this lease as we moved our primary office in the United States to Bellevue in 2023.

Our primary U.S. office is located in Bellevue, Washington at 777 108th Avenue NE, Bellevue, Suite 1700, Washington 98004. We entered into a sublease for this location in August 2023, which expires in December 2024. We entered into a direct lease for this location in November 2023 that has a term starting upon expiration of the sublease and expiring in June 2026.

We also have an office in Redwood City, California at 555 Twin Dolphin Drive, Suite 360, Redwood City, California 94065. The lease for this location, which we entered into in November 2023, has an expiration date in December 2026.

Our Ireland office is located in Dublin at Digital Office Centre - Dublin Airport, Office 104, Balheary Demense, Balheary Road, Swords, Dublin, Ireland. The license to occupy this space, for our Dublin office, which we entered into in December 2022, expires had an original expiration date in November 2023, but shall automatically renew renews for subsequent 12-month terms unless we provide two months' prior written notice that we do not want to renew.

Our Singapore office is located at #01-08 Science Park 1, 2 Science Park Drive, Singapore 112888. The license to occupy this space, which we entered into in March 2023, expires in April 2025.

In addition, a significant number of employees work remotely. Our executive officers and directors are located in several jurisdictions, including the United States, Canada, Ireland and the United Kingdom.

We believe that our existing facilities are adequate for our immediate needs and our anticipated growth. We believe that, should it be needed, additional space can be leased to accommodate any future growth.

Item 3. Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. As of December 31, 2022 December 31, 2023, we are not a party to any legal proceedings that, in the opinion of our management, would reasonably be expected to have a material adverse effect on our business, financial condition, operating results or cash flows if determined adversely to us. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 4. Mine Safety Disclosures

Not applicable.

[Table of Contents](#)

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock, \$0.00001 par value per share, (together with the associated preferred stock purchase rights), is traded on The Nasdaq Stock Market LLC under the symbol "ZYME." Prior to December 16, 2022, our common stock (together with the associated preferred stock purchase rights) was traded on the NYSE under the symbol "ZYME." "ZYME".

Holders

As of March 3, 2023 March 4, 2024, we had 56 82 stockholders of record holding our common stock. A substantially greater number of holders of Zymeworks' common stock are "street name" or beneficial holders whose shares of record are held by banks, brokers, and other financial institutions.

Dividends

We have never paid any dividends on our common stock or any of our other securities. We currently intend to retain any future earnings to finance the growth and development of our business, and we do not anticipate that we will declare or pay any cash dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements, restrictions under any future indebtedness and other factors the board of directors deems relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

The information concerning our equity compensation plans is incorporated by reference herein to our 2023 Proxy Statement or Form 10-K/A, as applicable, to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022.

Performance Graph

As We previously qualified as a "smaller reporting company," as defined by in Rule 12b-2 of under the Exchange Act, and pursuant have been permitted to Instruction 6 rely, and have relied, on the reduced disclosure requirements available to smaller reporting companies, including not being required to provide information required by this item pursuant to Item 201(e) of Regulation S-K, we are not required S-K. Our ability to provide rely on the stock performance graph, reduced disclosure requirements available to smaller reporting companies will cease after the filing of our Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Sales of Unregistered Securities

None.

Except as disclosed on our Current Report on Form 8-K filed with the SEC on December 26, 2023, we did not sell securities without registration under the Securities Act during the fiscal year ended December 31, 2023.

Issuer Repurchases of Equity Securities

None.

Item 6. Reserved

[Table of Contents](#)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the attached financial statements and notes thereto. This Annual Report on Form 10-K, including the following sections, contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and the Exchange Act. These statements are subject to risks and uncertainties that could cause actual results and events to differ materially from those expressed or implied by such forward-looking statements. For a detailed discussion of these risks and uncertainties, see Item 1A, "Risk Factors" of this Annual Report on Form 10-K. We caution the reader not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this Annual Report on Form 10-K. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this Annual Report on Form 10-K. The discussion regarding our financial condition and results of operations for fiscal 2021 2022 as compared to fiscal 2020 2021 has been omitted from this Annual Report on Form 10-K and is incorporated by reference from our Annual Report on Form 10-K for the fiscal year

ended [December 31, 2021](#) [December 31, 2022](#), filed with the SEC and with the securities commissions in all provinces and territories of Canada on [February 24, 2022](#) [March 7, 2023](#), under the section titled "Part II, Item 7. [Management's Management's](#) Discussion and Analysis of Financial Condition and Results of Operations."

Unless the context otherwise requires or otherwise expressly states, all references in this Annual Report on Form 10-K to "Zymeworks," the "Company," "we," "us" and "our" (i) for periods until completion of the Redomicile Transactions, refer to Zymeworks BC Inc. and its subsidiaries and (ii) for periods after completion of the Redomicile Transactions, refer to Zymeworks Inc. and its subsidiaries.

Overview

Zymeworks is a [clinical-stage](#) biotechnology company committed to the discovery, development, and commercialization [developing a diverse pipeline](#) of novel, multifunctional [biotherapeutics](#). Zymeworks' mission is [biotherapeutics to make a meaningful difference improve the standard of care](#) for [people impacted by](#) difficult-to-treat [cancers and other serious](#) diseases. Zymeworks' complementary therapeutic platforms and fully integrated drug development engine provide the flexibility and compatibility to precisely engineer and develop highly differentiated antibody-based therapeutic [candidates, candidates](#).

Our goal is to use our experience and [in-house capabilities](#) of developing multifunctional therapeutics platforms, along with our proprietary protein engineering capabilities, to [have a meaningful and positive impact on improve the lives standard of care](#) for people living with difficult-to-treat cancers and other serious diseases with high unmet medical [need, need](#).

We commenced operations in 2003 and have since devoted substantially all of our resources to research and development activities including developing our therapeutic platforms, identifying and developing potential product candidates and undertaking preclinical studies and clinical trials. Additionally, we have supported our research and development activities with general and administrative support, as well as by raising capital, conducting business planning and protecting our intellectual property. We have not generated any revenue from the sale of approved products [to date as of December 31, 2023](#), and do not expect to do so until such time as we obtain regulatory approval and commercialize one or more of our product candidates. We cannot be certain of the timing or success of approval of our product candidates.

Since our initial public offering ("IPO") in 2017, we have funded our operations primarily through follow-on public offerings, including the issuance of pre-funded warrants, and payments received under our license and collaboration agreements. Payments received [or receivables](#) from our license and collaboration agreements include upfront fees, milestone payments, as well as research support and reimbursement payments. Prior to our IPO, we also received financing from private equity placements and the issuance of convertible debt, which was subsequently converted into equity securities, and a credit facility. From inception to [December 31, 2022](#) [December 31, 2023](#), we received [\\$911.3 million](#) [\\$993.2 million](#), net of equity issuance costs, from these sources of financing including proceeds from exercises of stock options and employee stock purchase plans. As of [December 31, 2022](#) [December 31, 2023](#), we had [\\$492.2 million](#) [\\$456.3 million](#) of cash resources consisting of cash, cash equivalents and [short-term investments, marketable securities](#).

Although it is difficult to predict our funding requirements, based upon our current operating plan, we anticipate that our existing cash and cash equivalents and short-term investments as of [December 31, 2022](#) [December 31, 2023](#), combined with certain anticipated milestone payments from our existing collaborations, will enable us to fund our operating expenditures and capital expenditure requirements for at least the next twelve months from the date [of](#) this Annual Report on Form 10-K is filed with the SEC.

We reported a net [income loss](#) of [\\$124.3 million](#) [\\$118.7 million](#) for the year ended [December 31, 2022](#) [December 31, 2023](#), and through [December 31, 2022](#) [December 31, 2023](#), we had an accumulated deficit of [\\$558.8 million](#) [\\$677.4 million](#). Over the next several years, we expect to continue to incur losses as we increase our research and development expenditures in connection with the ongoing development of our product candidates and other clinical, preclinical and regulatory activities.

[Table of Contents](#)

Recent Developments

Zanidatamab Clinical Program

In [December 2022](#), we published [November 2023](#), our partner Jazz and The University of Texas MD Anderson Cancer Center announced a five-year strategic research collaboration agreement to evaluate zanidatamab, an investigational HER2-targeted bispecific antibody, in [The Lancet Oncology](#) our Phase 1 data (NCT02892123) in pre-treated patients with multiple HER2-expressing solid tumors who received zanidatamab monotherapy. Eighty-six patients (22 patients with BTC, 28 patients with CRC and 36 patients with other solid tumors excluding GEA or breast cancer) demonstrated promising responses and zanidatamab was generally well tolerated in patients. Grade 1-2 diarrhea and infusion reactions were the most common reported treatment-related adverse events with no treatment-related deaths. In addition, 31 [37%; 95% CI 27.0, 48.7] of 83 evaluable patients had a [cORR](#); [cancers](#).

In [December 2022](#), we [2023](#), response rates in the HERIZON-BTC-01 Asian subgroup cohort were presented Phase 2 clinical data at ESMO Asia, highlighting consistency across subgroups with durable tumor responses (overall response rate of 42% [95% CI: 28, 57], median duration of response 7.4 [3.9- Not Estimable] months) and a tolerable safety profile (no patients in the San Antonio Breast Cancer Symposium. The presentation reported data Asia subgroup experienced grade 4 or 5 treatment related adverse events).

In [December 2023](#), progression-free survival ("PFS") for zanidatamab in combination as chemotherapy-free regime was presented at SABCS. Data from a clinical study of 45 [51](#) patients with heavily pretreated HER2-positive, HR-positive HER2+/HR+ metastatic breast cancer ("mBC") who received zanidatamab in combination with palbociclib and fulvestrant. Patients had received prior regimens containing HER2-targeted agents including trastuzumab (100%), pertuzumab (80%), T-DM1 (98%), and other available options. In 36 efficacy-evaluable patients, treatment were treated with zanidatamab in combination with plus palbociclib and fulvestrant resulted in demonstrated a [cORR](#) PFS at six months of 33% 67% (n=34) [95% CI: 18.6, 51.0] and DCR 52, 79]. Secondary endpoint findings included a median PFS of 92% [95% CI: 77.5, 98.2], and the majority of patients experienced a decrease in tumor size. The mPFS was 9.6 [12](#) months [95% CI: 7.2, 16.6] with seven patients still on study at the time of data cut-off (August 31, 2022). The regimen was generally well tolerated with expected rates of neutropenia, a known side effect of CDK4/6 inhibitors. The majority of patients with treatment-related adverse events experienced mild to moderate severity (Grade 1 or 2).

Also in December 2022, we announced positive top-line data in the HERIZON-BTC-01 pivotal Phase 2b trial of zanidatamab as monotherapy in previously treated HER2-amplified BTC patients. The top-line results showed that 41.3% [95% CI: 30.4, 52.8] of enrolled patients with HER2-amplified 8, 15] and expressing (IHC2+ and 3+) disease achieved a confirmed objective response as assessed by independent central review. The rate of 35% [95% CI: 21, 50] with a median duration of response of 15 months. The combination regimen was 12.9 months [95% CI: 5.95] well tolerated with a manageable safety profile.

In January 2024, at ASCO GI, Patient-Reported Outcomes from HERIZON-BTC-01 demonstrate patients who responded to [not reached]. The safety profile zanidatamab had less pain and pain interference compared to their baseline levels.

In January 2024, our partner Jazz highlighted that for the HERIZON-GEA-01 trial, enrollment will be increased from 714 to 918 patients to improve the statistical power, for the OS endpoint only. This update allows Jazz to maintain the previously guided top-line readout, targeted for late 2024, which will continue to be based on the original enrollment numbers. Discussions with FDA and other regulatory agencies were held in advance of the decision to increase enrollment for the OS endpoint analysis. Jazz also announced that the rolling submission of the BLA submission for zanidatamab in this trial was consistent second-line BTC has been initiated, with that observed in previously reported monotherapy studies, with no new safety signals identified. Full results from the pivotal trial are expected to be presented at a medical meeting intention of completing the BLA submission in the first half of 2023, 2024.

In January 2023, we presented updated February 2024, our partner Jazz disclosed that they have initiated a Phase 2 clinical data at the ASCO Gastrointestinal Cancers Symposium. The presentation included updated data from a clinical study evaluating 3 confirmatory trial to evaluate zanidatamab in combination with standard of care chemotherapy in as first-line HER2-expressing GEA patients. Patients had not received prior HER2-targeted agents or systemic treatment for metastatic GEA. A total of 46 patients with metastatic GEA were enrolled from 15 sites across BTC.

In February 2024, our partner BeiGene updated guidance on the United States, Canada and South Korea. The data demonstrated zanidatamab combined with standard chemotherapy is a highly active treatment regimen for first-line therapy expected timing of HER2-positive metastatic GEA. In 42 patients evaluable for OS receiving zanidatamab in combination with chemotherapy, the 18-month OS rate was 84% [95% CI: 68, 93], the 12-month OS rate was 88% [95% CI: 73, 95], and the median OS had not yet been reached (with 26.5 months median duration of study follow-up). These data represent the first OS data presented for a zanidatamab containing regimen. Treatment with zanidatamab resulted in a cORR of 79% [95% CI: 63, 90], a DCR of 92% [95% CI: 79, 98], with three patients achieving complete response among 38 response-evaluable patients. The median duration of response was 20.4 months [95% CI: 8.3, NE] with an mPFS of 12.5 months [95% CI: 7.1, NE] with 17 patients having an ongoing response at the time of data cut-off. The regimen was manageable, tolerable and consistent BLA filing with the observed safety profiles reported NMPA in China for other standard combination regimens for patients with HER2-positive GEA. Zanidatamab was also recently selected for inclusion in the I-SPY platform trials for patients with HER2-expressing tumors in neoadjuvant treatment of locally HER2-amplified inoperable and advanced breast cancer, which continues to explore or metastatic BTC during the potential use second half of zanidatamab in indications outside of GEA and BTC. 2024.

Zanidatamab Zovodotin Clinical Program

In January 2023, 2024, we announced confirmed our plans intention to initiate a Phase 2 clinical trial for zanidatamab zovodotin, with data from the Phase 1 clinical trial providing further support for the continued development of zanidatamab zovodotin at the RP2D of 2.5 mg/kg every three weeks and announced that by the end of 2023, we expect to present additional data from our weeks. Zanidatamab zovodotin remains ready for a Phase 2 clinical study that further supports this RP2D. Based on the data generated to date from the Phase 1 clinical study, which has continued to enroll subjects to gather additional data for zanidatamab zovodotin monotherapy, we plan to evaluate zanidatamab zovodotin as monotherapy and/or trial in combination with pembrolizumab, however, the current respective standards initiation of care in multiple the planned Phase 2 studies. Based on our study has been deprioritized, pending more clarity from the evolving clinical landscape. We continue to explore potential development efforts and commercial collaborations prior to date and in combination with the results of these planned clinical studies, we believe these results may provide the rationale for one or more registration-enabling undertaking any registrational studies of zanidatamab zovodotin zovodotin before the end of 2025, which we would expect to undertake with a future collaboration partner.

Table of Contents

Preclinical Programs

As In October 2023, as part of our early Research and Development day held in New York City in October 2022, the 14th Annual World ADC San Diego, we announced multiple presented additional preclinical data on our preclinical product candidates including two lead candidates, ZW191 and ZW171. Our lead ADC preclinical product candidate, ZW191, is a folate receptor alpha targeted ADC with ZW251, a novel TOPO1i-based GPC3-targeting ADC bearing a TOPO1i payload, and ZW220, a potential first-in-class TOPO1i ADC for the treatment of NaPi2b-expressing solid tumors.

In November 2023, as part of the Society for Immunotherapy of Cancer ("SITC") annual meeting, we presented additional preclinical data on our preclinical TriTCE programs.

In November 2023, we selected ZW251 as our next IND candidate, a potential first-in-class ADC molecule designed for the treatment of GPC3-expressing HCC, with IND or foreign equivalent filing anticipated in the second half of 2025. GPC3, a GPI-anchored cell surface oncofetal antigen, is over-expressed in most HCC patients (>75%), and displays minimal normal adult tissue expression, making it an appealing ADC target. The GPC3-targeting antibody incorporated in ZW251 was selected based on key ADC attributes including its binding profile, efficient internalization and payload delivery across a range of GPC3-expressing models of HCC. ZW251 incorporates the same Zymeworks' proprietary bystander-active TOPO1i payload utilized in two additional pipeline ADC programs, ZW191 (anti-FRa) and ZW220 (anti-NAPI2b). A DAR of four was selected to balance tolerability and efficacy, with ZW251 anti-tumor activity observed in multiple patient-derived xenograft models of HCC reflecting a range of GPC3 over-expression. We are encouraged by published research demonstrating the potential of GPC3 antibody targeting in HCC patients as evidenced by tumor localization of iodine radiolabeled condrituzumab, a prior clinical stage anti-GPC3 monoclonal antibody, and believe that we believe may be competitive in areas with high unmet medical need. Similarly, our lead multispecific preclinical product candidate, ZW171, antibody drug conjugate-based targeting of GPC3 could enable a novel and differentiated MSLN-targeted bispecific T-cell engaging antibody generated utilizing our Azymetric bispecific platform, targets the potential effective approach to treatment of patients HCC.

In February 2024, we published a manuscript in pancreatic, mesothelioma, ovarian, the American Association for Cancer Research Molecular Cancer Therapeutics Journal on the screening and other MSLN-expressing cancers. We expect selection process for our novel TOPO1i payload. Herein, we presented the development of our novel camptothecin ZD06519, which has been specifically designed for its application as an ADC payload. A panel of camptothecin analogs with different substituents at the C-7 and C-10 positions of

the camptothecin core were prepared and tested in vitro. Selected compounds spanning a range of potency and hydrophilicity were elaborated into drug-linkers, conjugated to submit IND applications trastuzumab, and evaluated in vitro and in vivo. ZD06519 was selected based on its favorable properties as a free molecule and as an antibody conjugate, which include moderate free payload potency (~1 nM), low hydrophobicity, strong bystander activity, robust plasma stability, and high-monomeric ADC content. When conjugated to different antibodies using a clinically validated MC-GGFG-based linker, ZD06519 demonstrated impressive efficacy in multiple CDX models and noteworthy tolerability in healthy mice, rats, and non-human primates.

In March 2024, we announced our participation at AACR with the acceptance of five abstracts. Abstracts accepted include two presentations from our MSAT program:

- (1) "DLL3 TriTCE Co-Stim: A next generation trispecific T-cell engager with integrated CD28 costimulation for ZW191 the treatment of DLL3-expressing cancers";
- (2) "TriTCE Co-Stim: A next generation trispecific T-cell engager platform with integrated CD28 costimulation, engineered to improve responses in the treatment of solid tumors,"

and ZW171 three presentations from our ADC program:

- (1) "ZW191 - a FR α -targeting antibody drug conjugate with strong preclinical activity across multiple FR α -expressing indications";
- (2) "Screening novel format antibodies to design bispecific ADCs that address target heterogeneity";
- (3) "Development of three-dimensional cancer cell line spheroid models for the in 2024, vitro functional characterization of cytotoxic antibody-drug conjugates".

Licensing and Collaboration Agreements

Termination of BeiGene License and Collaboration Agreement Regarding Zanidatamab Zovodotin

In October 2022, On September 18, 2023, Zymeworks BC Inc. ("Zymeworks BC"), a subsidiary of Zymeworks Inc., and BeiGene entered into a Termination Agreement (the "Termination Agreement") relating to the License and Collaboration Agreement between Zymeworks BC and BeiGene, relating to the research, development and commercialization of zanidatamab zovodotin, dated November 26, 2018, as amended on May 25, 2020 and June 2, 2021 (collectively, the "Zanidatamab Zovodotin License and Collaboration Agreement"). The Termination Agreement does not terminate the Zanidatamab License and Collaboration Agreement (as defined below).

Previously, Zymeworks BC and BeiGene entered into the Jazz Zanidatamab Zovodotin License and Collaboration Agreement, with Jazz, under pursuant to which Jazz will have Zymeworks BC granted BeiGene a royalty-bearing exclusive license for the research, development and commercialization rights of zanidatamab throughout zovodotin in Asia (excluding Japan but including the world, but excluding existing territories already governed by People's Republic of China, South Korea and other countries), Australia and New Zealand (collectively, the "BeiGene Territory"). Pursuant to the Zanidatamab Zovodotin License and Collaboration Agreement, Zymeworks BC's November 2018 license and collaboration agreement with BeiGene. Through December 31, 2022, we have received \$375 million in proceeds from the Jazz collaboration and are eligible for reimbursement of all ongoing zanidatamab-related costs in accordance with the development plan and budget. We also remain was eligible to receive up to an aggregate of \$525.0 million \$195 million in certain regulatory milestones payments development and up to an aggregate of \$862.5 million in potential commercial milestone payments for total potential payments of and royalties ranging from the high single digit percentages up to \$1.76 billion 20% on product sales.

Pursuant to the Termination Agreement, the Zanidatamab Zovodotin License and Collaboration Agreement is terminated, effective as of September 18, 2023, and is no longer in effect, except that the termination does not relieve the parties from obligations under the Zanidatamab Zovodotin License and Collaboration Agreement that accrued prior to the termination and certain other provisions expressly indicated to survive the termination, including certain licenses to BeiGene intellectual property with respect to zanidatamab zovodotin.

Amendment of BeiGene License and Collaboration Agreement Regarding Zanidatamab

In connection with the entry into the Termination Agreement, on September 18, 2023, Zymeworks BC and BeiGene also entered into the Third Amendment to License and Collaboration Agreement (the "Amendment") relating to the License and Collaboration Agreement between Zymeworks BC and BeiGene relating to the research, development and commercialization of zanidatamab, dated November 26, 2018, as amended on March 29, 2021 and August 10, 2021 (collectively, the "Zanidatamab License and Collaboration Agreement"). In addition, we are Pursuant to the Zanidatamab License and Collaboration Agreement, Zymeworks BC granted BeiGene a royalty-bearing exclusive license for the research, development and commercialization of zanidatamab in the

BeiGene Territory. Pursuant to the Amendment, Zymeworks BC is eligible to receive tiered royalties between 10% and 20% ranging from the high single digit percentages up to 19.5% on Jazz's annual net sales with customary reductions of zanidatamab, which amends the previous provision to uniformly reduce all such royalty rates by one-half of one percent (0.5%) ("Royalty Reduction"). The Royalty Reduction will apply until the cumulative reduction in specified circumstances, pending regulatory approval of zanidatamab.

Redomicile

Effective October 13, 2022, we became royalties owed to Zymeworks BC as a Delaware corporation following completion result of the Redomicile Transactions. As Royalty Reduction, relative to the royalties that would have been owed to Zymeworks BC absent the Royalty Reduction, reaches a result, we have continued dollar cap in the low double-digit millions of dollars. Thereafter, the Royalty Reduction will no longer apply to reduce any royalties owed to Zymeworks under the current Zymeworks name Zanidatamab License and brand, Collaboration Agreement. Pursuant to the Amendment, the remaining provisions of the Zanidatamab License and will continue to maintain significant operations in both Canada Collaboration Agreement remain unchanged.

Termination of LEO Research and the United States. To effect the Redomicile Transactions, we conducted a share exchange, pursuant to which holders of License Agreement

On October 27, 2023, Zymeworks BC common shares exchanged their Zymeworks BC common shares for shares of common stock of Zymeworks Inc. (formerly known as Zymeworks Delaware Inc. received written notice from LEO Pharma A/S ("LEO") or, at their election with respect, stating that LEO elected to all or a portion of their Zymeworks BC

common shares terminate, in its entirety, the Research and subject to applicable eligibility criteria and an overall cap, Exchangeable Shares in the capital of ExchangeCo, a newly formed indirect subsidiary of Zymeworks Inc. A special meeting of Zymeworks BC security holders was held on October 7, 2022 to approve the Redomicile Transactions. The Redomicile Transactions were governed by the Restated and Amended Transaction License Agreement, by and among between Zymeworks BC us, CallCo and ExchangeCo, including a plan LEO, dated October 23, 2018 (the "Research and License Agreement"). In accordance with the terms of arrangement included as Exhibit A the Research and License Agreement, the termination of such agreement was effective on January 25, 2024 (the "Termination Date"). LEO's written notice stated that its decision to terminate was due to the Restated closure of its bispecific antibody program, and, Amended Transaction as a result, the Research and License Agreement (the "Plan was terminated for convenience in accordance with the terms of Arrangement"). The foregoing description of the Redomicile Transactions is only a summary, does not purport to be complete and is qualified in its entirety by reference to the Restated and Amended Transaction Agreement, including the Plan of Arrangement, a copy of which is included as Exhibit 2.1 to this Annual Report on Form 10-K.

such agreement without modifications or amendment thereto. Pursuant to the terms of the Restated Research and Amended Transaction License Agreement, we, Zymeworks BC CallCo granted LEO a non-exclusive, worldwide, royalty-free, research and ExchangeCo agreed, among other things, development license under Zymeworks BC's Azymetric and EFECT platforms to use reasonable efforts perform preclinical research and development of antibodies pursuant to take certain corporate steps and actions, as may be necessary or desirable, to effect and implement certain Post-Arrangement Transactions, including the movement of certain subsidiaries of a research program, under which Zymeworks BC so that they become our directly, wholly-owned subsidiaries. Following and LEO were jointly responsible for certain research activities, with Zymeworks BC's costs to be fully reimbursed by LEO. Upon LEO selecting certain sequence pairs identified pursuant to the research program (each, a "Collaboration Sequence Pair"), Zymeworks BC would grant to LEO an exclusive license under Zymeworks BC's Azymetric and EFECT platforms to make, use, sell, and import antibodies derived and generated from such Collaboration Sequence Pairs to incorporate into products, and to develop, make, use, sell, and import such products for dermatologic indications. LEO granted Zymeworks BC a non-exclusive license under LEO's intellectual property to develop and commercialize antibodies resulting from the research program in all therapeutic areas other than dermatologic indications.

In connection with entry into the Jazz Research and License Agreement, Zymeworks BC received an upfront payment of \$5.0 million. In addition, (i) for the first product that incorporated a Collaboration Agreement, we reevaluated the potential impacts Sequence Pair, Zymeworks BC was eligible to receive preclinical and development milestone payments of completing the Post-Arrangement Transactions up to \$74.0 million and have determined that completing the Post-Arrangement Transactions as contemplated commercial milestone payments of up to \$157.0 million together with tiered royalties on future sales of up to 20% in the Restated United States and Amended Transaction up to high single digit percentages elsewhere, and (ii) for the second product that incorporated a Collaboration Sequence Pair, Zymeworks BC was eligible to receive preclinical and development milestone payments of up to \$86.5 million and commercial milestone payments of up to \$157.0 million together with tiered royalties on future sales of up to low double digit percentages globally. For products developed by Zymeworks BC that include a Collaboration Sequence Pair and are sold outside of the field of dermatology, LEO was eligible to receive commercial milestone payments and up to single-digit percentage royalties on future sales. No development or commercial milestone payments or royalties were received by Zymeworks BC.

Effective as of the Termination Date, the Research and License Agreement would result was terminated and was longer in negative tax consequences. effect, except that such termination does not relieve the parties from any obligation under the Research and License Agreement that accrued prior to the termination or affect the survival of any other right, duty or obligation of the parties under the Research and License Agreement, including certain other provisions expressly indicated to survive the termination.

As a result we are evaluating alternatives to of termination, LEO will reimburse Zymeworks BC for all non-cancellable costs incurred by Zymeworks BC or its affiliates in connection with the previously contemplated Post-Arrangement Transactions with our advisors.

COVID-19

COVID-19 has impacted our research and development activities but has not caused significant disruptions to our business operations to date, program. In March 2020, we transitioned our workforce to a remote working arrangement to protect the health and safety of our employees. In June 2020, we implemented a program to facilitate the phased return of employees to our lab and office facilities pursuant to enhanced health and safety protocols consistent with guidelines issued by local health authorities. Our preclinical addition, LEO must (i) cease all research, activities were supplemented by support from external CROs to complement the temporarily reduced capacity at our lab facilities. Certain clinical trial activities, including patient enrollment and site activations, were delayed or otherwise impacted by COVID-19. To date, COVID-19 has not had a material impact on our financial condition, liquidity or longer-term strategic development and commercialization plans. Recently, President Biden announced that the administration intends to end the COVID-19 national and public health emergencies on May 11, 2023. The full impact of this termination of the public health emergencies on FDA antibodies and other regulatory policies products developed under the Research and operations are unclear.

Table License Agreement and (ii) effective as of Contents

The extent the Termination Date, assign to which COVID-19 may cause more significant disruptions Zymeworks BC all rights, title and interest in and to our business and greater impacts to our results of operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the location, duration and severity of outbreaks, LEO's intellectual property, including potential future waves or cycles, and the effectiveness of actions to contain and treat COVID-19. The COVID-19 pandemic continues to rapidly evolve, and we will continue to monitor the effects of COVID-19 on our business and review our current policies to protect the well-being of our employees and their families patent rights generated in the event performance of any changes the research program. In addition, the license granted to Zymeworks BC under LEO's intellectual property to make, use, sell and import products that incorporate sequences developed pursuant to the research program outside of the field of dermatology will survive and become fully-paid, perpetual, irrevocable and royalty-free effective as of the Termination Date, and Zymeworks BC will not be restricted from using Zymeworks BC's Azymetric and EFECT platforms to develop products in government restrictions and to ensure the continuity field of our operations. See Item 1A, "Risk Factors – Risks Related to Our Business and the Development and Commercialization of Our Product Candidates – Our business has been and may continue to be adversely affected by the COVID-19 pandemic." dermatology.

Other Matters

On October 12, 2022 December 15, 2023, we Zymeworks announced that the Company was added to the Nasdaq Biotechnology Index (Nasdaq: NBI) (the "NBI"). Zymeworks' addition to the NBI became effective prior to the market open on Monday, December 18, 2023.

On December 26, 2023, Zymeworks announced that it had entered into a securities purchase agreement with funds affiliated with EcoR1 Capital, LLC ("EcoR1 Capital"), for the New Rights Plan. Under the New Rights Plan, in connection with the consummation sale of the Redomicile Transactions, our board an aggregate of directors authorized and declared a dividend distribution of one right (each, a "Right") for each share of common stock outstanding at 12:01 a.m. (Pacific Time) on the Record Date (October 13, 2022) and for each share of common stock that becomes outstanding, including any 5,086,521 pre-funded warrants to purchase

5,086,521 shares of common stock, issued \$0.00001 par value per share, in connection with the Redomicile Transactions and a private placement. Each pre-funded warrant will be exercisable at an exercise price equal to \$0.0001 per share, subject to adjustments as consideration for the Exchangeable Shares, as applicable, between the Record Date and the earlier of the distribution date as set forth in the New Rights Plan and the expiration of the Rights. The terms of the New Rights Plan are substantively similar in all material respects to provided under the terms of the Rights Plan, pre-funded warrant and will be exercisable at any time on or after the closing date, subject to a post-exercise beneficial ownership limitation of 19.99%. The New Rights Plan is scheduled to expire aggregate gross proceeds from the offering were approximately \$50 million, before deducting estimated offering expenses. The purchase price of \$9.8299 for each pre-funded warrant was based on June 8, 2023 the closing price of \$9.83 per share of Company's common stock on Nasdaq on December 22, 2023.

On January 3, 2023 January 4, 2024, we removed Zymeworks announced significant additions to its leadership team. Dr. Neil Josephson from the position of Jeffrey Smith was named Executive Vice President and Chief Medical Officer. Officer, one new Senior Vice President was appointed and seven new Vice Presidents were appointed. An eighth Vice President was added later in January. These additions to the leadership team highlight Zymeworks' commitment to nurturing and advancing internal talent to key leadership roles while strengthening the capabilities and experience of the organization.

On February 8, 2024, Zymeworks announced the appointment of Dr. Alessandra Cesano to its board of directors effective February 8, 2024. Dr. Cesano succeeds Dr. Kenneth Hillan, who stepped down effective February 8, 2024 after a successful seven-year tenure as a director of Zymeworks.

On February 22, 2024, Zymeworks announced the appointment of Mr. Scott Platshon to its board of directors effective February 22, 2024. Scott Platshon is a Partner at EcoR1 Capital.

Financial Operations Overview

Revenue

Our revenue consists of collaboration revenue, including amounts recognized relating to upfront non-refundable payments for licenses or options to obtain future licenses, research and development funding and milestone payments earned under collaboration and license agreements. We expect that collaboration revenue from our strategic partnerships will be our primary source of revenue for the foreseeable future.

Operating Expenses

Our operating expenses consist primarily of research and development expenses and general and administrative expenses. Personnel costs, including salaries, benefits, bonuses and stock-based compensation expense, comprise a significant component of research and development and general and administrative expenses. We allocate certain indirect expenses associated with our facilities, information technology, depreciation and other overhead costs between research and development and general and administrative categories based on employee headcount and the nature of work performed by each employee.

Research and Development Expense

Research and development expenses consist of expenses incurred in performing research and development activities such as conducting clinical trials and preclinical research studies, technical and manufacturing operations, regulatory affairs and other indirect expenses in support of advancing our product candidates and therapeutic platforms. Research and development expenses include third-party program costs, internal personnel costs and other indirect costs as follows:

- fees paid to CROs, consultants, subcontractors and other third-party vendors for work performed for our clinical trials, preclinical studies and regulatory activities;
- fees paid to third-party manufacturers to produce our product candidate supplies;
- amounts paid to vendors and suppliers for laboratory supplies;
- fees, milestone payments and other expenses incurred in connection with license agreements and amendments;
- employee-related expenses such as salaries and benefits and stock-based compensation;
- depreciation of laboratory equipment, computers and leasehold improvements; and
- overhead expenses such as facilities, information technology and other allocated items.

[Table of Contents](#)

It is difficult to determine with certainty the duration and completion costs of our current or future clinical trials and preclinical programs of our product candidates, or if, when or to what extent we will generate revenue from the commercialization and sale of any of our product candidates that obtain regulatory approval. We may never succeed in achieving regulatory approval for any of our product candidates. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors,

including the uncertainties of clinical trials and preclinical studies, uncertainties in clinical trial enrollment rates and significant and changing government regulation. In addition, the probability of success for each product candidate will depend on numerous factors, including competition, manufacturing capability and commercial viability. We will determine which programs to pursue and how much to fund each program in response to the scientific and clinical success of each product candidate, as well as an assessment of each product candidate's commercial potential. Our Excluding research and development expenses are expected related to our zanidatamab program, we expect our research and development expenses to increase in the future, subject to periodic fluctuations, as we continue to develop advance, expand and complete the clinical development of our platforms product candidates, support our ongoing collaborations, and product candidates, conduct our ongoing preclinical research activities.

General and Administrative Expense

General and administrative expenses consist of salaries, benefits and stock-based compensation costs for employees in our executive, finance, legal, intellectual property, business development, human resources and other support functions, as well as legal and professional fees, business insurance, facilities and information technology costs and other expenses. Our general and administrative expenses may increase in the future as we expand our infrastructure to support our ongoing research and development activities.

Other Income (Expense)

Other income (expense) primarily consists of interest income and foreign exchange gain (loss).

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates, judgments and assumptions that are inherently uncertain that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable. We review and evaluate these estimates on an ongoing basis. These assumptions and estimates form the basis for making judgments about the carrying values of assets and liabilities and amounts that have been recorded as revenue and expenses. Actual results and experiences may differ from these estimates. The results of any material revisions would be reflected in the consolidated financial statements prospectively from the date of the change in estimate.

The full extent to which the COVID-19 pandemic may directly or indirectly impact our business, results of operations and financial condition, including revenues, expenses, clinical trials, research and development costs and employee-related amounts, will depend on future developments that are evolving and highly uncertain, such as the duration and severity of outbreaks, including current and potential future waves or cycles, and the effectiveness of actions taken to contain and treat COVID-19. We considered the potential impact of COVID-19 when making certain estimates and judgments relating to the preparation of our consolidated financial statements. While there was no material impact to our consolidated financial statements as of and for the year ended December 31, 2022, our future assessment of the magnitude and duration of COVID-19, as well as other factors, could result in a material impact to our consolidated financial statements in future reporting periods.

For a summary of our significant accounting policies, see Note 2 to the Consolidated Financial Statements in Part II, Item 8, "Consolidated Financial Statements and Supplementary Data." We consider the following accounting policies to be critical to an understanding of our financial condition and results of operations because these policies require the most subjective or complex judgments on the part of management in their application. There have been no material changes to our critical accounting policies during the year ended December 31, 2022 December 31, 2023.

Revenue Recognition

Our revenue consists of amounts earned under research and development license and collaboration agreements with our strategic partners. Promised deliverables within these agreements may include grants of licenses, or options to obtain licenses, to our intellectual property, research and development services, and participation on joint research and/or development committees.

[Table of Contents](#)

In accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 606" "606"), we recognize revenue when our customer obtains control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for those goods or services. For collaborative arrangements that fall within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808" "808"), we apply the revenue recognition model under ASC 606 to part or all of the arrangements, when deemed appropriate. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, we determine which elements of the arrangement are within the scope of ASC 808 and which elements are within the scope of ASC 606, which may require application of judgment. To determine revenue recognition for arrangements that we determine are within the scope of Topic 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv)

allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when or as we satisfy a performance obligation. We only apply the five-step model to contracts obligation and when it collectability is probable that we will collect the consideration that we are entitled to in exchange for the goods and services transferred to the customer, probable. If the expectation at contract inception is such that the period between payment by the licensee and the completion of related performance obligations will be one year or less, we assume that the contract does not have a significant financing component.

When applying the revenue recognition criteria of ASC 606 to license and collaboration agreements, management may be required to apply significant judgment when evaluating whether contractual obligations represent distinct performance obligations including understanding the nature and significance of the contractual obligations and their standalone selling prices, determining when performance obligations have been met, assessing the recognition and future reversal of variable consideration, and determining and applying

appropriate methods of measuring progress for performance obligations satisfied over time. **The accounting for the modification to existing contracts with customers arising from licensing and collaboration arrangements requires management to apply significant judgment when evaluating whether the modification to financial terms is related to distinct performance obligations remaining in the amended collaboration agreement.** These judgments are discussed in more detail in the following paragraphs for each type of payment received by us under the terms of the license and collaborations agreements.

Licenses of intellectual property including platform technology access: If the license to our intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, we recognize revenues from non-refundable, upfront fees allocated to the license when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses that are not distinct from other promises, we apply judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, upfront fees. We evaluate the measure of progress each reporting period and, if necessary, adjust the related revenue recognition accordingly.

Milestone payments: At the inception of each arrangement that includes research, development or regulatory milestone payments, we evaluate whether the milestones are considered probable of being reached and estimate the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within our control or that of the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which we recognize revenue as or when the performance obligations under the contract are satisfied.

At the end of each subsequent reporting period, we re-evaluate the probability of achievement of such development milestones and any related constraint, and if necessary, adjust our estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect license, collaboration and other revenues and earnings in the period of adjustment. The process of successfully achieving the criteria for the milestone payments is highly uncertain. Consequently, there is a significant risk that we may not earn all of the milestone payments from each of our strategic partners. We apply significant judgment when assessing the likelihood of whether milestones are considered probable of being achieved and when allocating the transaction price to each performance obligation for revenue recognition purposes.

Royalties and commercial milestones: For arrangements that include sales-based royalties, including commercial milestone payments based on pre-specified level of sales, we recognize revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). Achievement of these royalties and commercial milestones may solely depend upon performance of the licensee. Since inception to date, we have not recognized any royalty revenue or commercial milestone from any of our out-licensing arrangements.

Research support and other payments: Payments by the licensees in exchange for research activities performed by us on behalf of the licensee are recognized as revenue upon performance of such activities at rates consistent with prevailing market rates. Payments for research supplies provided are recognized as revenue upon delivery of the supplies.

Contract assets and liabilities

Contract assets are mainly comprised of trade receivables net of expected credit losses, which includes amounts billed and currently due from customers.

Contract liabilities are mainly comprised of deferred revenues. Amounts received prior to satisfying all revenue recognition criteria are recorded as deferred revenue in the Company's consolidated financial statements. Amounts not expected to be

Table recognized as revenue within the next twelve months of Contents the consolidated balance sheet date are classified as long-term deferred revenue.

Modifications of contracts with customers

We account for a modification to a contract with a customer as a separate contract if both the scope of the contract increases because of the addition of promised goods or services that are distinct, and the price of the contract increases by an amount of consideration that reflects the our stand-alone selling price of the additional promised goods or services. A modification that does not meet this criteria is accounted for as an adjustment to the existing contract, either prospectively or through a cumulative catch-up adjustment. We account for a contract modification prospectively if the remaining goods or services are distinct from the goods or services transferred before the modification, but the consideration for those goods or services does not reflect their stand-alone selling prices. Any changes in the transaction price that arise as a result of a contract modification that are not allocated to remaining goods or services are recognized as a cumulative catch-up adjustment

Research and Development Costs and Related Accrued Expenses

Research and development costs are expensed as incurred and include costs that we incur for our own and for our strategic partners' research and development activities. These costs primarily consist of employee-related expenses, including salaries and benefits, expenses incurred under agreements with CROs on our behalf, costs associated with investigative sites and consultants that conduct our clinical trials, the cost of acquiring and manufacturing clinical trial materials and other allocated expenses, share-based compensation expense, and costs associated with nonclinical activities and regulatory approvals.

Clinical trial expenses represent a significant component of research and development expenses and we outsource a significant portion of these activities to **third party contract research organizations, third-party CROs**. Third-party clinical trial expenses include investigator fees, site costs, clinical research organization costs and other trial-related vendor costs. As part of preparing the consolidated financial statements, we estimate accrued liabilities for services that have been performed by clinical research organizations or investigator sites but have not yet been invoiced to us. When making these estimates, we use operational and contractual information from third party service providers and operational data from internal personnel.

Impairment of Long-Lived Assets

Goodwill and IPR&D assets classified as indefinite-lived are not amortized, but are evaluated for impairment annually or more frequently if impairment indicators arise. IPR&D becomes definite-lived upon the completion or abandonment of the associated research and development efforts. For definite-lived intangible assets, if there is a major event indicating that the carrying value may be impaired, then management will perform an impairment test.

Impairment tests for goodwill and intangibles assets involve considerable use of judgment and require management to make estimates and assumptions. The fair values of reporting units are derived from valuation models, which consider various factors such as discount rates, future earnings and growth rates. Changes in estimates and assumptions can affect the reported value of goodwill and intangible assets.

As at **December 31, 2022** **December 31, 2023**, we performed a qualitative assessment for our annual impairment test of goodwill after concluding that it was not more likely than not that the fair value of the reporting unit was less than its carrying value. Consequently, the quantitative impairment test was not required. We concluded that there were no impairment indicators related to goodwill or other intangible assets as of **December 31, 2022** **December 31, 2023**.

Stock-Based Compensation

We recognize stock-based compensation expense on certain stock-based awards granted to employees and members of the board of directors based on their estimated fair values using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires assumptions for various inputs to measure fair value, including expected term of the awards, underlying share price volatility, forfeiture rates, risk-free interest rate and expected dividend yields of our common stock. Management uses judgement to determine the inputs to the Black-Scholes option pricing model and changes in these assumptions could have a material impact to the fair value calculations and the amount and timing of stock-based compensation expense recognized in earnings.

Recent Accounting Pronouncements

A summary of recent accounting pronouncements is presented in Note 3 of our Annual Consolidated Financial Statements for the year ended **December 31, 2022** **December 31, 2023** within this Annual Report on Form 10-K.

Results of Operations for the Years Ended **December 31, 2022** **December 31, 2023**, **2021** **2022** and **2020** **2021**

Revenue

Year Ended December 31,										
Year Ended December 31,										
(dollars in millions)										
(dollars in millions)										
(dollars in millions)	(dollars in millions)	2022	2021	2020	Change 2022 – 2021	2023	2022	2021		Change 2023 – 2022
Revenue	Revenue									
from research and development collaborations	from research and development collaborations	\$412.5	\$26.7	\$39.0	\$385.8 1,445 %					
Revenue from research and development collaborations										
Revenue from research and development collaborations						\$ 76.0	\$ 412.5	\$ 26.7	\$ (336.5)	(82 %)

Table of Contents

Revenue for all periods presented Our revenue relates primarily to non-recurring upfront fees, expansion payments or milestone payments from our licensing and collaboration agreements.

Total revenue increased decreased by \$385.8 million \$336.5 million in **2022** **2023** compared to **2021**. 2022 primarily due to a non-recurring upfront fee from Jazz in 2022. This was partially offset by higher development support and drug supply revenue from Jazz in 2023 due to the impact of the Original and Amended Jazz Collaboration Agreements.

Revenue for 2023 included \$91.6 million for development support and drug supply revenue from Jazz, which was partially offset by a \$20.1 million credit issued to Jazz for contractual amendments to our collaboration arrangement, and \$4.5 million from our partners for research support and other payments. Revenue for 2022 included \$375.0 million in upfront fees and a \$24.3 million in development support payments from Jazz, and a \$5.0 million upfront fee from Atreca, Inc. as well as \$8.2 million from our other partners for research and development support under cost sharing arrangements. Revenue

In connection with the Closing of the transactions contemplated by the Transfer Agreement and our entry into the Amended Jazz Collaboration Agreement, we expect that revenue in future periods for 2021 included \$8.0 million from BeiGene for a development milestone, \$8.0 million from Janssen for two development milestones, \$5.0 million from Iconic for partner revenue and \$5.7 million from our partners for research and development support from Jazz will decrease significantly compared to revenue for the year ended December 31, 2023, although we will remain eligible for reimbursement of certain costs for activities where we maintain responsibility under cost sharing arrangements, the Amended Jazz Collaboration Agreement. The expected decrease in revenue reflects the transfer of responsibility for the Program to Jazz pursuant to the Amended Jazz Collaboration Agreement with such future costs to be borne by Jazz instead of being incurred by us and reimbursed by Jazz.

Research and Development Expense

		Year Ended December 31,				
(dollars in millions)	2022	2021	2020	Change 2022 – 2021		
Third-party research and development program expenses:						
Clinical development programs:						
Zanidatamab	\$ 117.4	\$ 86.8	\$ 80.5	\$ 30.6	35 %	
Zanidatamab zovodotin	4.8	12.7	11.5	(7.9)	(62)%	
Preclinical and other research programs	10.3	13.9	12.1	(3.6)	(26)%	
	132.5	113.4	104.1	19.1	17 %	
Unallocated departmental research and development expenses:						
Salaries and benefits	53.0	50.3	35.1	2.7	5 %	
Stock-based compensation expense	2.4	15.5	12.3	(13.1)	(85)%	
Other unallocated expenses	20.7	20.6	19.7	0.1	— %	
Research and development expense ⁽¹⁾	\$ 208.6	\$ 199.8	\$ 171.2	\$ 8.8	4 %	

	Year Ended December 31,								
(dollars in millions)	2023		2022		2021		Change 2023 – 2022		
Third-party research and development program expenses:									
Clinical development programs:									
Zanidatamab	\$	44.8	\$	117.4	\$	86.8	\$	(72.6)	(62)%
Zanidatamab zovodotin		8.0		4.8		12.7		3.2	67 %
Preclinical and other research programs:									
ZW171		10.7		1.9		—		8.8	463 %
ZW191		11.7		0.9		—		10.8	1,200 %
Other preclinical and research programs		10.1		7.5		13.9		2.6	35 %
		85.3		132.5		113.4		(47.2)	(36)%
Unallocated departmental research and development expenses:									
Salaries and benefits		33.3		53.0		50.3		(19.7)	(37)%
Stock-based compensation expense		2.4		2.4		15.5		—	— %
Other unallocated expenses		22.6		20.7		20.6		1.9	9 %
Research and development expense ⁽¹⁾	\$	143.6	\$	208.6	\$	199.8	\$	(65.0)	(31)%

(1) We Excluding zanidatamab, we expect research and development expenditures to increase over time, subject to periodic fluctuations, in line with the advancement, expansion and completion of the clinical development of our product candidates, as well as support of our ongoing collaborations, and our ongoing preclinical research activities.

Research and development expense increased decreased by \$8.8 million \$65.0 million in 2022 2023 compared to 2021, 2022. In 2022, 2023, research and development expense included a non-cash stock-based compensation expense of \$2.4 million comprised of a \$3.2 million \$2.1 million expense from equity classified awards (2021 (2022 – \$20.1 million \$3.2 million expense) and a \$0.8 million recovery related to \$0.3 million expense from the non-cash mark-to-market revaluation of certain historical liability classified awards (2021 (2022 - \$4.6 million \$0.8 million recovery). Excluding stock-based compensation expense, The decrease in research and development expense increased by \$21.9 million or 12% in 2022 compared was primarily due to 2021. The increase related primarily to higher manufacturing expenses of zanidatamab for process performance qualification activities and clinical trial expenses for zanidatamab. These were partially offset by a decrease in expenses related for zanidatamab as a result of transfer of this program to Jazz per our Transfer Agreement and the Amended Jazz Collaboration Agreement. This decrease, compared to 2022, was partially offset by an increase in preclinical expenses, primarily with respect to preclinical product candidates ZW171 and ZW191, and in higher zanidatamab zovodotin program costs. In addition, salaries and benefits expenses decreased compared to the same period in 2022, due to lower headcount in 2023 and lower non-recurring severance expenses.

Our research and development expenses relating to zanidatamab following the Closing of the transactions contemplated by the Transfer Agreement and the Amended Jazz Collaboration Agreement have decreased significantly compared to the year ended December 31, 2022. We remain eligible for reimbursement of certain costs for activities as well as a decrease in where we maintain responsibility under the Amended Jazz Collaboration Agreement and are also eligible for reimbursement of costs for third party services or other expenses related under certain contracts being transferred to clinical activities for zanidatamab zovodotin, Jazz pursuant to the Transfer Agreement.

General and Administrative Expense

(dollars in millions)	Year Ended December 31,			Change 2022 – 2021	
	2022	2021	2020		
Salaries and benefits	\$ 22.6	\$ 23.5	\$ 18.0	\$ (0.9)	(4)%
Stock-based compensation expense (recovery)	1.2	(5.6)	16.1	6.8	(121)%
Professional fees, consulting and business insurance	35.6	15.2	11.3	20.4	134 %
Other general and administrative expenses	14.0	9.5	9.8	4.5	47 %
General and administrative expense	\$ 73.4	\$ 42.6	\$ 55.2	\$ 30.8	72 %

Table of Contents

(dollars in millions)	Year Ended December 31,			Change 2023 – 2022	
	2023	2022	2021		
Salaries and benefits	\$ 17.0	\$ 22.6	\$ 23.5	\$ (5.6)	(25)%
Stock-based compensation expense (recovery)	5.3	1.2	(5.6)	4.1	342 %
Professional fees, consulting and business insurance	29.1	35.6	15.2	(6.5)	(18)%
Other general and administrative expenses	19.0	14.0	9.5	5.0	36 %
General and administrative expense	\$ 70.4	\$ 73.4	\$ 42.6	\$ (3.0)	(4)%

General and administrative expense increased decreased by \$30.8 million \$3.0 million in 2022 2023 compared to 2021, 2022. In 2022, 2023, general and administrative expense included a non-cash stock-based compensation expense of \$1.2 million \$5.3 million comprised of a \$4.1 million \$6.6 million expense from equity-classified awards (2021 (2022 – \$18.2 million \$4.1 million expense) and a \$2.9 million \$1.3 million recovery from the non-cash mark-to-market revaluation of certain historical liability-classified awards (2021 (2022 – \$23.8 million \$2.9 million recovery). Excluding stock-based compensation expense, The decrease in general and administrative expense increased by \$24.0 million or 50% in 2022 compared to 2021. This increase was primarily due to an increase in consulting fees and professional fees, including fees incurred in connection with the Jazz Collaboration Agreement, depreciation expenses, and other expenses incurred due to our restructuring program (the “Restructuring”) in 2022, as well as a non-recurring sales tax refund recognized in 2021, which partially offset expenses. The increase in expenses during 2022 were partially offset by a decrease in salaries and benefits expense expenses due to lower headcount and due to lower non-recurring severance expenses in 2023, as a result of well as due to a decrease in headcount due expenses for professional services. This was partially offset by an increase in other expenses related to our Restructuring, higher depreciation on facilities and higher technology spend in 2023.

Other Income, net

		Year Ended December 31,				Change 2022	
		2022	2021	2020	– 2021		
Year Ended December 31,							
2023							
2023							
2023		2022		2021			
(dollars in millions)	(dollars in millions)						
Other income, net	Other income, net	\$4.7	\$3.3	\$7.3	\$1.4	42	%
Other income, net							

Other income, net	\$	18.8	\$	4.7	\$	3.3	\$	14.1	300	%

Net other Other income, net increased by **\$1.4 million** \$14.1 million in **2022** 2023 compared to **2021**. **Net** 2022. Other income, net for 2023 included \$19.7 million of interest income partially offset by a \$0.9 million in other expenses which includes foreign exchange losses partially offset by other miscellaneous income. Higher interest income in 2023 was due to income earned on higher cash resources and at higher rates of return in 2023. Other income, net for 2022 included \$3.6 million interest income and a net foreign exchange gain of \$1.2 million primarily due to the revaluation of **stock option liabilities and** certain cash, cash equivalents and investments **as well as, lease and stock option liabilities** denominated in Canadian dollars. **Net other**

Income Tax

	Year Ended December 31,				Change 2023 – 2022	
	2023	2022	2021			
(dollars in millions)						
Current income tax expense	\$ (0.2)	\$ (9.0)	\$ (0.4)	\$ 8.8	(98)%	
Deferred income tax recovery (expense)	0.8	(1.9)	1.0	2.7	(142)%	
Income tax recovery (expense)	\$ 0.6	\$ (10.9)	\$ 0.5	\$ 11.5	(106)%	

Income tax expense decreased by \$11.5 million in 2023 compared to 2022, primarily due to a reduction in U.S. taxes under the global intangible low-taxed income **for 2021 included interest income of \$2.0 million and** rules, in 2023. In 2023 we incurred a net **foreign exchange gain of \$1.2 million**, loss compared to a net income in 2022, primarily due to the Jazz partnership.

Liquidity and Capital Resources

Sources of Liquidity

Since our IPO in 2017, we have funded our operations primarily through follow-on public offerings, including the issuance of pre-funded warrants, as well as from upfront fees, milestone payments, and research support payments generated from our strategic collaborations and licensing agreements.

We completed a public offering on January 27, 2020 pursuant to which we sold (i) 5,824,729 common shares (including the sale of 900,000 common shares to the underwriters upon their full exercise of their over-allotment option) at \$46.50 per common shares and (ii) 1,075,271 pre-funded warrants in lieu of common shares at 46.4999 per pre-funded warrant. We received gross proceeds of \$320.9 million and net cash proceeds of \$300.9 million, after underwriting discounts, commissions and estimated offering expenses.

On January 31, 2022, we completed a public offering pursuant to which we sold (i) 11,035,000 common shares (including the sale of 1,875,000 common shares to the underwriters upon their full exercise of their over-allotment option) at \$8.00 per common share and (ii) 3,340,000 pre-funded warrants in lieu of common shares at \$7.9999 per pre-funded warrant. We received gross proceeds of \$115.0 million and net proceeds were \$107.6 million, after underwriting discounts, commissions and estimated offering expenses.

In October 2021, Zymeworks BC amended its Open Market Sale AgreementSM **On November 9, 2022**, dated as of November 5, 2019 (as amended, the "Prior Sales Agreement"), with Jefferies LLC ("Jefferies"). The Prior Sales Agreement provided for the offer and sale of Zymeworks BC's common shares from time to time through Jefferies as its sales agent, subject to the maximum aggregate dollar amount registered pursuant to the applicable prospectus supplement. Sales of common shares through Jefferies, if any, were to be made by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415(a)(4) under the Securities Act. No shares of Zymeworks BC's common shares were sold under the Prior Sales Agreement prior to its termination in October 2022.

As a result of the Redomicile Transactions, in October 2022, Zymeworks BC and Jefferies mutually terminated the Prior Sales Agreement, and we entered into an Open Market Sale AgreementsSM, dated as of October 21, 2022 (the "Sales Agreement") with Jefferies. Subsequently, on October 26, 2022, we notified Jefferies of our decision to terminate the Sales Agreement, effective as of November 9, 2022. No shares of common stock were sold under the Sales Agreement prior to its termination in November 2022.

Table of Contents

In November 2022, we entered into a Sales Agreement, dated as of November 9, 2022 sales agreement (the "Cantor Sales "Sales Agreement"), with Cantor Fitzgerald & Co. ("Cantor"). The Cantor Sales Agreement provides for the offer and sale **to sell shares** of our common stock **having an aggregate offering price of up to \$150.0 million**, from time to time, through an "at-the-market" equity offering program under which Cantor is acting as our sales agent, subject to the maximum agent. On June 16, 2023, we sold an aggregate dollar amount registered pursuant to the applicable prospectus supplement. Sales of **3,350,000** shares of common stock **through Cantor**, if any, **will be made by any method permitted by law deemed to be an "at-the-market" offering as defined in Rule 415(a)(4) at \$8.12 per share** under the **Securities Act. As Sales Agreement. We received gross proceeds of \$27.2 million and net cash proceeds of \$26.2 million, after underwriting commissions and offering expenses.**

On December 28, 2023, we completed a private placement pursuant to which we sold 5,086,521 pre-funded warrants at a price of \$9.8299 per pre-funded warrant. We received gross proceeds of \$50.0 million, and net proceeds were \$49.9 million, after expenses. Each pre-funded warrant is exercisable for one share of common stock at an exercise price of \$0.0001 per share, subject to adjustments as provided under the terms of the date of this Annual Report on Form 10-K, no shares of our common stock have been sold under the Cantor Sales Agreement, pre-funded warrants.

As of December 31, 2022 December 31, 2023, we had \$492.2 million in cash resources consisting \$456.3 million of cash, cash equivalents, and short-term investments, marketable securities, comprised of \$157.6 million in cash and cash equivalents and \$298.7 million in marketable securities.

Cash Flows

The following table represents a summary of our cash flows for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020: 2021:

		Year Ended December 31,								
		2022	2021	2020						
		Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
		2023	2022	2021	2023	2022	2021	2023	2022	2021
(dollars in millions)	(dollars in millions)									
Net cash provided by (used in):										
Net cash (used in) provided by:										
Net cash (used in) provided by:										
Net cash (used in) provided by:										
Operating activities										
Operating activities										
Operating activities	Operating activities	\$144.1	\$(192.5)	\$(151.4)						
Investing activities	Investing activities	(53.8)	144.6	(43.4)						
Financing activities	Financing activities	108.6	8.0	309.0						
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	0.2	(0.3)	(0.6)						
Net increase (decrease) in cash and cash equivalents		\$199.1	\$ (40.2)	\$ 113.6						
Net (decrease) increase in cash and cash equivalents										

Operating Activities

In 2022, we generated net 2023, cash of \$144.1 million used in operating activities compared was \$118.3 million as opposed to \$192.5 million used in 2021. The increase in net \$144.1 million cash provided by operating activities in 2022. The difference between 2023 and 2022 was primarily due to the receipt in 2022 of \$375.0 million in upfront payments under the Jazz Collaboration Agreement, from which we had received a non-refundable \$50.0 million upfront payment following receipt of HSR Clearance and delivery of licenses and technology transfer to Jazz, and then a further payment of \$325.0 million following Jazz's decision to continue the collaboration, both Agreement. Furthermore, our cash used in 2022. This operations in 2023 was partially offset negatively impacted by higher clinical trial expenses for zanidatamab and increased drug manufacturing expenses, professional fees as well as severance and other expenses incurred working capital movements, primarily due to our Restructuring, a reduction in accounts payable and accrued liabilities, goods and services taxes payable and employee benefit accruals as of December 31, 2023 compared to 2022.

Investing Activities

Net cash used in investing activities in 2023 was primarily related to net purchases of investments in marketable securities of \$203.2 million and cash outflows of \$4.1 million for the acquisition of property and equipment in our office and laboratory spaces in Canada and software. Net cash used in investing activities in 2022 is primarily related to purchases, net of redemptions of short-term investments in marketable securities of \$40.7 million, cash outflows of \$8.1 million \$8.2 million for the acquisition of property and equipment as well as leasehold improvement expenses for our new office and lab spaces and \$5.0 million for acquisitions of intangible assets, primarily consisting of our new computer system implementation in 2022.

Financing Activities

Net cash provided by investing financing activities in 2021 was is primarily related 2023 included net proceeds of \$49.9 million from issuance of pre-funded warrants pursuant to net redemptions a private placement, \$26.2 million from our share issuance pursuant to the Sales Agreement, \$5.0 million from stock option exercises and \$0.8 million from the issuance of short-term investments shares of common stock in marketable securities of \$157.9 million partially offset by cash outflows of \$12.4 million for the acquisition of property and equipment as well as leasehold improvement expenses for relation to our new office and lab spaces.

Financing Activities

employee stock purchase plan. Net cash provided by financing activities in 2022 included \$107.5 million relating to net proceeds from our January 2022 public offering of equity securities, and \$0.3 million from stock option exercises and \$1.4 million from the issuance of common stock in relation to our employee stock purchase plan. Net cash provided by financing activities in 2021 included net proceeds of \$6.4 million from stock option exercises and \$2.1 million from the issuance of common stock in relation to our employee stock purchase plan.

Funding Requirements

We have not generated any revenue from approved product sales to date as of December 31, 2023 and do not expect to do so until such time as we obtain regulatory approval and commercialize one or more of our product candidates. As we are currently in the clinical and preclinical stages of development, it will be some time before we expect to achieve this, and it is uncertain that we ever will.

Table of Contents

We expect that we will continue to increase our operating expenses in connection with ongoing clinical trials and preclinical activities and the development of product candidates in our pipeline. In addition, inflation generally may affect us by increasing our cost of labor, outside services, manufacturing and clinical trial expenses. Our funding requirements in the short-term and long-term will consist of the operational, capital, and manufacturing expenditures, a portion of which contain contractual or other obligations including future minimum lease payments under non-cancelable operating leases as presented in note 15 and other commitments and contingencies as presented in note 17 16 to the annual consolidated financial statements. Because of the inherent risks and uncertainties associated with the development and commercialization of our drug candidates, we are unable it is difficult to estimate predict the amounts of capital outflows and operating expenditures associated with our current and anticipated clinical trials and preclinical studies.

Although it is difficult to predict our funding requirements, based on our current operating plan, we anticipate that our existing cash and cash equivalents and short-term investments combined with certain anticipated milestone payments from our existing collaborations will enable us to fund our operating expenses and capital expenditure requirements for at least the next twelve months from the date this Annual Report on Form 10-K is filed with the SEC. We have based these estimates on assumptions and plans which may change and which could impact the magnitude and/or timing of operating expenses, capital expenditures and our cash runway. These estimates include future milestone payments which are dependent upon the successful completion of specified research and development activities by us and our collaborators strategic partners and are therefore uncertain at this time. The successful development of our product candidates and the achievement of milestones by our strategic partners is uncertain, and therefore we are unable it is difficult to estimate predict the actual funds we will require to complete the research, development and commercialization of product candidates. See Item 1A, "Risk Factors - Risks Related to Our Business and the Development and Commercialization of Our Product Candidates" and "Risk Factors - Risks Related to Our Dependence on Third Parties."

We will need substantial additional funding to support our continuing operations and pursue our long-term business plans. Accordingly, our future funding requirements will depend on many factors, including but not limited to:

- the scope, rate of progress, results and costs of our clinical trials, preclinical studies and other related activities;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of such agreements as well as our ability to enter into new arrangements;
- the timing and the costs of obtaining regulatory approvals for any of our current or future drug candidates;
- the cost of commercialization activities if any of our current or future drug candidates are approved for sale, including marketing, sales and distribution costs;
- the amount of royalties and sales-based milestones, if any, received from our collaboration partners for commercial sales of drug candidates, should any of such drug candidates receive marketing approval; and
- the amount of revenue, if any, received from commercial sales of our drug candidates, should any of our drug candidates receive marketing approval.

If adequate funds are not available at favorable terms, we may be required to reduce operating expenses, delay or reduce the scope of our product development and commercial expansion programs, obtain funds through arrangements with others that may require us to relinquish rights to certain of our technologies or products that we would otherwise seek to develop or commercialize ourselves or cease operations. If we do raise additional capital through public or private equity or convertible debt offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. A deterioration in the equity or credit markets may make any necessary debt or equity financing more difficult, more costly and more dilutive.

Segment Reporting

We view our operations and manage our business in one segment, which is the development of next-generation multifunctional biotherapeutics.

Outstanding Share Data

Our authorized share capital consists of 1,000,000,000 shares of stock, consisting of 900,000,000 shares of common stock, par value \$0.00001 per share, and 100,000,000 shares of preferred stock, par value 0.00001 per share. As of **March 3, 2023** **March 4, 2024**,

Table of Contents

64,041,287 **70,568,222** shares of common stock were issued and outstanding. In addition, as of **March 3, 2023** **March 4, 2024**, we had **2,079,224** **5,086,521** shares of common stock issuable pursuant to **2,079,224** **5,086,521** pre-funded warrants, **3,961,726** **4,474,784** shares of common stock issuable pursuant to **3,961,726** **4,474,784** exercisable outstanding stock options, **4,886,666** **4,574,783** shares of common stock issuable pursuant to **4,886,666** **4,574,783** outstanding options that were not exercisable at that date, and **1,038,922** **1,464,368** shares of common stock issuable upon vesting of outstanding restricted stock units.

In connection with the Plan of Arrangement (as defined in note 1 of our annual consolidated financial statements as of and for the year ended December 31, 2023 within this Annual Report on Form 10-K), we issued to Computershare Trust Company of Canada, a trust company existing under the laws of Canada (the "Share Trustee"), one share of our preferred stock, par value \$0.00001 per share, which has certain variable voting rights in proportion to the number of Exchangeable Shares (as defined below) outstanding, (the "Special Voting Preferred Stock"), enabling the Share Trustee to exercise voting rights for the benefit of the holders of Exchangeable Shareholders.

Shares. In connection with the consummation of the Plan of Arrangement, 1,424,533 Exchangeable Shares were issued to former Zymeworks BC shareholders. We will issue shares of our common stock as consideration when a holder of Exchangeable Shares calls for Exchangeable Shares to be retracted by Zymeworks ExchangeCo Ltd ("ExchangeCo"), when ExchangeCo redeems Exchangeable Shares from the holder, or when Zymeworks CallCo ULC ("CallCo") purchases Exchangeable Shares from the holder of Exchangeable Shareholder Shares under CallCo's overriding call rights.

As of **March 3, 2023** **March 4, 2024**, **765,921** **778,110** Exchangeable Shares have been exchanged on a one-to-one basis for **765,921** **778,110** shares of our common stock and **658,612** **646,423** Exchangeable Shares are held by former Zymeworks BC shareholders and are exchangeable on a one-to-one basis, subject to adjustment, for up to **658,612** **646,423** shares of our common stock.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

As We previously qualified as a "smaller reporting company," as defined by in Rule 12b-2 of under the Exchange Act, and have been permitted to rely, and have relied, on the reduced disclosure requirements available to smaller reporting companies, including not being required to provide information required by this item pursuant to Item 305 of Regulation S-K we are not required S-K. Our ability to provide quantitative and qualitative disclosures about market risk, rely on the reduced disclosure requirements available to smaller reporting companies will cease after the filing of our Annual Report on Form 10-K for the year ended December 31, 2023.

Table of Contents

Item 8. Financial Statements and Supplementary Data

Zymeworks Inc.

Index to Consolidated Financial Statements

Year ended **December 31, 2022** **December 31, 2023**

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID 85)	100 105
Consolidated Balance Sheets as at December 31, 2022 3 and 2020 21 2	102 108
Consolidated Statements of Income (Loss)(Loss) and Comprehensive Income (Loss)(Loss) for the years ended December 31, 2022 3, 2021 2 and 2020 20 21	103 109
Consolidated Statements of Changes in Stockholders' Stockholders' Equity for the years ended December 31, 2022 3, 2021 2 and 2020 20 21	104 110
Consolidated Statements of Cash Flows for the years ended December 31, 2022 3, 2021 2 and 2020 20 21	105 111
Notes to the Consolidated Financial Statements	106 112

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Zymeworks Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Zymeworks Inc. (the Company) as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated statements of **(loss) income (loss), and comprehensive (loss) income, (loss)**, changes in stockholders' equity, and cash flows for each of the years in the **three-year three-year** period ended **December 31, 2022** **December 31, 2023**, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the results of its operations and its cash flows for each of the years in the **three-year three-year** period ended **December 31, 2022** **December 31, 2023**, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 6, 2024 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the **Public Company Accounting Oversight Board (United States) (PCAOB) PCAOB** and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. **The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.**

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of **a** critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing **a** separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Table of Contents

Evaluation of **distinct performance obligations the contract modification** related to the **license and amended** collaboration agreement with Jazz Pharmaceuticals Ireland Limited

("Jazz")

As discussed in Note 12 to the consolidated financial statements, the Company **entered into a** and Jazz **amended the** license and collaboration agreement **with (amended collaboration agreement)**. As part of the amended collaboration agreement, the Company agreed to provide a credit note to Jazz Pharmaceuticals Ireland Limited ("Jazz"). **The Company of \$20,100 thousand, which has been** recognized **upfront consideration of \$375.0 million related as a reduction** to the license of intellectual property and **\$24.3 million related to performance of ongoing clinical research activities during revenue** for the year ended **December 31, 2022** **December 31, 2023**. As discussed in Note 2 to the consolidated financial statements, the accounting for the Company's **modification to existing** contracts with customers arising from licensing and collaboration arrangements requires the Company to apply significant judgment when evaluating whether **contractual obligations represent the modification to financial terms is related to** distinct performance obligations including understanding **remaining in the** nature and significance of the contractual obligations and their standalone selling prices, **amended collaboration agreement**.

We identified the evaluation of distinct performance obligations, including understanding the nature and significance of the contractual obligations and their standalone selling prices, contract modification related to the license and amended collaboration agreement with Jazz as a critical audit matter. Subjective and complex auditor judgment was required to assess the Company's determination evaluation of distinct performance obligations, the contract modification, including evaluating determining the rights and obligations described in the amended collaboration agreement their benefit to and whether the customer, and the level of interdependence between the promised remaining goods and services in are distinct from the agreement. Complex auditor judgment was also required in determining goods and services transferred before the significance of the contractual obligations to assess if these were immaterial performance obligations.

modification.

The following are the primary procedures we performed to address this critical audit matter included the following, matter. We evaluated the design and tested the operating effectiveness of an internal control over the Company's revenue recognition process. This included a control over the Company's accounting analysis of amendments to licensing and collaboration agreements, and the evaluation of distinct performance obligations, agreements. We read the license and amended collaboration agreement with Jazz to gain an understanding of the contractual terms and conditions and the commitments being made in the agreement. We conducted interviews with the Company's business development personnel to understand the specific functionalities of the license and to evaluate the nature of the commitments made to the customer. We evaluated management's accounting analysis and assessed the reasonableness of management's judgments, including assumptions relating to the level of interdependence between the promised goods and assumptions services in the determination of distinct performance obligations original and the significance of the contractual obligations by comparing them to underlying documentation. We assessed the stand-alone selling price of a selection of certain of the performance obligations used by the Company by comparing them to the Company's past pricing policies and practices.

amended collaboration agreements.

/s/ KPMG LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2015.

Vancouver, Canada

March 7, 2023 6, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

Zymeworks Inc.:

Opinion on Internal Control Over Financial Reporting

Table We have audited Zymeworks Inc.'s (the Company) internal control over financial reporting as of Contents December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of (loss) income and comprehensive (loss) income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements), and our report dated March 6, 2024 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control

based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

March 6, 2024

ZYMEWORKS INC.
Consolidated Balance Sheets
(Expressed in thousands of U.S. dollars except share data)

		December 31,	
		2022	2021
		December 31,	December 31,
		2023	2022
Assets	Assets		
Current assets:	Current assets:		
Current assets:			
Current assets:			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	\$400,912	\$201,867
Short-term investments (note 5)	Short-term investments (note 5)	91,320	50,741
Accounts receivable	Accounts receivable	33,400	15,614
Prepaid expenses and other current assets	Prepaid expenses and other current assets	19,074	19,998
Total current assets	Total current assets	544,706	288,220
Deferred financing fees	Deferred financing fees	10	1,214
Long-term investments (note 5)	Long-term investments (note 5)	886	886
Long-term prepaid assets	Long-term prepaid assets	15,729	12,490

Deferred tax asset (note 14)	Deferred tax asset (note 14)	1,345	3,070
Property and equipment, net (note 7)	Property and equipment, net (note 7)	24,713	22,783
Operating lease right-of-use assets (note 15)	Operating lease right-of-use assets (note 15)	22,937	26,987
Intangible assets, net (note 8)	Intangible assets, net (note 8)	8,755	3,838
Acquired in-process research and development (note 6)	Acquired in- process research and development (note 6)	17,628	17,628
Goodwill (note 6)	Goodwill (note 6)	12,016	12,016
Total assets	Total assets	\$648,725	\$389,132
Liabilities and stockholders' equity	Liabilities and stockholders' equity		
Current liabilities:	Current liabilities:		
Current liabilities:			
Accounts payable and accrued liabilities (note 9)			
Accounts payable and accrued liabilities (note 9)			
Accounts payable and accrued liabilities (note 9)	Accounts payable and accrued liabilities (note 9)	\$ 87,468	\$ 62,789
Income tax payable (note 14)	Income tax payable (note 14)	840	—
Fair value of liability-classified stock options	Fair value of liability- classified stock options	1,642	7,754
Current portion of operating lease liability (note 15)	Current portion of operating lease liability (note 15)	3,322	1,310
Deferred revenue (note 12)		2,353	—
Deferred revenue and other consideration (note 12)			
Total current liabilities	Total current liabilities	95,625	71,853
Long-term portion of operating lease liability (note 15)	Long-term portion of operating lease liability (note 15)	24,667	30,923
Deferred revenue (note 12)	Deferred revenue (note 12)	30,588	32,941
Other long-term liabilities (note 9)	Other long-term liabilities (note 9)	3,101	2,748

Deferred tax liability (note 14)	Deferred tax liability (note 14)	1,788	1,573
Total liabilities	Total liabilities	155,769	140,038
Stockholders' equity:	Stockholders' equity:		
Common shares, \$0.00001 par value; 900,000,000 authorized shares of common stock at December 31, 2022 (no par value, unlimited shares at December 31, 2021; 63,059,501 and 46,633,935 shares issued and outstanding at December 31, 2022 and 2021, respectively (note 10b).		886,322	741,147
Preferred shares, \$0.00001 par value; 100,000,000 authorized shares of preferred stock, out of which, one share of preferred stock is a share of Special Voting Preferred Stock and outstanding as of December 31, 2022 (December 31, 2021: nil) (note 10b).		—	—
Exchangeable shares, no par value, 1,424,533 issued and outstanding shares at December 31, 2022 (December 31, 2021: nil) (note 10b).		20,442	—
Common shares, \$0.00001 par value; 900,000,000 authorized shares of common stock at December 31, 2023 and December 31, 2022 (70,115,997 and 63,059,501 shares issued and outstanding at December 31, 2023 and 2022, respectively (note 10b).			
Common shares, \$0.00001 par value; 900,000,000 authorized shares of common stock at December 31, 2023 and December 31, 2022 (70,115,997 and 63,059,501 shares issued and outstanding at December 31, 2023 and 2022, respectively (note 10b).			
Common shares, \$0.00001 par value; 900,000,000 authorized shares of common stock at December 31, 2023 and December 31, 2022 (70,115,997 and 63,059,501 shares issued and outstanding at December 31, 2023 and 2022, respectively (note 10b).			

Preferred shares, \$0.00001 par value; 100,000,000 authorized shares of preferred stock, out of which, one share of preferred stock is a share of Special Voting Preferred Stock and outstanding as of December 31, 2023 and December 31, 2022 (note 10b).			
Exchangeable shares, no par value, 651,219 issued and outstanding shares at December 31, 2023 (December 31, 2022: 1,424,533) (note 10b).			
Additional paid-in capital	Additional paid-in capital	151,614	197,710
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(6,659)	(6,659)
Accumulated deficit	Accumulated deficit	(558,763)	(683,104)
Total stockholders' equity	Total stockholders' equity	492,956	249,094
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$648,725	\$389,132
Research collaboration and licensing agreements (note 12)	Research collaboration and licensing agreements (note 12)		
Commitments and contingencies (note 17)			
Commitments and contingencies (note 16)			
Commitments and contingencies (note 16)			
Commitments and contingencies (note 16)			

The accompanying notes are an integral part of these financial statements

102 108

[Table of Contents](#)
ZYMEWORKS INC.

Consolidated Statements of **(Loss)** Income **(Loss)** and Comprehensive **(Loss)** Income **(Loss)**
(Expressed in thousands of U.S. dollars except share and per share data)

		Year Ended December 31,					
		2022	2021	2020			
		Year Ended December 31,			Year Ended December 31,		
		2023	2023	2022	2023	2022	2021
Revenue:	Revenue:						
Research and development collaborations (note 12)	Research and development collaborations (note 12)						
Research and development collaborations (note 12)	Research and development collaborations (note 12)						
Research and development collaborations (note 12)	Research and development collaborations (note 12)	\$ 412,482	\$ 26,680	\$ 38,951			
Operating expenses:	Operating expenses:						
Research and development	Research and development	208,596	199,752	171,203			
Research and development	Research and development						
General and administrative	General and administrative	73,358	42,561	55,216			
Total operating expenses	Total operating expenses	281,954	242,313	226,419			
Income (loss) from operations		130,528	(215,633)	(187,468)			
Other income (expense):							
(Loss) income from operations							
Other income:							
Interest income	Interest income	3,596	1,965	5,697			
Other income, net (note 13)		1,110	1,309	1,648			
Interest income	Interest income						
Other (expense) income, net (note 13)							
Total other income, net	Total other income, net	4,706	3,274	7,345			
Income (loss) before income taxes		135,234	(212,359)	(180,123)			
(Loss) income before income taxes							

Income tax recovery (expense), net (note 14)	Income tax recovery (expense), net (note 14)	(10,893)	516	(429)					
Net income (loss) and comprehensive income (loss)		\$ 124,341	\$(211,843)	\$(180,552)					
Net (loss) income									
Other comprehensive income:									
Unrealized income on available for sale securities, net of tax of nil (note 5)									
Unrealized income on available for sale securities, net of tax of nil (note 5)									
Unrealized income on available for sale securities, net of tax of nil (note 5)									
Total other comprehensive income									
Comprehensive (loss) income									
Net income (loss) per common share (note 4):									
Net (loss) income per common share (note 4):									
Net (loss) income per common share (note 4):									
Net (loss) income per common share (note 4):									
Basic									
Basic									
Basic	Basic	\$ 1.91	\$ (4.11)	\$ (3.58)					
Diluted	Diluted	\$ 1.90	\$ (4.61)	\$ (3.58)					
Weighted-average common stock outstanding (note 4):									
Weighted-average common stock outstanding (note 4):									
Weighted-average common stock outstanding (note 4):									
Basic									
Basic									
Basic	Basic	65,194,775	51,553,869	50,382,497	68,863,010	65,194,775		51,553,869	
Diluted	Diluted	65,249,184	52,131,596	50,382,497	Diluted 68,863,010	65,249,184		52,131,596	

The accompanying notes are an integral part of these financial statements

103 109

[Table of Contents](#)

ZYMEWORKS INC.

Consolidated Statements of Changes in Stockholders' Equity (Note 1)

	Exchangeable						Accumulated			Total
	Preferred stock		shares		Common stock		Accumulated	other comprehensive	Additional	
	Shares	Amount	Shares	Amount	Shares	Amount	deficit	loss	paid-in capital	stockholders' equity
Balance at December 31, 2019	—	\$ —	—	\$ —	39,564,529	\$450,210	\$ (290,709)	\$ (6,659)	\$ 92,839	\$ 245,681

(note 10e)	(note 10e)											
Stock-based compensation	Stock-based compensation	—	—	—	—	—	—	—	—	—	38,275	38,275
Net loss	Net loss	—	—	—	—	—	—	(211,843)	—	—	—	(211,843)
Balance at December 31, 2021	Balance at December 31, 2021	—	\$ —	—	\$ —	—	46,633,935	\$ 741,147	\$ (683,104)	\$ (6,659)	\$ 197,710	\$ 249,094
Issuance of common stock on exercise of stock options (note 10e)												
Issuance of common stock through employee stock purchase plan (note 10f)												
Issuance of common stock upon vesting of RSUs (note 10e)												
Issuance of common stock upon exercise of pre-funded warrants (note 10c)												
The Redomicile Transactions (note 1, note 10b)												
Issuance of common stock and pre-funded warrants in connection with public offering, net of offering costs (note 10a and 10c)												
Stock-based compensation												
Net income												
Balance at December 31, 2022												

Issuance of common stock on exercise of stock options (note 10e)	Issuance of common stock on exercise of stock options (note 10e)	—	—	—	—	39,220	359	—	—	(79)	280
Issuance of common stock through employee share purchase plan (note 10f)	Issuance of common stock through employee share purchase plan (note 10f)	—	—	—	—	179,238	2,191	—	—	—	2,191
Issuance of common stock upon vesting of RSUs (note 10e)	Issuance of common stock upon vesting of RSUs (note 10e)	—	—	—	—	93,966	2,350	—	—	(2,350)	—
Issuance of common stock upon exercise of pre-funded warrants (note 10c)	Issuance of common stock upon exercise of pre-funded warrants (note 10c)	—	—	—	—	6,502,675	78,168	—	—	(78,168)	—
The Redomicile Transactions (note 1, note 10b)		1	—	1,424,533	20,442	(1,424,533)	(20,442)	—	—	—	—
Issuance of common stock for retracted exchangeable shares											
Issuance of common stock in connection with At-The-Market ("ATM") sale (note 10a)											
Private placement (note 10a)											
Stock-based compensation	Stock-based compensation	—	—	—	—	—	—	—	—	9,516	9,516
Issuance of common stock and pre-funded warrants in connection with public offering, net of offering costs (note 10a and 10c)		—	—	—	—	11,035,000	82,549	—	—	24,985	107,534
Net income		—	—	—	—	—	—	124,341	—	—	124,341
Balance at December 31, 2022		1	\$ —	1,424,533	\$20,442	63,059,501	\$886,322	\$ (558,763)	\$ (6,659)	\$ 151,614	\$ 492,956
Net loss											
Other comprehensive income											
Balance at December 31, 2023											

[Table of Contents](#)

ZYMEWORKS INC.

Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

		Year Ended December 31,		
		2022	2021	2020
		Year Ended December 31,		
		2023	2022	2021
Cash flows from operating activities:	Cash flows from operating activities:			
Net income (loss)		\$124,341	\$(211,843)	\$(180,552)
Net (loss) income				
Net (loss) income				
Net (loss) income				
Items not involving cash:	Items not involving cash:			
Depreciation of property and equipment (note 7)				
Depreciation of property and equipment (note 7)				
Depreciation of property and equipment (note 7)	Depreciation of property and equipment (note 7)	6,220	3,739	3,355
Amortization of intangible assets (note 8)	Amortization of intangible assets (note 8)	1,015	2,793	4,160
Stock-based compensation (note 10e)	Stock-based compensation (note 10e)	4,015	10,756	29,116
Amortization and impairment of operating lease right-of-use assets	Amortization and impairment of operating lease right-of-use assets	4,769	3,051	2,764
Deferred income tax expense (recovery)		1,940	(953)	266
Non-cash consideration from licensing agreement		—	—	(218)
Change in fair value of contingent consideration liability (note 17)		(250)	213	307
Deferred income tax expense (recovery) expense (note 14)				

Change in fair value of contingent consideration liability (note 16)				
Change in fair value of investments in equity instruments	Change in fair value of investments in equity instruments	—	(167)	—
Unrealized foreign exchange gain	Unrealized foreign exchange gain	(1,956)	(433)	(453)
Changes in non-cash operating working capital:	Changes in non-cash operating working capital:			
Accounts receivable	Accounts receivable	(17,509)	(266)	(13,107)
Accounts receivable				
Accounts receivable				
Prepaid expenses and other current assets	Prepaid expenses and other current assets	(2,059)	(15,792)	(3,519)
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	26,479	16,477	7,618
Operating lease liabilities	Operating lease liabilities	(3,736)	(26)	(1,140)
Deferred revenue and other consideration				
Income taxes payable	Income taxes payable	840	—	—
Net cash provided by / (used in) operating activities		\$144,109	\$(192,451)	\$(151,403)
Net cash (used in) / provided by operating activities				
Cash flows from financing activities:				
Proceeds from public offerings, net of issuance costs (note 10a)		107,534	—	300,910
Proceeds from issuance of common stock under at-the-market program and from public offerings, net of issuance costs (notes 10a)				
Proceeds from issuance of common stock under at-the-market program and from public offerings, net of issuance costs (notes 10a)				
Proceeds from issuance of common stock under at-the-market program and from public offerings, net of issuance costs (notes 10a)				
Private placement (note 10a)				

Issuance of common stock on exercise of stock options (note 10e)	Issuance of common stock on exercise of stock options (note 10e)	255	6,428	7,111
Issuance of common stock through employee stock purchase plan (note 10f)	Issuance of common stock through employee stock purchase plan (note 10f)	1,403	2,070	1,111
Deferred financing fees	Deferred financing fees	(596)	(470)	(113)
Finance lease payments	Finance lease payments	(14)	(17)	(41)
Net cash provided by financing activities	Net cash provided by financing activities	\$108,582	\$ 8,011	\$ 308,978
Cash flows from investing activities:	Cash flows from investing activities:			
Net redemptions (purchases) of short-term investments	Net redemptions (purchases) of short-term investments	(40,724)	157,881	13,325
Purchases of long-term investments	Purchases of long-term investments	—	—	(50,500)
Purchases of marketable securities	Purchases of marketable securities			
Purchases of marketable securities	Purchases of marketable securities			
Purchases of marketable securities	Purchases of marketable securities			
Proceeds from marketable securities	Proceeds from marketable securities			
Acquisition of property and equipment	Acquisition of property and equipment	(8,150)	(12,404)	(4,310)
Acquisition of intangible assets	Acquisition of intangible assets	(4,975)	(881)	(1,955)
Net cash (used in) / provided by investing activities	Net cash (used in) / provided by investing activities	\$ (53,849)	\$ 144,596	\$ (43,440)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	203	(325)	(550)
Net change in cash and cash equivalents	Net change in cash and cash equivalents	199,045	(40,169)	113,585
Cash and cash equivalents, beginning of year	Cash and cash equivalents, beginning of year	201,867	242,036	128,451
Cash and cash equivalents, end of year	Cash and cash equivalents, end of year	\$400,912	\$ 201,867	\$ 242,036
<i>Supplemental disclosure of non-cash investing and finance items:</i>	<i>Supplemental disclosure of non-cash investing and finance items:</i>			
Leased assets obtained in exchange for operating lease liabilities	Leased assets obtained in exchange for operating lease liabilities	\$ 72	\$ 24,609	\$ 2,407
Leased assets obtained in exchange for operating lease liabilities	Leased assets obtained in exchange for operating lease liabilities			
Leased assets obtained in exchange for operating lease liabilities	Leased assets obtained in exchange for operating lease liabilities			

Acquisition of property and equipment and intangible assets in accounts payable and accrued liabilities	Acquisition of property and equipment and intangible assets in accounts payable and accrued liabilities	957	1,933	130

The accompanying notes are an integral part of these financial statements

105 111

Table of Contents

ZYMEWORKS INC.

Notes to the Consolidated Financial Statements

(Expressed in thousands of U.S. dollars except share and per share data)

1. Nature of Operations

Zymeworks Inc. (the together with its subsidiaries (collectively the "Company" or "Zymeworks") is a clinical-stage biopharmaceutical company dedicated to the development of next-generation multifunctional biotherapeutics. Zymeworks BC Inc. ("Zymeworks BC") (previously known as "Zymeworks "Zymeworks Inc."") was incorporated on September 8, 2003 under the laws of the Canada Business Corporations Act. On October 22, 2003, the Company was registered as an extra-provincial company under the Company Act (British Columbia). On May 2, 2017, the Company continued under the Business Corporations Act (British Columbia).

Since its inception, the Company has devoted substantially all of its resources to research and development activities, including developing its therapeutic platforms and identifying and developing potential product candidates by undertaking preclinical studies and clinical trials. The Company supports these activities through general and administrative support, as well as by raising capital, conducting business planning and protecting its intellectual property.

On July 15, 2022, the Company announced its intention to become a Delaware corporation, subject to receipt of necessary shareholder, stock exchange, and court approvals (the "Redomicile Transactions"). The Redomicile Transactions were completed on October 13, 2022. On October 13, 2022, the Company changed its name completed an internal reorganization transaction resulting in a Delaware incorporated entity becoming the listed company (the "Redomicile Transactions"). Prior to the Redomicile Transactions, the shares of Zymeworks BC Inc. (formerly known as Zymeworks Inc.) were publicly listed. Unless the context otherwise requires or otherwise expressly states, all references in the accompanying consolidated financial statements to "Zymeworks," the "Company," "we," "us" and "our" (i) for periods until completion of the Redomicile Transactions, refer to Zymeworks BC Inc. and its subsidiaries and (ii) for periods after completion of the Redomicile Transactions, refer to Zymeworks Inc. (formerly known as Zymeworks Delaware Inc.) and its subsidiaries.

To effect the Redomicile Transactions, the Company conducted a share exchange, pursuant to which holders of the Company's common shares exchanged their common shares in the Company for shares of common stock of Zymeworks Inc. (formerly known as Zymeworks Delaware Inc.) or, at their election with respect to all or a portion of their common shares in the Company and subject to applicable eligibility criteria and an overall cap, exchangeable shares (the "Exchangeable Shares") in the capital of a newly formed indirect subsidiary of Zymeworks Inc. A special meeting of Company security holders was held on October 7, 2022 to approve the Redomicile Transactions. The Redomicile Transactions were governed by a transaction agreement dated July 14, 2022, as restated and amended on August 18, 2022 (the "Restated and Amended Transaction Agreement"), by and among the Company and its direct or indirect subsidiaries Zymeworks Inc., Zymeworks CallCo ULC ("CallCo") and Zymeworks ExchangeCo Ltd., ("ExchangeCo") including a plan of arrangement included as Exhibit A to the Restated and Amended Transaction Agreement (the "Plan of Arrangement").

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of Zymeworks Inc. and its wholly owned subsidiaries, Zymeworks BC Inc., Zymeworks Biopharmaceuticals Inc., Zymeworks Pharmaceuticals Limited (Ireland), Zymeworks Lifesciences Pte. Ltd. (Singapore), Zymeworks CallCo ULC, Zymeworks ExchangeCo Ltd., Zymeworks Management Inc. (including this entity's branch in the United Kingdom) and Zymeworks Zanidatamab Inc. (refer to note 12). All inter-company accounts and transactions have been eliminated on consolidation.

All amounts expressed in the consolidated financial statements of the Company and the accompanying notes thereto are expressed in thousands of U.S. dollars, except for share and per share data and where otherwise indicated. References to "\$" are to U.S. dollars and references to "C\$" are to Canadian dollars. Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

Foreign Currency

The functional currency of the Company is the U.S. dollar. Transactions denominated in foreign currencies are translated at the approximate exchange rate prevailing on the date of the transaction. At period end, monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates in effect at the balance sheet date. Resulting foreign exchange gains and losses are reflected in the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

[Table of Contents](#)

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires the Company to make estimates and judgments in certain circumstances that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, the Company evaluates its estimates, most notably those related to revenue recognition including estimated timing of completion of performance obligations required to meet revenue recognition criteria, accrual of expenses including clinical and preclinical study expense accruals, stock-based compensation, valuation allowance for deferred taxes, **benefits under the Scientific Research and Experimental Development ("SR&ED") program**, **measurement of contingent consideration liabilities**, and other contingencies. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances. Actual results could differ from these estimates.

Revenue Recognition

Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 606") applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements and financial instruments. In accordance with ASC 606, the Company recognizes revenue when the Company's customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

The Company applied ASC 606 to all revenue arrangements to date. For collaborative arrangements that fall within the scope of ASC 808, *Collaborative Arrangements* ("ASC 808"), the Company applies the revenue recognition model under ASC 606 to part or all of the arrangements, when deemed appropriate.

In accordance with ASC 606, the Company recognizes revenue when the Company's customer obtains control of promised goods or services, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements, the Company performs the following steps: (i) identification of the promised deliverables in the contract; (ii) determination of whether the promised deliverables are performance obligations including whether they are distinct; (iii) measurement of the transaction price, including uncertainties related to variable consideration; (iv) allocation of the transaction price to the performance obligations based on the stand-alone selling prices; and (v) recognition of revenue when or as the Company satisfies each performance obligation.

The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration that it is entitled to in exchange for the goods and services transferred to the customer. At contract inception, the Company assesses the goods or services promised within each contract that falls under the scope of Topic 606, to identify distinct performance obligations. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when or as the performance obligation is satisfied.

The Company has entered into a number of collaboration and licensing agreements. Promised deliverables within these agreements may include: (i) grants of licenses, or options to obtain licenses, to the Company's intellectual property, (ii) research and development services, (iii) drug product manufacturing, and (iv) participation on joint research and/or development committees. The terms of these agreements typically include one or more of the following types of payments to the Company:

- non-refundable, upfront license and platform technology access fees;
- research, development and regulatory milestone payments;
- research support, development and other payments; and
- royalties and commercial milestone payments.

If the expectation at contract inception is such that the period between payment by the licensee and the completion of related performance obligations will be one year or less, the Company assumes that the contract does not have a significant financing component.

When applying the revenue recognition criteria of ASC 606 to license and collaboration agreements, the Company may be required to apply significant judgment when evaluating whether contractual obligations represent distinct performance obligations including understanding the nature and significance of the contractual obligations and their standalone selling prices, determining when performance obligations have been met, assessing the recognition and future reversal of variable consideration, and determining and applying appropriate methods of measuring progress for performance obligations satisfied

[Table of Contents](#)

over time. **The accounting for the modification to existing contracts with customers arising from licensing and collaboration arrangements requires management to apply significant judgment when evaluating whether the modification to financial terms is related to distinct performance obligations remaining in the amended collaboration agreement.** These judgments are discussed in more detail in the following paragraphs for each type of payment received by the Company under the terms of the license and collaborations agreements.

Non-refundable, upfront license and platform technology access fees

If the license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes revenue from non-refundable, upfront fees allocated to the license when the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses that are not distinct from other promises, the Company uses judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, upfront fees. The Company evaluates the measure of progress each reporting period and, if necessary, adjusts the related revenue recognition accordingly.

Research, development and regulatory milestone payments

At the inception of each arrangement that includes research, development or regulatory milestone payments, the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. When it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of the Company or the licensee, such as regulatory approvals, are not considered probable of being achieved until those approvals are received. The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which the Company recognizes revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, the Company re-evaluates the probability of achievement of such development milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect license, collaboration and other revenues and earnings in the period of adjustment. The probability of successfully achieving the criteria for the milestone payments is highly uncertain. Consequently, there is a significant risk that the Company may not earn all of the milestone payments from each of its strategic partners.

Research and development milestones in the Company's collaboration agreements may include some, but not necessarily all, of the following types of events:

- completion of preclinical research and development work leading to selection of product candidates;
- initiation of Phase 1, Phase 2 and Phase 3 clinical trials; and
- achievement of certain other technical, scientific or development criteria.

Regulatory milestone payments may include the following types of events:

- filing of regulatory applications for marketing approval in the United States, Europe or Japan, including Investigational New Drug ("IND") applications and Biologics License Application ("BLA"); and
- marketing approval in major markets, such as the United States, Europe or Japan.

Research support, development and other payments

Payments by the licensees in exchange for research and development activities performed by the Company on behalf of the licensee are recognized as revenue upon performance of such activities at rates consistent with prevailing market rates. Payments for research and development supplies provided are recognized as revenue upon delivery of the supplies.

Supply of clinical trial drugs and comparator drugs

Amounts receivable by the Company for the provision of drugs to licensee or to clinical trials on behalf of licensee are recognized in revenue at a point in time when title to drugs has transferred to the licensee, which generally occurs upon shipment.

Royalties and commercial milestone payments

For arrangements that include sales-based royalties, including commercial milestone payments based on pre-specified level of sales, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). Achievement of these royalties and commercial milestones may solely depend upon performance of the licensee.

[Table of Contents](#)

Contract assets and liabilities

Contract assets are mainly comprised of trade receivables net of expected credit losses, which includes amounts billed and currently due from customers.

Contract liabilities are mainly comprised of deferred revenues. Amounts received prior to satisfying all revenue recognition criteria are recorded as deferred revenue in the Company's consolidated financial statements. Amounts not expected to be recognized as revenue within the next twelve months of the consolidated balance sheet date are classified as long-term deferred revenue.

Cash Modifications of contracts with customers

The Company accounts for a modification to a contract with a customer as a separate contract if both the scope of the contract increases because of the addition of promised goods or services that are distinct, and the price of the contract increases by an amount of consideration that reflects the Company's stand-alone selling price of the additional promised goods or services. A modification that does not meet this criteria is accounted for as an adjustment to the existing contract, either prospectively or through a cumulative catch-up adjustment. The Company accounts for a contract modification prospectively if the remaining goods or services are distinct from the goods or services transferred before the modification, but the consideration for those goods or services does not reflect their stand-alone selling prices. Any changes in the transaction price that arise as a result of a contract modification that are not allocated to remaining goods or services are recognized as a cumulative catch-up adjustment.

Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of 90 days or less at the date of acquisition to be cash equivalents. Cash equivalents include guaranteed investment certificates ("GICs") acquired from financial institutions and money market funds which are recorded at cost plus accrued interest.

Investments

Marketable Securities

The Company's short-term and long-term Company's investments include guaranteed high credit quality investment certificates grade debt securities which comprise investments in U.S. Treasury notes and term deposits corporate debt securities. The Company classifies all of its investment grade debt securities as available-for-sale (note 5). Marketable securities also include GICs with original maturities exceeding three months, of greater than 90 days. These investments are recorded at cost plus accrued interest, which approximates their fair value.

The Company also holds a limited number of equity securities in private entities which are accounted for as available for sale financial instruments with changes in Unrealized fair value gains and losses for investments classified as available-for-sale are recorded through other comprehensive income (loss) in stockholders' equity. When the fair value of an available-for-sale security falls below the amortized cost basis it is evaluated to determine if any of the decline in value is attributable to credit loss. Decreases in fair value attributable to credit loss are recorded directly to the consolidated statement of (loss) income with a corresponding allowance for credit losses, limited to the amount that the fair value is below the amortized cost basis. If the credit quality subsequently improves the allowance is reversed up to a maximum of the previously recorded credit losses. When the Company intends to sell an impaired available-for-sale security, or if it is more likely than not that the Company will be required to sell the security prior to recovering the amortized cost basis, the entire fair value adjustment will immediately be recognized in the consolidated statement of (loss) income with no corresponding allowance for credit losses. Realized gains and losses and credit losses, if any, on available-for-sale securities are included in interest income (expense), based on the specific identification method. Available-for-sale securities are also adjusted for amortization of premiums and accretion of discounts to maturity, with such amortization and accretion included within interest income.

Marketable securities with remaining maturities of less than one year from the balance sheet date are classified as short-term investments and greater than one year from the balance sheet date are classified as long-term investments.

Equity Securities

The Company's long-term investments include equity securities acquired for strategic purposes or in connection with licensing and collaboration agreements. As the Company's investments in equity securities do not have readily determinable fair value, they are carried at cost, subject to less any impairment, including any adjustments resulting from observable price changes (note 5).

Accounts Receivable and Expected Credit Losses

Accounts receivable are recorded at invoiced amounts, net of any allowance for doubtful accounts, expected credit losses. The allowance for doubtful accounts expected credit losses is the Company's best estimate of the amount of probable credit losses in existing accounts receivable.

The Company evaluates the collectability of accounts receivable on a regular basis based upon various factors including the financial condition and payment history of customers, an overall review of collections experience on other accounts and economic factors or events expected to affect future collections experience. Expected credit losses on our accounts receivable were immaterial as at December 31, 2022 December 31, 2023 and 2021, 2022.

Financial Instruments

The Company evaluates financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level of classification each reporting period. This determination requires the Company to make subjective judgments as to the significance of inputs used in determining fair value and where such inputs lie within the fair value hierarchy.

Fair Value Measurements

The Company measures certain financial instruments and other items at fair value.

To determine fair value, the Company uses a fair value hierarchy that prioritizes the inputs, assumptions and valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are unadjusted quoted market prices for identical instruments available in active markets.
- Level 2 inputs are inputs other than Level 1 prices, such as prices for a similar asset or liability that are observable either directly or indirectly. If the asset or liability has a contractual term, the input must be observable for substantially the full term. An example includes quoted market prices for similar assets or liabilities in active markets.
- Level 3 inputs are unobservable inputs for the asset or liability and will reflect management's assessment about market assumptions that would be used to price the asset or liability.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The Company's financial instruments consist of cash and cash equivalents, short-term and long-term investments in marketable and other securities, accounts receivable, accounts payable and accrued liabilities, contingent consideration, finance and operating lease obligations, and other long-term liabilities.

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the near-term maturities of these financial instruments. All marketable securities are classified as available-for-sale and are recorded at fair value. As at December 31, 2023, long-term investments in equity securities of private entities are accounted for as available for sale at their fair values. Other long-term liabilities for contingent consideration related to business acquisitions are recorded at fair value on the acquisition date and are adjusted quarterly for changes in fair value. Changes in the fair value of contingent consideration liabilities can result from changes in anticipated milestone payments and changes in assumed discount periods and rates. These inputs are unobservable in the market and therefore categorized as level 3 inputs as defined above.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, short-term investments, long-term investments and accounts receivable. Cash and cash equivalents and investments in marketable securities are invested in accordance with the Company's cash investment policy with the primary objective being the preservation of capital and maintenance of liquidity. The cash investment policy includes guidelines on the quality of financial instruments and defines allowable investments that the Company believes minimizes the exposure to concentration of credit risk. The Company limits its exposure to credit loss by placing its cash and cash equivalents and investments with high credit quality financial institutions.

At December 31, 2023, the maximum exposure to credit risk for accounts receivable was \$19,477, 85% of which was from Jazz Pharmaceuticals Ireland Limited or Jazz Pharmaceuticals, Inc. (subsidiaries of Jazz Pharmaceuticals plc, collectively referred to as "Jazz") (December 31, 2022: \$33,400 73% of which was from Jazz Pharmaceuticals Ireland Limited) and all accounts receivable are due within the next 12 months. As at December 31, 2023 and December 31, 2022, the Company has recognized nominal amounts of provision for expected credit losses in relation to accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's short-term cash requirements are primarily to settle its financial liabilities, which consist primarily of accounts payable and accrued liabilities falling due within 45 days and current portion of lease obligations falling due within the next 12 months, with medium term requirements to invest in property and equipment and research and development. The Company's principal sources of liquidity to settle its financial liabilities are cash, cash equivalents, short-term and long-term investments, collection of accounts receivable relating to research collaboration and license agreements and additional public equity offerings as required. The Company believes that these principal sources of liquidity are sufficient to fund its operations for at least the next 12 months.

Foreign Currency Risk

The Company incurs certain operating expenses in currencies other than the U.S. dollar and accordingly is subject to foreign exchange risk due to fluctuations in exchange rates. The Company does not use derivative instruments to hedge exposure to foreign exchange risk and therefore assumes the risk of future gains or losses in its consolidated statements of (loss) income. At December 31, 2023, the Company's net monetary assets denominated in Canadian dollars were \$1,392 (C\$1,844).

The operating results and financial position of the Company are reported in U.S. dollars in the Company's consolidated financial statements. The fluctuation of the U.S. dollar relative to the Canadian dollar and other foreign currencies will have an impact on the reported balances for net assets, net loss and stockholders' equity in the Company's consolidated financial statements.

Deferred Financing Fees

Deferred financing fees consist of amounts charged by underwriters, attorneys, accountants and printers that are directly attributable to future financing transactions that are probable to occur. These costs are deferred and subsequently charged against the gross proceeds of the related financing transaction upon closing of such transaction.

Segment Information

The Company operates and manages its business in one segment, which is the discovery, development and commercialization of next-generation multifunctional biotherapeutics. Operating segments are defined as components of an enterprise about which separate discrete information is available for the chief operating decision maker, or decision making group, in deciding how to allocate resources and assessing performance.

Property and Equipment

Property and equipment are recorded at cost net of accumulated depreciation. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in earnings. Repairs and maintenance costs are expensed as incurred.

Table of Contents

The Company records depreciation using the straight-line method over the estimated useful lives of the property and equipment as follows:

Asset Class	Rate
Computer hardware	3 years
Office equipment	3 years
Furniture and fixtures	5 years
Laboratory equipment	7 years
Leasehold improvements	Shorter of the initial lease term or useful life

Property and equipment acquired or disposed of during the year are depreciated proportionately for the period they are in use.

Leases

The Company accounts for leases in accordance with ASC 842 "Leases" ("Leases" ("ASC 842" 842"). The Company determines if an arrangement contains a lease at inception. Right-of-use ("ROU" ("ROU")) assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from that lease. For leases with a term greater than 12 months, ROU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The lease term includes the option to extend the lease when it is reasonably certain the Company will exercise that

option. When available, the Company uses the rate implicit in the lease to discount lease payments to present value. In the case the implicit rate is not available, the Company uses its incremental borrowing rate based on information available at the lease commencement date, to determine the present value of lease payments.

Patents and Intellectual Property Costs

Costs incurred to acquire patents and to prosecute and maintain intellectual property rights are expensed as incurred to general and administrative expense due to the uncertainty surrounding the drug development process and the uncertainty of future benefits. Patents and intellectual property acquired from third parties are capitalized and amortized over the remaining life of the patent, if related to approved products or if there are alternative future uses for the underlying technology. No patent or intellectual property costs have been capitalized to date.

Impairment of Long-Lived Assets

The Company assesses the recoverability of its long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset or group of assets. If carrying value exceeds the sum of undiscounted cash flows, the Company then determines the fair value of the underlying asset. Any impairment to be recognized is measured by the amount by which the carrying amount of the asset group exceeds the estimated fair value of the asset or asset group. As of **December 31, 2022**, **December 31, 2023** and **2021**, **2022**, the Company determined that there were no indicators of impairment of long-lived assets.

Government Grants and Credits

Government grants are recognized where there is reasonable assurance that the grant will be received and all associated conditions will be complied with. Reimbursements of eligible research and development expenditures pursuant to government assistance programs are recorded as reductions of research and development costs when the related costs have been incurred and there is reasonable assurance regarding collection of the claim.

Grant claims not settled by the balance sheet date are recorded as receivables, provided their receipt is probable. The determination of the amount of the claim, and hence the receivable amount, requires management to make calculations based on its interpretation of eligible expenditures in accordance with the terms of the programs. The reimbursement claims submitted by the Company are subject to review by the relevant government agencies. The Company has used its best judgment and understanding of the related program agreements in determining the receivable amount.

The Company participates in SR&ED and Research Tax Credit Programs, two federal tax incentive programs that encourage Canadian and U.S. businesses to conduct research and development in Canada and in United States, respectively. The benefits of investment tax credits for scientific research and development expenditures are recognized in the year the qualifying

[Table of Contents](#)

expenditure is made provided there is reasonable assurance of recoverability. The refundable portion of investment tax credits are recorded as reductions to research and development expenditures.

The Company also participated in the Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") programs announced by the Government of Canada in April 2020, in order to help employers keep and/or return Canadian-based employees to payrolls in response to challenges posed by the COVID-19 pandemic. The Company recognized CEWS and CERS grants when it is probable that it complied with relevant eligibility requirements and conditions of the grant and that the grant would be received. These grants are recorded as reductions to wage and rent **expenditures**, **expenditures in 2022 and 2021**. **Both CEWS and CERS programs ended in 2021, with application deadlines in 2022.**

Research and Development Costs

Research and development costs are expensed as incurred and include costs that the Company incurs for its own and for the Company's strategic partners' research and development activities. These costs primarily consist of expenses incurred under agreements with contract research organizations on the Company's behalf, investigative sites and consultants that conduct the Company's clinical trials, the cost of acquiring and manufacturing clinical trial materials and other allocated expenses, the cost of acquired research patents and intellectual property that do not meet the requirements for capitalization, employee related expenses, including salaries and benefits, stock-based compensation expense, and costs associated with nonclinical activities and regulatory approvals.

Clinical Trial Expense Accruals

Clinical trial expenses represent a significant component of research and development expenses and the Company outsources a significant portion of these activities to third party contract research organizations. Third-party clinical trial expenses include investigator fees, site costs, clinical research organization costs and other trial-related vendor costs. As part of preparing the consolidated financial statements, the Company estimates accrued liabilities for services that have been performed by clinical research organizations or investigator sites but have not yet been invoiced to the Company. When making these estimates, the Company uses operational and contractual information from third party service providers and operational data from internal personnel.

Income Taxes

The Company accounts for income taxes using an asset and liability method. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The measurement of deferred tax assets is reduced, if necessary, by the extent of a valuation allowance. The recognition of uncertain tax positions is evaluated based on whether it is considered more likely than not that the position taken, or expected to be taken, on a tax return will be sustained upon examination through litigation or appeal. For those positions that meet the recognition criteria, they are measured as the largest amount that is more than 50% likely to be realized upon ultimate settlement.

Stock-Based Compensation

The Company recognizes stock-based compensation expense on equity and liability classified stock-based awards granted to employees, directors, and certain consultants. The Company measures the cost of such awards based on the fair value of the award, net of estimated forfeitures, and recognizes stock-based compensation expense in the consolidated statements of income (loss) and comprehensive income (loss) on a straight-line basis over the requisite service period. The requisite service period generally equals the vesting period of the awards. The fair values of stock option awards are estimated using the Black-Scholes option pricing model which uses various inputs including estimated fair value of the Company's underlying common stock at the grant date, expected term, estimated volatility, risk-free interest rate and expected dividend yields of the Company's common stock. The Company applies an estimated forfeiture rate derived from historical employee termination behavior. If the actual number of forfeitures differs from those estimated by management, adjustments to compensation expense may be required in future periods. The fair value of restricted stock units ("RSU") is measured using the per share fair value of the Company's common stock on the dates of grant.

Equity classified awards are measured using their grant date fair value. Liability classified awards are initially measured using their grant date fair value and are subsequently remeasured at fair value at each balance sheet date until exercised or cancelled, with changes in fair value recognized as compensation cost (ASC 718 awards) or other (expense) income and expenses (ASC 815 awards) for the period, while fair value changes below the grant date fair value of the original awards are recorded in additional paid-in capital.

Table of Contents

Under ASC 718 "~~Compensation—Compensation—Stock Options~~" ("~~Options~~" ("ASC 718"), warrants or stock options with an exercise price which is not denominated in: (a) the currency of a market in which a substantial portion of the Company's equity securities trades, (b) the currency in which the individual's pay is denominated, or (c) the Company's functional currency, are required to be classified as liabilities. For awards accounted for under ASC 815 "~~DerivativesDerivatives and Hedging~~" ("~~Hedging~~" ("ASC 815"), any warrant or option that provides for an exercise price which is not denominated in the Company's functional currency is required to be classified as a liability. ~~Certain option awards which were classified as equity on grant dates were subsequently reclassified to liability upon the change of the compensation currency for certain executives and employees holding these option awards from Canadian dollars to U.S. dollars. Total fair value of these options on reclassification date were recorded as liability awards. Accumulated expense amount to the reclassification date was reversed from additional paid-in capital and the remaining amount was recorded to the statement of loss on reclassification date.~~

The Company has an employee stock purchase plan which is considered compensatory. Accordingly, the Company recognizes compensation expense on these awards based on their estimated grant date fair value using the Black-Scholes option pricing model. The Company recognizes compensation expense in the consolidated statements of loss and comprehensive loss on a straight-line basis over the requisite service period.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The fair value of total purchase consideration is allocated to the fair values of identifiable tangible and intangible assets acquired and liabilities assumed, with the remaining amount being classified as goodwill. All assets, liabilities and contingent liabilities acquired or assumed in a business combination are recorded at their fair values at the date of acquisition. If the Company's interest in the fair value of the acquiree's net identifiable assets exceeds the cost of the acquisition, the excess is recognized in earnings or loss immediately. Transaction costs that are incurred in connection with a business combination, other than costs associated with the issuance of debt or equity securities, are expensed as incurred.

Goodwill is evaluated for impairment on an annual basis or more frequently if an indicator of impairment is present (note 6). As part of the impairment evaluation, the Company may elect to perform an assessment of qualitative factors. If this qualitative assessment indicates that it is more likely than not that the fair value of the reporting unit that includes the goodwill is less than its carrying value, then a quantitative impairment test would be prepared to compare the fair value to the carrying value and record an impairment charge if the carrying value exceeds the fair value.

Acquired In-Process Research and Development (IPR&D) and Definite-lived Intangible Assets

Acquired IPR&D represents the fair value assigned to research and development assets that have not reached technological feasibility. IPR&D is classified as an indefinite-lived intangible asset and is not amortized. IPR&D becomes definite-lived upon the completion or abandonment of the associated research and development efforts. All research and development costs incurred subsequent to the acquisition of IPR&D are expensed as incurred. Indefinite-lived intangible assets are **evaluated reviewed** for impairment on an annual basis or more frequently if an indicator of impairment is present. **The Company may first perform a qualitative assessment to determine whether it is necessary to perform the quantitative impairment test.**

Definite-lived intangible assets include computer software and a research license and are amortized on a basis which reflects the pattern in which the economic benefits are consumed. Amortization begins when the assets are put into use. If there is an event indicating that the carrying value of a definite-lived intangible asset may be impaired, then the Company will perform an impairment test. When an impairment test is performed, if the carrying value exceeds the recoverable value, based on the sum of undiscounted future cash flows, then such asset is written down to its fair value.

The Company records amortization using the straight-line method over the estimated useful lives of the definite-lived intangible assets as follows:

Asset Class	Rate
Software	3 years
Licensing agreements	Shorter of the licensing term or useful life

Net income (loss) per share

Basic net income (loss) per share attributable to common stockholders is computed by dividing the net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding for the year. Diluted net income (loss) per share attributable to common stockholders is computed by adjusting net income (loss) attributable

Table of Contents

to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities, including outstanding stock options and warrants. Diluted net income (loss) per share attributable to common stockholders is computed by dividing the diluted net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the year, including potential dilutive shares of common stock assuming the dilutive effect of outstanding instruments. The treasury stock method is used to determine the dilutive effect of the Company's stock option grants and warrants. ASC 260 "EarningsEarnings Per Share" Share requires an adjustment to the numerator for any income or loss related to liability classified warrants and stock options, if dilutive, if they are presumed to be share settled.

3. Recent Accounting Pronouncements

Recent accounting pronouncements not yet adopted

The Company has reviewed recent accounting pronouncements and concluded that they are either not applicable, or that no material impact is expected on the consolidated financial statements as a result of future adoption.

4. Net (Loss) Income (Loss) per Share

Net (loss) income (loss) per share for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 was as follows:

		Year Ended December 31,		
		2022	2021	2020
		Year Ended December 31,		Year Ended December 31,
		2023	2023	2022
				2021
Numerator:	Numerator:			
Net income (loss) attributable to common stockholders:				
Net (loss) income attributable to common stockholders:				
Net (loss) income attributable to common stockholders:				
Net (loss) income attributable to common stockholders:				
Basic				
Basic				
Basic	Basic	\$ 124,341	\$ (211,843)	\$ (180,552)
Adjustment for change in fair value of liability classified stock options	Adjustment for change in fair value of liability classified stock options	(231)	(28,534)	—
Diluted	Diluted	\$ 124,110	\$ (240,377)	\$ (180,552)
Denominator:	Denominator:			
Denominator:				
Denominator:				
Weighted-average common stock outstanding:	Weighted-average common stock outstanding:			
Weighted-average common stock outstanding:				
Basic				
Basic				

Basic	Basic	65,194,775	51,553,869	50,382,497
Adjustment for dilutive effect of equity classified stock options and RSUs	Adjustment for dilutive effect of equity classified stock options and RSUs	53,535	—	—
Adjustment for dilutive effect of liability classified stock options	Adjustment for dilutive effect of liability classified stock options	874	577,727	—
Diluted	Diluted	65,249,184	52,131,596	50,382,497
Net income (loss) per common share – basic		\$ 1.91	\$ (4.11)	\$ (3.58)
Net income (loss) per common share – diluted		\$ 1.90	\$ (4.61)	\$ (3.58)
Net (loss) income per common share – basic				
Net (loss) income per common share – basic				
Net (loss) income per common share – basic				
Net (loss) income per common share –				
diluted				

Weighted average number of shares of common shares stock used in the basic and diluted earnings per share calculations include Exchangeable Shares and the pre-funded warrants issued in connection with the Company's June 2019, January 2020 and January 2020 2022 offerings and December 2023 private placement as the warrants are were exercisable at any time for nominal cash consideration. The Company's potentially dilutive securities, which include stock options and RSUs, have been excluded from the computation of diluted net loss per share for the year ended December 31, 2023 as the effect would be to reduce the net loss per share.

5. Cash, Cash Equivalents and Investments

Short-term Investments The following table summarizes the Company's investments as of December 31, 2023:

Short-term

	December 31, 2023		
	Amortized Cost	Unrealized Gain (Loss)	Fair Value
Short-term investments:			
Contractual maturity of one year or less:			
GICs	\$ 75,066	\$ —	\$ 75,066
U.S. Treasury notes	46,416	136	46,552
Corporate debt securities	94,900	252	95,152
	216,382	388	216,770
Long-term investments:			
Contractual maturity of one to three years:			
Corporate debt securities	70,181	(321)	69,860
Contractual maturity of three to four years:			

Corporate debt securities	12,081	(11)	12,070
Equity securities	218	—	218
	82,480	(332)	82,148
	<u>\$ 298,862</u>	<u>\$ 56</u>	<u>\$ 298,918</u>

The following table summarizes the Company's investments are denominated in U.S. dollars or Canadian dollars and consist as of guaranteed investment certificates ("GICs") acquired from financial institutions in accordance with December 31, 2022:

	December 31, 2022		
	Amortized Cost	Unrealized Gain (Loss)	Fair Value
Short-term investments:			
Contractual maturity of one year or less:			
GICs	\$ 91,320	\$ —	\$ 91,320
	91,320	—	91,320
Long-term investments:			
Equity securities	886	—	886
	886	—	886
	<u>\$ 92,206</u>	<u>\$ —</u>	<u>\$ 92,206</u>

The following tables present information about the Company's cash investment policy. Short-term GICs assets that are classified as held to maturity and available for sale and are accounted for at amortized cost or measured at fair value, value on a recurring basis, and indicate the fair value hierarchy of the valuation techniques used to determine such fair value:

Long-term Investments

Long-term investments at December 31, 2022 consist of equity securities of \$886 acquired for strategic purposes or in connection with licensing and collaboration agreements (December 31, 2021 - \$886 which included both equity and debt securities).

	December 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:								
Cash				\$ 23,126				\$ 200,623
Cash equivalents:								
Money market funds	\$ 64,247	\$ —	\$ —	\$ 64,247	\$ —	\$ —	\$ —	\$ —
GICs	70,184	—	—	70,184	200,289	—	—	200,289
	134,431	—	—	157,557	200,289	—	—	400,912
Investments:								
GICs	75,066	—	—	75,066	91,320	—	—	91,320
U.S. Treasury notes	46,552	—	—	46,552	—	—	—	—
Corporate debt securities	—	177,082	—	177,082	—	—	—	—
	121,618	177,082	—	298,700	91,320	—	—	91,320
Total	<u>\$ 256,049</u>	<u>\$ 177,082</u>	<u>\$ —</u>	<u>\$ 456,257</u>	<u>\$ 291,609</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 492,232</u>

[Table of Contents](#)

6. IPR&D and Goodwill

Acquired IPR&D

In-process research and development assets ("IPR&D") acquired in the 2016 Kairos Therapeutics Inc. ("Kairos") business combination are classified as indefinite-lived intangible assets and are not currently being amortized. The following table summarizes the carrying value of IPR&D, net of impairment:

		Acquired IPR&D	Accumulated Impairment	Net
Balance at				
December 31, 2019		\$20,700	\$ (3,072)	\$17,628
Change during the period		—	—	—

	Acquired IPR&D	Acquired IPR&D	Accumulated Impairment	Net
Balance at	Balance at			
December 31, 2020	December 31, 2020	\$20,700	\$ (3,072)	\$17,628
Change during the period	Change during the period	—	—	—
Balance at	Balance at			
December 31, 2021	December 31, 2021	\$20,700	\$ (3,072)	\$17,628
Change during the period	Change during the period	—	—	—
Balance at	Balance at			
December 31, 2022	December 31, 2022	\$20,700	\$ (3,072)	\$17,628
Change during the period				
Balance at				
December 31, 2023				

For the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021, the Company did not record any impairment charge related to the fair value of IPR&D. The Company performed a qualitative quantitative test and concluded that IPR&D was not impaired as of December 31, 2022 December 31, 2023.

Goodwill

The Company performed its annual impairment test of goodwill as of December 31, 2022 December 31, 2023 and concluded that no impairment existed. As part of the evaluation of the recoverability of goodwill, the Company identified only one reporting unit to which the total carrying amount of goodwill has been assigned. As at December 31, 2022 December 31, 2023, the Company performed a qualitative assessment for its annual impairment test of goodwill after concluding that it was not more likely than not that the fair value of the reporting unit was less than its carrying value. Consequently, the a quantitative impairment test was not required.

7. Property and Equipment

Property and equipment consist of the following:

	December 31,
	2022 2021
December 31,	December 31,
2023	2022

Computer hardware	Computer hardware	\$ 2,235	\$ 3,554
Furniture and fixtures	Furniture and fixtures	2,976	1,558
Office equipment	Office equipment	2,067	1,045
Laboratory equipment	Laboratory equipment	9,698	8,326
Leasehold improvements	Leasehold improvements	20,960	9,104
Construction in progress	Construction in progress	76	13,257
Property and equipment	Property and equipment	\$38,012	\$36,844
Less accumulated depreciation	Less accumulated depreciation	(13,299)	(14,061)
Property and equipment, net	Property and equipment, net	\$24,713	\$22,783

Depreciation expense on property and equipment for the years ended **December 31, 2022** **December 31, 2023**, 2022 and 2021 was \$7,462, \$6,220 and 2020 was \$6,220, \$3,739, and \$3,355, respectively.

[Table of Contents](#)

8. Intangible Assets

Intangible assets consist of the following:

		December 31,	
		2022	2021
		December 31,	December 31,
		2023	2022
Research licenses	Research licenses	\$14,936	\$14,936
Computer software	Computer software	7,522	1,494
Software implementation costs		469	1,289
Costs for in-progress software implementations			
Intangible assets	Intangible assets	22,927	17,719
Less accumulated amortization	Less accumulated amortization	(14,172)	(13,881)
Intangible assets, net	Intangible assets, net	\$ 8,755	\$ 3,838

Amortization expense on intangible assets for the years ended **December 31, 2022** **December 31, 2023**, 2022 and 2021 was \$2,702, \$1,015 and 2020 was \$1,015, \$2,793, and \$4,160, respectively.

At **December 31, 2022** **December 31, 2023**, amortization expense on capitalized intangible assets is estimated to be as follows for each of the next five years:

		Amortization expense
2023	\$	2,702
		Amortization expense
2024		2,683
2025		2,259
2026		427
2027		213
2028		
	\$	
	\$	8,284

9. Liabilities

Accounts payable and accrued expenses liabilities consisted of the following:

		December 31,	
		2022	2021
		December 31,	
		2023	2022
Trade payables	Trade payables	\$ 7,863	\$ 5,174
Accrued research and development expenses	Accrued research and development expenses	39,358	50,963
Goods and services tax payable	Goods and services tax payable	16,244	—
Employee compensation and vacation accruals	Employee compensation and vacation accruals	14,365	3,346
Accrued legal and professional fees	Accrued legal and professional fees	7,799	1,064
Liability for contingent consideration (note 16)			
Other	Other	1,839	2,242
Total	Total	\$87,468	\$62,789

Other long-term liabilities consisted of the following:

		December 31,	
		2022	2021
Liability for contingent consideration (note 17)		\$1,248	\$1,498
		December 31,	
		2023	2022

Liability for contingent consideration (note 16)			
Liability from in-licensing agreements	Liability from in-licensing agreements	1,047	1,150
Finance lease liabilities		124	100
Finance lease liability			
Other	Other	682	—
Total	Total	3,101	2,748

Table of Contents

10. Stockholders' Equity

a. Equity Offerings

2020 Public Offering 2023 Private Placement

On January 27, 2020 December 28, 2023, the Company closed completed a public offering private placement pursuant to which the Company sold 5,824,729 common shares, including the sale of 900,000 common shares to the underwriters upon their full exercise of their over-allotment option, at \$46.50 per common share and 1,075,271 5,086,521 pre-funded warrants (note 10c) in lieu to purchase 5,086,521 shares of common shares stock at \$46.4999 \$9.8299 per pre-funded warrant. The Company received gross proceeds of \$50,000 and net proceeds were \$49,862, after expenses.

2023 ATM financing

On June 16, 2023, the Company sold 3,350,000 shares of common stock pursuant to the Company's at-the-market sale program, at \$8.12 per common share. Net proceeds were \$300,910, \$26,233 after underwriting discounts, commissions and offering expenses of \$19,940. expenses.

2022 Public Offering

On January 31, 2022, the Company closed a public offering pursuant to which the Company sold 11,035,000 common shares, including the sale of 1,875,000 common shares to the underwriters upon their full exercise of their over-allotment option, at \$8.00 per common share and 3,340,000 pre-funded warrants (note 10c) in lieu of common shares at \$7.9999 per pre-funded warrant. Net proceeds were \$107,534, after underwriting discounts, commissions and offering expenses.

b. Authorized Share Capital and Preferred Stock

The Company's authorized share capital consists of 1,000,000,000 shares of stock, consisting of (i) 900,000,000 shares of common stock, par value \$0.00001 per share, and (ii) 100,000,000 shares of preferred stock, par value \$0.00001 per share.

In connection with the Plan of Arrangement, we the Company issued to Computershare Trust Company of Canada, a trust company existing under the laws of Canada (the "Share Trustee"), one share of our the Company's preferred stock, par value \$0.00001 per share, which has certain variable voting rights in proportion to the number of Exchangeable Shares outstanding (the "Special Voting Preferred Stock"), enabling the Share Trustee to exercise voting rights for the benefit of the Exchangeable Shareholders.

Immediately prior to the completion of the Redomicile Transactions, there were 61,699,387 Zymeworks BC Inc. common shares issued and outstanding. In connection with the consummation of the Plan of Arrangement, 60,274,854 shares of Common Stock and 1,424,533 Exchangeable Exchangeable Shares were issued to former Zymeworks BC shareholders. As of December 31, 2022, there were 1,424,533 December 31, 2023, there were 651,219 Exchangeable Shares outstanding. We held by former Zymeworks BC shareholders (December 31, 2022: 1,424,533). The Company will issue shares of our its common stock as consideration when a holder of Exchangeable Shares Shares calls for Exchangeable Shares to be retracted by ExchangeCo, when ExchangeCo redeems Exchangeable Shares from the holder, or when CallCo purchases Exchangeable Shares from the Exchangeable Shareholder under CallCo's overriding call rights. These Exchangeable Shares and the Special Voting Preferred Stock, when taken together, are similar similar in substance to the Company's common stock.

c. Pre-Funded Common Share Warrants

In connection with a the public offering offerings completed on June 24, 2019, January 27, 2020 and January 31, 2022 and private placement completed on December 28, 2023 (note 10a), the Company issued 4,166,690 a total of 13,668,482 pre-funded warrants at a price of \$17.9999 per pre-funded warrant which granted holders of warrants the right to purchase up to 4,166,690 13,668,482 common shares of the Company, at an exercise price of \$0.0001 per share.

In connection with a public offering completed on January 27, 2020 (note 10a), the Company issued 1,075,271 pre-funded warrants at a price of \$46.4999 per pre-funded warrant which granted holders of warrants the right to purchase up to 1,075,271 common or shares of the Company, at an exercise price of \$0.0001 per share.

In connection with a public offering completed on January 31, 2022 (note 10a), the Company issued 3,340,000 pre-funded warrants at a price of \$7.9999 per pre-funded warrant which granted holders of warrants the right to purchase up to 3,340,000 common shares stock of the Company, at an exercise price of \$0.0001 per share.

The pre-funded warrants are exercisable by the holders at any time on or after the original issue date. The pre-funded warrants do not expire unless they are exercised or settled in accordance with the pre-funded warrant agreement. As the pre-funded warrants meet the condition for equity classification, proceeds from issuance of the pre-funded warrants, net of any transaction costs, are recorded in additional paid-in capital. Upon exercise of the pre-funded warrants, the historical costs recorded in additional paid-in capital along with exercise price collected from holders will be recorded in common shares.

On August 23, 2022, 3,787,737 October 25, 2022, October 27, 2022 and October 19, 2023, a total of 8,581,961 pre-funded warrants were exercised in a cashless transaction in exchange for issuance of 3,787,675 8,581,868 common shares upon which \$57,858 has been transferred to common shares account from additional paid-in capital. On October 25, 2022 shares. As a result of the December 28, 2023 private placement, as of December 31, 2023, the Company issued an aggregate of 1,375,000 common shares, to a warrant holder upon the exercise of 1,375,000 there were 5,086,521 pre-funded warrants. On October 27, 2022, the Company issued an additional 1,340,000 common shares to the same

[Table of Contents](#)

warrant holder upon the exercise of 1,340,000 pre-funded warrants. Each pre-funded warrant had an exercise price of \$0.0001 per share of Common Stock, warrants outstanding (December 31, 2022: 2,079,224).

d. Adoption of a Shareholder Rights Plan

On June 9, 2022, the board of directors authorized and declared a dividend distribution of one right (each, a "Right") for each outstanding common share of the Company to shareholders of record as of the close of business on June 21, 2022. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A Participating Preferred Share, of the Company, at an exercise price of \$74.00, subject to adjustment. The complete terms of the Rights are set forth in a Preferred Shares Rights Agreement (the "Rights Plan"), dated as of June 9, 2022, between the Company and Computershare Trust Company, N.A., as rights agent.

In general terms, the Rights Plan works by imposing a significant penalty upon any person or group that acquires 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the common shares without the approval of the board of directors. As a result, the overall effect of the Rights Plan and the issuance of the Rights may be to render more difficult or discourage a merger, amalgamation, arrangement, take-over bid, tender or exchange offer or other business combination involving the Company that is not approved by the board of directors. However, neither the Rights Plan nor the Rights should interfere with any merger, amalgamation, arrangement, take-over bid, tender or exchange offer or other business combination approved by the board of directors. The issuance of Rights does not affect reported earnings per share.

On October 12, 2022, Zymeworks Inc. (a Delaware corporation) and Computershare Trust Company, N.A., as rights agent, entered into a Preferred Stock Rights Agreement (the "New Rights Plan") and on October 13, 2022, the board of directors of Zymeworks Inc. (a Delaware corporation) declared a dividend distribution of one right (each, a "Right") for each share of common stock outstanding at 12:01 a.m. (Pacific Time) on October 13, 2022 (the "Record Date") and for each share of common stock that becomes outstanding, including any shares of common stock issued in connection with the Redomicile Transactions and as consideration for the Exchangeable Shares, as applicable, between the Record Date and the earlier of the Distribution Date (as defined in the New Rights Plan) and the expiration of the Rights. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series B Participating Preferred Stock, par value \$0.00001 per share, of the Company ("Series B Preferred Stock") at an exercise price of \$74.00 per one one-thousandth of a share of Series

B Preferred Stock, subject to adjustment. On October 13, 2022, the Rights Plan expired. The New Rights Plan has substantively similar terms as the Rights Plan.

On June 8, 2023 the New Rights Plan expired by its terms. Upon effectiveness of the Company's filing of a Certificate of Elimination with the Secretary of State of the State of Delaware on June 12, 2023, the shares that were previously designated as Series B Preferred Stock resumed the status of authorized but unissued shares of preferred stock of the Company.

e. Stock-Based Compensation

In connection with the Redomicile Transactions, redomicile transactions in 2022, Zymeworks BC Inc. BC. assigned to the Company, and the Company assumed, all of Zymeworks BC Inc.'s BC's rights and obligations under each of the stock-based compensation plans, as described below, and such plans became the Company's stock-based compensation plans, with each outstanding award assumed by the Company and deemed exchanged for equivalent awards of the Company, except that the security issuable upon exercise or settlement, as applicable, will be shares of common stock of the Company rather than common shares of Zymeworks BC Inc. BC.

Original Stock Option Plan

On July 14, 2006, the shareholders of the Company approved an employee stock option plan (the "Original Plan"). The Original Plan provides for the granting of options to directors, officers, employees and consultants. Options to purchase common shares may be granted at an exercise price of each option equal to the last private issuance of common shares immediately preceding the date of the grant. The total number of options outstanding is not to exceed 20% of the issued common shares of the Company.

Options granted under the Original Plan are exercisable at various dates over their 10-year life. Common shares are issued from treasury when options are exercised.

The exercise prices of the Company's stock options under the Original Plan are denominated in Canadian dollars. The Canadian dollar amounts have been translated to U.S. dollars using the period end rate or the average foreign exchange rate for the period, as applicable, and have been provided for information purposes. Upon the effectiveness of the Company's New Stock Option Plan described below, no further options were issuable under the Original Plan. However, all outstanding options granted under the Original Plan remain outstanding, subject to the terms of the Original Plan and the applicable grant documents, until such outstanding options are exercised or they terminate or expire by their terms.

Table of Contents

New Plan and Inducement Plan

On April 10, 2017, the Company's shareholders approved a new stock option plan, which became effective immediately prior to the consummation of the Company's initial public offering ("IPO"). This plan allows for the grant of options, to directors, officers, employees and consultants in U.S. or Canadian dollars, and also permitted the Company to grant incentive stock options ("ISOs"), within the meaning of Section 422 of the Internal Revenue Code, to its employees, until the shares reserved for issuance of ISOs were depleted. On June 7, 2018, the Company's shareholders approved an amendment and restatement of this plan (this plan, as amended and restated, the "New Plan"), which includes an article that allows the Company to grant restricted shares, restricted share units ("RSUs") RSU and other share-based awards, in addition to stock options. On March 4, 2020 As of December 31, 2023, the board of directors approved certain minor amendments to the New Plan that did not require shareholder approval.

The original maximum number 4,594,639 shares of common shares reserved for issuance under the New Plan as of June 7, 2018 was 5,686,097, which includes 3,686,097 shares issuable upon exercise of options outstanding as of March 31, 2018. Beginning in 2019 and ending in 2028, this maximum number may be increased on the first day of each calendar year by up to 4.0% of the number of outstanding shares on the last day of the immediately preceding calendar year. As of December 31, 2022, 3,205,132 common shares stock were available for future award grants under the New Plan (December 31, 2021: 952,632 2022: 3,205,132 shares of common shares). ISOs may be granted with respect to a maximum fixed amount equal to 20% of the shares reserved for issuance under the New Plan as of June 7, 2018 stock).

On January 5, 2022, board of directors approved the "Zymeworks Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan" Plan (the "Inducement Plan") and reserved 750,000 of the Company's common shares for issuance pursuant to equity awards granted thereunder. As of December 31, 2022 ,50,000 December 31, 2023, 50,000 shares of common shares stock were available for future award grants under this plan. plan (December 31, 2022: 50,000).

RSUs

During The following table summarizes the year ended December 31, 2020, Company's RSU activity under the Company started granting RSUs to certain employees, which typically vest over a period of three years, in the amount of one-third each year on the anniversary of the grant date. RSUs are equity-settled on each vesting date, subject to the grantee's continued employment with the Company on the vesting date. The fair value of RSUs granted was calculated by using the Company's closing stock price on the grant date. New Plan:

		Weighted-average grant date fair value	
Number of RSUs		date fair value (\$)	
Number of RSUs		Weighted-average grant date fair value (\$)	
Number of RSUs		Number of RSUs	
Outstanding, December 31, 2021	Outstanding, December 31, 2021	354,269	25.85
Granted	Granted	110,400	8.67
Vested and settled	Vested and settled	(93,966)	25.01
Forfeited	Forfeited	(143,480)	26.63
Outstanding, December 31, 2022	Outstanding, December 31, 2022	227,223	17.36
Granted			
Vested and settled			
Forfeited			

Outstanding,
December
31, 2023

As of **December 31, 2022** **December 31, 2023**, there was **\$1,738** **\$2,236** of unamortized RSU expense that will be recognized over a weighted average period of **2.00** **1.62** years.

Stock Options

All options granted under the New Plan will have an exercise price determined and approved by the board of directors on the date of the grant, which shall not be less than the market price of the common shares at such time. For the purposes of the New Plan, the market price of a common share shall be the closing sale price of a share on the grant date reported by the stock exchange with the greatest trading volume or, if such day is not a trading day, the closing sale price reported for the immediately preceding trading day. The Company may convert a market price denominated in Canadian dollars into United States dollars and vice versa and such converted amount shall be the market price.

An option shall be exercisable during a period established by the board of directors which shall commence on the date of the grant and shall terminate not later than ten years after the date of the granting of the option. The New Plan provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall during a black-out period. In such cases, the extended exercise period shall terminate on the tenth business day after the last day of the black-out period, provided that the exercise period shall in no case be extended beyond the tenth anniversary of the date the option was granted. All options shall vest in accordance with the terms of their grant agreements.

Table of Contents

The following table summarizes the Company's stock options granted in Canadian dollars under the Original Plan and the New Plan:

		Weighted- Average Exercise Price (C\$)	Weighted- Average Exercise Price (\$)	Weighted- Average Contractual Term (years)	Aggregate intrinsic value (C\$)	Aggregate intrinsic value (\$)
Outstanding, December 31, 2020		2,285,569	22.00	6.46	87,545	68,664
Granted		480,117	42.83	34.12		
Expired		—	—	—		
Exercised		(212,817)	14.77	11.69		
Forfeited		(64,214)	40.69	32.48		

		Weighted- Average Exercise Price (C\$)	Weighted- Average Exercise Price (\$)	Weighted- Average Contractual Term (years)	Aggregate intrinsic value (C\$)	Aggregate intrinsic value (\$)
Outstanding, December 31, 2021		2,488,655	26.15	6.24	7,919	6,224
Granted		917,035	8.67	6.76		
Expired		(54,221)	17.30	13.08		
Expired						
Expired						
Exercised						
Exercised						
Exercised		(30,163)	7.60	5.79		
Forfeited		(1,174,165)	26.43	20.60		
Forfeited						
Forfeited						
Outstanding, December 31, 2022		2,147,141	19.02	6.29	1,460	1,078
December 31, 2022						
Outstanding, December 31, 2022						

Outstanding, December 31, 2022							
Granted							
Expired							
Expired							
Expired							
Exercised							
Exercised							
Exercised							
Forfeited							
Forfeited							
Forfeited							
Outstanding, December 31, 2023							
Outstanding, December 31, 2023							
Outstanding, December 31, 2023							
December 31, 2023							
Exercisable							
Exercisable							
Exercisable	Exercisable	1,374,601	20.23	14.93	4.79	193	143
Vested and expected to vest	Vested and expected to vest	2,076,607	19.18	14.15	6.19	1,333	984

The following table summarizes the Company's stock options granted in U.S. dollars under the New Plan and the Inducement Plan:

		Number of Options	Weighted- Average Exercise Price (\$)	Weighted- Average Contractual Term (years)	Weighted- Average Aggregate intrinsic value (\$)
Outstanding, December 31, 2020		3,790,326	22.85	8.20	92,705
Granted		1,726,421	33.61		
Expired		—	—		
Exercised		(289,202)	13.66		
Forfeited		(310,631)	31.95		

		Number of Options	Weighted- Average Exercise Price (\$)	Weighted- Average Contractual Term (years)	Weighted- Average Aggregate intrinsic value (\$)
Outstanding, December 31, 2021	Outstanding, December 31, 2021	4,916,914	26.59	7.93	5,555
Granted	Granted	2,996,898	8.32		
Expired	Expired	—	—		
Expired					
Expired					

Exercised					
Exercised					
Exercised	Exercised	(9,057)	7.17		
Forfeited	Forfeited	(2,339,610)	25.84		
Forfeited					
Forfeited					
Outstanding, December 31, 2022	Outstanding, December 31, 2022	5,565,145	17.10	7.86	1,928
December 31, 2022					
Outstanding, December 31, 2022					
Outstanding, December 31, 2022					
Granted					
Expired					
Expired					
Expired					
Exercised					
Exercised					
Exercised					
Forfeited					
Forfeited					
Forfeited					
Outstanding, December 31, 2023					
Outstanding, December 31, 2023					
Outstanding, December 31, 2023					
December 31, 2023					
Exercisable					
Exercisable					
Exercisable	Exercisable	2,553,862	20.86	6.51	148
Vested and expected to vest	Vested and expected to vest	5,320,561	17.31	7.81	1,750

During the year ended **December 31, 2022** **December 31, 2023**, the Company received cash proceeds of **\$5,006** (2022: \$255 (2021: \$6,428 and 2020: \$7,111) 2021: \$6,428) from stock options exercised. The stock options outstanding at **December 31, 2022** **December 31, 2023** expire at various dates from **January 1, 2023** **January 1, 2024** to **December 20, 2032** **December 10, 2033**.

Table of Contents

A summary of the non-vested stock option activity and related information of the Company's stock options granted in Canadian dollars is as follows:

		Weighted- average grant date fair value options	Weighted- average grant date fair value options
		(C\$)	(US\$)
Non-vested, December 31, 2021	773,593	27.97	21.98

Number of options		Number of options		Weighted-average grant date fair value (C\$)	Weighted-average grant date fair value (US\$)
Non-vested, December 31, 2022					
Options granted	Options granted	917,035	5.80	4.28	
Options vested	Options vested	(355,428)	19.61	14.47	
Options forfeited and cancelled	Options forfeited and cancelled	(562,660)	19.83	14.64	
Non-vested, December 31, 2022		772,540	11.40	8.41	
Non-vested, December 31, 2023					

A summary of the non-vested stock option activity and related information of the Company's stock options granted in U.S. dollars is as follows:

Number of options		Weighted-average grant date fair value (US\$)
Non-vested, December 31, 2021		21.85
Non-vested, December 31, 2022		
Options granted	Options granted	2,996,898
Options vested	Options vested	(997,572)
Options forfeited and cancelled	Options forfeited and cancelled	(1,589,959)
Non-vested, December 31, 2022		9.41
Non-vested, December 31, 2023		

The estimated fair values of options granted to officers, directors, employees and consultants are amortized over the relevant vesting periods. Stock-based compensation expense for equity classified instruments, as well as the financial statement impact of the amortization and periodic revaluation of liability classified instruments (note 2), are recorded in

research and development expense, general and administration expense and finance expense as follows:

		Year Ended December 31,		
		2022	2021	2020
		Year Ended December 31,		
		2023	2022	2021
Research and development expense:	Research and development expense:			
Stock-based compensation for equity classified instruments	Stock-based compensation for equity classified instruments	\$3,174	\$20,090	\$12,299
	Stock-based compensation expense for equity classified instruments			
	Stock-based compensation expense for equity classified instruments			
	Stock-based compensation expense for equity classified instruments			
Change in fair value of liability classified instruments	Change in fair value of liability classified instruments	(781)	(4,646)	(6)
		\$2,393	\$15,444	\$12,293
	\$			
General and administrative expense:	General and administrative expense:			
Stock-based compensation for equity classified instruments	Stock-based compensation for equity classified instruments	\$4,102	\$18,184	\$14,645
	Stock-based compensation expense for equity classified instruments			
	Stock-based compensation expense for equity classified instruments			
	Stock-based compensation expense for equity classified instruments			
Change in fair value of liability classified instruments	Change in fair value of liability classified instruments	(2,893)	(23,758)	1,416
		\$1,209	\$ (5,574)	\$16,061
Other expense (income):				
	\$			

Finance income:				
Change in fair value of liability classified instruments	Change in fair value of liability classified instruments	(11)	(129)	(41)
		\$ (11)	\$ (129)	\$ (41)
Change in fair value of liability classified instruments				
Change in fair value of liability classified instruments				
\$				

Amounts for equity classified instruments above include stock-based compensation expense relating to RSUs of \$913 \$3,369 for the year ended December 31, 2022 (2021: \$3,101 December 31, 2023 (2022: \$913 and 2020: \$1,387) \$3,101).

For the year ended December 31, 2022 December 31, 2023, stock-based compensation expense of \$9,516 \$8,196 was recorded in additional paid-in capital and recovery of \$3,261 \$630 was recorded in the liability classified stock options and ESPP liability accounts (2021: 2022: \$9,516 in additional paid-in capital and recovery of \$3,261 in liability classified stock options and ESPP liability accounts, 2021: \$38,275 in additional paid-in capital and recovery of \$27,517 in liability classified stock options and ESPP liability accounts, 2020: \$26,945 in additional paid-in capital and \$2,171 in liability classified stock options and ESPP liability accounts).

Table of Contents

The estimated fair value of stock options granted under the New Plan was determined using the Black-Scholes option pricing model with the following weighted-average assumptions:

					Year ended December 31,					
					2022	2021	2020			
Year ended December 31,					Year ended December 31,					
2023					2023		2022		2021	
Dividend yield	Dividend yield	0 %	0 %	0 %	Dividend yield	0 %	0 %	0 %	0 %	
Expected volatility	Expected volatility	77.2 %	80.3 %	76.8 %	Expected volatility	68.1 %	77.2 %	80.3 %	80.3 %	
Risk-free interest rate	Risk-free interest rate	2.12 %	1.02 %	0.66 %	Risk-free interest rate	3.94 %	2.12 %	1.02 %	1.02 %	
Expected average life of options	Expected average life of options	5.93 years	6.05 years	6.04 years	Expected average life of options	5.89 years	5.93 years	6.05 years	6.05 years	

Share Fair Value — Options granted after the Company's IPO are issued with exercise price equal to the fair market value of the Company's common stock on the grant date. Before the IPO, the Company granted stock options at exercise prices not less than the fair value of its common shares as determined by the board of directors, with input from management. Management estimated the fair value of its common shares based on a number of objective and subjective factors, including the most recently available valuation of common shares prepared by independent valuation specialists, external market considerations affecting the biotechnology industry and the historic prices at which the Company sold common shares.

The weighted-average Black-Scholes option pricing assumptions for liability classified stock options outstanding at December 31, 2022 December 31, 2023 and 2021 2022 are as follows:

		December 31, 2022		December 31, 2021					
		December 31, 2023				December 31, 2023		December 31, 2022	
Dividend yield	Dividend yield	0 %	0 %	Dividend yield		0 %		0 %	
Expected volatility	Expected volatility	78.6 %	74.3 %	Expected volatility		50.6 %		78.6 %	
Risk-free interest rate	Risk-free interest rate	4.00 %	0.99 %	Risk-free interest rate		3.80 %		4.00 %	
Expected average option term	Expected average option term	1.90 years	2.35 years	Expected average option term		0.91 years		1.90 years	
Number of liability classified stock options outstanding	Number of liability classified stock options outstanding	721,985	911,400						

The total intrinsic value of stock options exercised during the years ended December 31, 2022 December 31, 2023, 2022 and 2021 was \$758, \$53 and 2020 was \$53, \$10,998 and \$19,446 respectively. At December 31, 2022 December 31, 2023, the unamortized compensation expense related to unvested options was \$13,879, \$8,424. The remaining unamortized compensation expense as of December 31, 2022 December 31, 2023 will be recognized over a weighted-average period of 1.5 1.6 years.

f. Employee Stock Purchase Plan ("ESPP")

On April 10, 2017, the Company's shareholders approved an employee stock purchase plan ("ESPP") which became effective immediately prior to the consummation of the Company's IPO. On June 7, 2018, certain amendments to the ESPP were approved by shareholders. Prior to these amendments, the ESPP allowed eligible employees to acquire common shares at a discounted purchase price of 85% of the market value of the Company's common shares on the purchase date. The ESPP, as amended, allows eligible employees to acquire common shares at a discounted purchase price of the lesser of (i) 85% of the market price of a common share on the first day of the applicable purchase period and (ii) 85% of the market price of a common share on the purchase date. The ESPP qualifies as an "employee stock purchase plan" within the meaning of Section 423 of the Code for employees who are United States taxpayers.

Table of Contents

The Company currently holds offerings consisting of a single six-month purchase period commencing on January 1 and July 1 of each calendar year, with a single purchase date at the end of the purchase period on June 30 and December 31 of each calendar year.

Eligible employees are able to contribute up to 15% of their gross base earnings for purchases under the ESPP through regular payroll deductions. Purchases of shares under the ESPP are limited for each employee at twenty-five thousand dollars worth of the Company's common shares (determined using the lesser of (i) the market price of a common share on the first day of the applicable purchase period and (ii) the market price of a common share on the purchase date) for each year such purchase right is outstanding.

As this plan is considered compensatory, the Company recognizes compensation expense on these awards based on their estimated grant date fair value using the Black-Scholes option pricing model. The Company recognizes compensation expense in the consolidated statements of (loss) income (loss) and comprehensive (loss) income (loss) on a straight-line basis over the requisite service period. For the year ended December 31, 2022 December 31, 2023, the Company recorded compensation expense of \$387 (2022: \$424, (2021: \$1,016, 2020: 803) in research and development expense and general and administrative expense accounts. As of December 31, 2022 December 31, 2023, the total amount contributed by ESPP participants and not yet settled is \$287 \$384 (December 31, 2021: \$1,243) 2022: \$287).

11. Government Grants and Credits

Year Ended December 31,

		2022	2021	2020
	Year Ended December 31,	Year Ended December 31,		
	2023	2023	2022	2021
CEWS and CERS subsidies	CEWS and CERS subsidies	\$130	\$3,402	\$3,031
SR&ED credits, net	SR&ED credits, net	—	78	142
Total	Total	\$130	\$3,480	\$3,173

For the year ended December 31, 2023, the Company recognized refundable investment tax credits of \$99 as a reduction of research and development expense. In April 2020, the Government of Canada announced the CEWS and CERS programs for Canadian employers whose businesses were affected by the COVID-19 pandemic. The CEWS and CERS provide a subsidy of up to a certain percentage of eligible employees' eligible remuneration and eligible rent payments, subject to certain criteria. The Company applied for the CEWS and CERS to the extent it met the requirements to receive the subsidy and recognized nil (2022: \$130 (2021: and 2021: \$2,805) and nil (2021: (2022: nil and 2021: \$597) in total CEWS and CERS subsidies respectively, as a reduction to salaries and benefits expense and rent expense in research and development expense and general administrative expense in the consolidated statement of income (loss) income. Both CEWS and comprehensive income (loss).

For CERS programs ended at the year ended December 31, 2022, the Company recognized refundable investment tax credits end of nil as a reduction of research and development expense. Although the Company has used its best judgment and understanding of the related income tax legislation 2021 with submission deadlines in determining its claims, it is possible the amounts could increase or decrease materially in the future, as the Canada Revenue Agency and Revenue Québec reserve the right to review and audit the investment tax credit claims. 2022.

[Table of Contents](#)

12. Research, Collaboration and Licensing Agreements

Revenue recognized from the Company's strategic partnerships is summarized as follows:

		Year ended December 31,		
		2022	2021	2020
	Year ended December 31,	Year ended December 31,		
	2023	2023	2022	2021
Jazz:	Jazz:			
Recognition of licensing and technology transfer fee	Recognition of licensing and technology transfer fee	\$375,000	\$ —	\$ —
Recognition of licensing and technology transfer fee	Recognition of licensing and technology transfer fee			
Development support payments	Development support payments	24,281	—	—
Drug supply for ongoing studies	Drug supply for ongoing studies			
Credit note for amendment of program	Credit note for amendment of program			
Other drug supply	Other drug supply			
Atreca:	Atreca:			
Recognition of licensing fee	Recognition of licensing fee			

Deliverables of development work performed by the Company, continuing technology transfer, participation in the Joint Steering Committee ("JSC"), and transfer of first BLA together were considered to be a single performance obligation and the consideration allocated to this performance obligation will be recognized as revenue over time as these activities are completed. Accordingly, the Company recognized \$24.3 million in relation to recovery of cost of development work for zanidatamab, for the year ended December 31, 2022.

Remaining deliverables of Manufacturing Technology Transfer, Development Drug Supply, Commercial Drug Supply are were considered individually distinct and did not result in a performance obligation during the year ended December 31, 2022 and the revenue related to these deliveries will are to be recognized upon completion of future deliveries to Jazz.

Amendment of Jazz Collaboration Agreement:

On April 25, 2023, Zymeworks BC, a subsidiary of the Company, Zymeworks Biopharmaceuticals Inc. ("ZBI"), a subsidiary of Zymeworks BC, Zymeworks Zanidatamab Inc. ("ZZI"), a subsidiary of ZBI formed in December 2022 focused on the Company's development program for zanidatamab, and Jazz Pharmaceuticals, Inc. ("Jazz Inc."), entered into a Stock and Asset Purchase Agreement (the "Transfer Agreement"). Under the Transfer Agreement, (i) Jazz Inc. acquired from ZBI 100% of the issued and outstanding capital stock of ZZI, (ii) Jazz Inc. engaged certain Zymeworks BC and ZZI employees associated with the development of zanidatamab, and (iii) Zymeworks BC and ZBI transferred to Jazz Inc. or one of its affiliates contracts with respect to the engagement of certain independent contractors of Zymeworks BC and ZBI that work on the Program (as defined below). In addition, Jazz Inc. acquired from Zymeworks BC and ZBI certain contracts related to the Program, organizational documents and other records of ZZI, certain regulatory filings related to the Program, certain other books, records and other files, documents and information related to the Program, and certain employment records of service providers to be employed by Jazz Inc. and its affiliates following the Closing (as defined below). Subject to the terms and conditions of the Transfer Agreement, Jazz Inc. assumed certain liabilities that arise following the Closing related to the acquired assets and the Program, including with respect to transferred service providers.

Zymeworks BC and Jazz Pharmaceuticals Ireland Limited (an affiliate of Jazz Inc.) (a subsidiary of Jazz Pharmaceuticals plc, collectively referred to as "Jazz") amended and restated the license and collaboration agreement dated October 18, 2022 by and between Zymeworks BC and Jazz (the "Original Jazz Collaboration Agreement") (as amended the "Amended Jazz Collaboration Agreement") to reflect the transfer of responsibility for the Program. Under the Amended Jazz Collaboration Agreement, the financial terms of the Original Jazz Collaboration Agreement, as previously disclosed, was unchanged, except that the costs of the Program (including ongoing costs related to the transferred service providers) incurred following the Closing was directly borne by Jazz instead of being incurred by Zymeworks BC and charged back to Jazz for reimbursement, though Zymeworks BC will remain eligible for reimbursement of certain costs for activities where Zymeworks BC maintains responsibility under the Amended Jazz Collaboration Agreement. As part of the amendments to the Amended Collaboration Agreement, the Company agreed to provide a credit note to Jazz of \$20.1 million, which has been recognized as a reduction to revenue for the year ended December 31, 2023. "Program" refers to (i) ongoing clinical trials in certain sites in South Korea that are the responsibility of Zymeworks BC under the Original Jazz Collaboration Agreement and (ii) clinical trials for zanidatamab, other than the studies referenced in (i), initiated by Zymeworks BC in the Territory (as defined in the Original Jazz Collaboration Agreement) prior to the execution of the Original Jazz Collaboration Agreement.

The consummation of the transactions contemplated by the Transfer Agreement, including the execution of the Amended Jazz Collaboration Agreement, occurred in May 2023 (the "Closing"). In connection with the Closing, the parties entered into a transition services agreement pursuant to which Zymeworks BC and ZBI provide to Jazz Inc. and Jazz Inc. provides to Zymeworks BC and ZBI certain services to support the transfer of the acquired assets and the Program on a transitional basis.

The Company will be also eligible to receive up to \$525.0 million in certain regulatory milestones payments and up to \$862.5 million in potential commercial milestone payments. Pending approval, the Company is eligible to receive tiered royalties between 10% and 20% on Jazz's annual net sales, with customary reductions in specified circumstances. No development or commercial milestone payments or royalties have been received to date.

Atreca

In April 2022, As at December 31, 2023, contract liabilities under the Company entered into a new licensing agreement with Atreca, Inc. ("Atreca"), granting Atreca a worldwide, royalty-bearing license to research, develop and commercialize novel ADCs. The Company is eligible to receive up to \$210.0 million in option exercise fees and clinical development and regulatory approval milestone payments and up to \$540.0 million in commercial milestone payments, as well as tiered royalties on worldwide sales. The Company's performance obligations Amended Jazz Collaboration Agreement include \$3,699 received in relation to the research license fee of \$5.0 million were met in April 2022. Accordingly, the research license fee was recognized as revenue during the year ended December 31, 2022.

2021 and prior agreements:

Research and License Agreement with Merck Sharp & Dohme Research Ltd. ("Merck")

On August 22, 2011, the Company entered into a research and license agreement with Merck, which was amended and restated in December 2014, drug supply provided to develop and commercialize three bispecific antibodies generated through the use of the Company's Azymetric and EFECT platforms. Under the terms of the agreement, the Company granted Merck a worldwide, royalty-bearing antibody sequence pair exclusive license to research, develop and commercialize certain licensed products. The amendments did not impact the determination of units of accounting or the allocation of the arrangement consideration. From contract inception to December 31, 2022, the Company has received an upfront payment of \$1.25 million and research and development related payments totaling \$5.5 million. Currently, there are no active programs under development pursuant to this agreement.

In July 2020, the Company entered into a new licensing agreement with Merck granting Merck a worldwide, royalty-bearing license to research, develop and commercialize up to three new multispecific antibodies toward Merck's therapeutic targets in the human health field and up to three new multispecific antibodies toward Merck's therapeutic targets in the animal health field using the Company's Azymetric and EFECT platforms. The Company is eligible to receive up to \$419.3 million in option exercise fees and clinical development and regulatory approval milestone payments and up to \$502.5 million in commercial milestone payments, as well as tiered royalties on worldwide sales.

Licensing and Collaboration Agreement with Eli Lilly and Company ("Lilly")

On December 17, 2013, the Company entered into a licensing and collaboration agreement with Lilly to develop novel bispecific antibody therapeutics using the Company's proprietary Azymetric platform. The Company will apply its Azymetric platform in combination with Lilly's proprietary targets to create novel bispecific antibodies which Lilly will have the right to develop and commercialize worldwide.

From contract inception to December 31, 2022, the Company has received an upfront payment of \$1.0 million and research and development related payments of \$3.0 million. There are no active programs under development pursuant to this agreement.

Licensing and Collaboration Agreement with Lilly

On October 22, 2014, the Company entered into a second licensing and collaboration agreement with Lilly to develop novel bispecific antibody therapeutics using the Company's proprietary Azymetric platform. This agreement did not alter or amend the initial agreement entered into on December 17, 2013. Under the terms of this agreement Lilly was granted a worldwide, royalty-bearing antibody sequence pair-specific license to research, develop and commercialize certain licensed products. Each of the two agreements with Lilly were negotiated independently and the deliverables covered by the respective contracts are

Table of Contents

unrelated to one another as they cover different product candidates. Accordingly, the second Licensing and Collaboration Agreement with Lilly has been accounted for as a new arrangement.

From contract inception to December 31, 2022, the Company has received research and development related payments totaling \$10.0 million. There are no active programs under development pursuant to this agreement.

Licensing and Collaboration Agreement with Celgene Corporation & Celgene Alpine Investment Co. LLC (formerly "Celgene" and now a Bristol-Myers Squibb company, "BMS")

On December 23, 2014, the Company entered into an agreement with Celgene (now "BMS") to research, develop and commercialize bispecific antibodies generated through the use of the Company's Azymetric platform. The Company will apply its Azymetric platform in combination with BMS's proprietary targets to create novel bispecific antibodies for which BMS has an option to develop and commercialize a certain number of products ("Commercial License Option").

Upon the execution of the Agreement, the Company received an upfront payment of \$8.0 million and an expansion fee of \$4.0 million. BMS has the right to exercise options on up to ten programs and if BMS opts in on a program, the Company is eligible to receive up to \$164.0 million per product candidate (up to \$1.64 billion for all ten programs), comprised of a commercial license option payment of \$7.5 million, development milestone payments of up to \$101.5 million and commercial milestone payments of up to \$55.0 million. From contract inception to December 31, 2022, BMS has exercised one commercial license option and the Company has received a total of \$7.5 million in product candidate-specific payments. After conclusion of BMS's research period, BMS will be solely responsible for the research, development, manufacturing and commercialization of the products. In addition, the Company is eligible to receive tiered royalties calculated upon the global net sales of the resulting products. BMS will have exclusive worldwide commercialization rights to products derived from the agreement if BMS elects to exercise a commercial license option for each product. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on BMS's performance.

In June 2020, the Company's existing collaboration agreement with BMS was amended to expand the license grant to include the use of the Company's EFECT platform for the development of therapeutic candidates and to extend the research term. The amendment included an upfront expansion fee of \$12.0 million paid to the Company and all other financial terms were unchanged. The Company's performance obligations in relation to the upfront fee were met on the date of amendment. Accordingly, the upfront payment was recognized as revenue during the year ended December 31, 2020.

Collaboration and License Agreement with GlaxoSmithKline Intellectual Property Development Ltd. ("GSK")

On December 1, 2015, the Company entered into a collaboration and license agreement with GSK for the research, development, and commercialization of up to ten Fc-engineered monoclonal and bispecific antibodies generated through the use of the Company's EFECT and Azymetric platforms. The Company and GSK will collaborate to further develop the Company's EFECT platform through the design, engineering, and testing of novel engineered Fc domains tailored to induce specific antibody-mediated immune responses.

At the conclusion of the research collaboration, both GSK and the Company will have the right to develop and commercialize monoclonal and bispecific antibody candidates that incorporate the Company's optimized immune-modulating Fc domains.

Under the terms of the agreement, GSK will have the right to develop a minimum of four products across multiple disease areas, and the Company will be eligible to receive up to \$1.1 billion, including research, development, and commercial milestones of up to \$110.0 million for each product. In addition, the Company is eligible to receive tiered sales royalties in the low single digits on net sales of products. Under this agreement, the Company is sharing certain research and development responsibilities with GSK to generate new Fc-engineered antibodies. Each party will bear its own costs for the responsibilities assigned to it during the research period. Furthermore, the Company will have the right to develop up to four products, free of royalties, using the new intellectual property arising from the collaboration and after a period of time, to grant licenses to such intellectual property for development of additional products by third parties without any royalty or milestone payment to GSK. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on GSK's performance.

No development or commercial milestone payments or royalties have been received to date.

Table of Contents

Platform Technology Transfer and License Agreement with GSK

On April 21, 2016, the Company entered into a platform technology transfer and license agreement with GSK for the research, development, and commercialization of up to six bispecific antibodies enabled using the Company's Azymetric platform. Each of the two agreements with GSK were negotiated independently and the deliverables covered by the respective contracts utilize different therapeutic platforms and are unrelated to one another. Accordingly, the Platform Technology and License Agreement with GSK has been accounted for as a new arrangement. In May 2019, this agreement was expanded to provide GSK access to the Company's unique heavy-light chain pairing technology under the Azymetric platform. This may include bispecific antibodies incorporating new engineered Fc regions generated under the 2015 GSK agreement.

The Company is eligible to receive up to \$1.1 billion in milestone and other payments. From contract inception to December 31, 2022, the Company has received an upfront technology access fee payment of \$6.0 million. The Company is also eligible to receive research milestone payments of up to \$37.5 million, development milestone payments of up to \$183.5 million and commercial milestone payments of up to \$867.0 million. In addition, the Company is entitled to receive tiered royalties in the low to mid-single digits on product sales. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on GSK's performance.

No research, development or commercial milestone payments or royalties have been received to date.

Collaboration and Cross License Agreement with Daiichi Sankyo, Co., Ltd. ("Daiichi Sankyo")

On September 26, 2016, the Company entered into a collaboration and cross license agreement with Daiichi Sankyo for the research, development, and commercialization of one bispecific antibody enabled using the Company's Azymetric and EFECT platforms. Additionally, the Company will license immuno-oncology antibodies from Daiichi Sankyo, with the right to research, develop and commercialize multiple products globally in exchange for royalties on product sales. Under the agreement, Daiichi Sankyo will have the option to develop and commercialize a single bispecific immuno-oncology therapeutic.

The Company is also eligible to \$149.9 million in milestone and other payments. From contract inception to December 31, 2022, the Company has received an upfront technology access fee payment of \$2.0 million and research and commercial option related payments totaling \$4.5 million. The Company is also eligible to receive additional development milestone payments of up to \$63.4 million, and commercial milestone payments of up to \$80.0 million. In addition, the Company is eligible to receive tiered royalties ranging from the low single digits up to 10% on product sales. The Company also has non-exclusive rights to develop and commercialize up to six products using Daiichi Sankyo's proprietary immuno-oncology antibodies, with royalties in the low single digits to be paid to Daiichi Sankyo on sales of such products. Daiichi Sankyo is solely responsible for the research, development, manufacturing and commercialization of the products. Under the non-exclusive immuno-oncology antibody license to Zymeworks, Zymeworks is solely responsible for all research, development and commercialization of the resulting products.

Second License Agreement with Daiichi Sankyo

In May 2018, the Company entered into a second license agreement with Daiichi Sankyo to research, develop and commercialize two bispecific antibodies generated through the use of the Company's Azymetric and EFECT platforms. Under the terms of the agreement, the Company granted Daiichi Sankyo a worldwide, royalty-bearing, antibody sequence pair-specific, exclusive license to research, develop and commercialize certain products. Under the agreement, Daiichi Sankyo will be solely responsible for the research, development, manufacturing and commercialization of the products.

The Company is also eligible to receive up to \$484.7 million in various milestone and other payments. From contract inception to December 31, 2022, the Company has received an upfront technology access fee payment of \$18.0 million. The Company is also eligible to receive development milestone payments totaling up to \$126.7 million and commercial milestone payments of up to \$340.0 million. In addition, the Company is eligible to receive tiered royalties ranging from the low single digits up to 10% on product sales, with the royalty term being, on a product-by-product and country-by-country basis, either (i) for as long as there is Zymeworks platform patent coverage on products, or (ii) for 10 years beginning from the first commercial sale, whichever period is longer. If there is no Zymeworks patent coverage on products, royalty rates may be reduced.

No development or commercial milestone payments or royalties have been received to date.

Table of Contents

Collaboration and License Agreement with Janssen Biotech, Inc. ("Janssen")

On November 13, 2017, the Company entered into a collaboration and license agreement with Janssen to research, develop and commercialize up to six bispecific antibodies generated through the use of the Company's Azymetric and EFECT platforms. Under the terms of the agreement, the Company granted Janssen a worldwide, royalty-bearing, antibody group-specific exclusive license to research, develop and commercialize certain products. Janssen also has the option to develop two additional bispecific antibodies under this agreement subject to a future option payment. Under the agreement, Janssen will be solely responsible for the research, development, manufacturing and commercialization of the products.

The Company is eligible to receive up to \$1.45 billion in various license and milestone payments. From contract inception to December 31, 2022, the Company has received an upfront payment of \$50.0 million and development milestones totaling \$8.0 million with two bispecific antibodies initiating clinical trials. The Company is also eligible to receive development milestone payments of up to \$274.0 million and commercial milestone payments of up to \$1.12 billion. In addition, the Company is eligible to receive tiered royalties in the mid-single digits on product sales, with the royalty term being, on a product-by-product and country-by-country basis, either (i) for as long as there is Zymeworks platform patent coverage on products, or (ii) for 10 years, beginning from the first commercial sale, whichever period is longer. If there is no Zymeworks patent coverage on products, royalty rates may be potentially reduced. Janssen has the right, prior to the first dosing of a patient in a Phase 3 clinical trial for a product, to buy down the royalty relating to such product by one percentage point with a payment of \$10.0 million. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on Janssen's performance.

No commercial milestone payments or royalties have been received to date.

Research and License Agreement with LEO Pharma A/S ("LEO")

On October 23, 2018, the Company entered into a research and license agreement with LEO. The Company granted LEO a worldwide, royalty-bearing, antibody sequence pair-specific exclusive license to research, develop and commercialize two bispecific antibodies, generated through the use of the Company's Azymetric and EFECT platforms, for dermatologic indications. The Company will retain rights to develop antibodies resulting from this collaboration in all other therapeutic areas. The Company and LEO are jointly responsible for certain research activities, with the Company's cost to be fully reimbursed by LEO. Each party is solely responsible for the development, manufacturing, and commercialization of their own products.

Pursuant to this agreement, the Company received an upfront payment of \$5.0 million. In addition, (i) for the first therapeutic candidate, the Company is eligible to receive preclinical and development milestone payments of up to \$74.0 million and commercial milestone payments of up to \$157.0 million together with tiered royalties on future sales of up to 20% in the United States and up to high single digits elsewhere, and (ii) for the second therapeutic candidate, the Company is eligible to receive preclinical and development milestone payments of up to \$86.5 million and commercial milestone payments of up to \$157.0 million together with tiered royalties on future sales of up to low double digits globally. For products developed by the Company outside of dermatology, LEO is eligible to receive commercial milestone payments and up to single-digit royalties on future sales.

No development or commercial milestone payments or royalties have been received to date. Jazz.

Collaboration and License Agreements with BeiGene, Ltd. ("BeiGene")

On November 26, 2018, the Company entered into three concurrent agreements with BeiGene whereby the Company granted BeiGene royalty-bearing exclusive licenses for the research, development and commercialization of its bispecific therapeutic candidates, zanidatamab (formerly known as "ZW25") (as amended on March 29, 2021 and August 10, 2021, collectively "Zanidatamab Agreement") and zanidatamab zovodotin (formerly known as "ZW49") (as amended on May 25, 2020 and June 2, 2021, collectively "Zanidatamab Zovodotin Agreement") in Asia (excluding Japan but including the People's Republic of China, South Korea and other countries), Australia and New Zealand. In addition, the Company also granted BeiGene a worldwide, royalty-bearing, antibody sequence pair-specific license to research, develop and commercialize globally three

bispecific antibodies generated through the use of the Company's Azymetric and EFFECT platforms, platforms, which agreement expired in November 2023.

Pursuant to these agreements, the Company received an upfront payment of \$60.0 million for the totality of the rights described. The Company considered the fair value of performance obligations based on the Company's best estimate of their relative stand-alone selling prices, and allocated \$40.0 million of the transaction price to the license and collaboration agreements for zanidatamab and zanidatamab zovodotin and \$20.0 million to the Company's performance obligations under the research and licensing agreement for Azymetric and EFFECT Platforms.

Table of Contents

Original License and Collaboration Agreements for Zanidatamab and Zanidatamab Zovodotin

The Company is also eligible to receive development and commercial milestone payments of up to \$390.0 million, together with tiered royalties from high single digits and up to 20% on future sales of the products. Under the agreements, the Company and BeiGene are collaborating on certain global clinical studies and both the Company and BeiGene will be independently conducting clinical studies in their own respective territories. Each of the Company and BeiGene are responsible for all the development and commercialization costs in their own territories.

In relation to the Zanidatamab Agreement, the Company identified the following promised goods and services at the inception of the BeiGene agreement that are material: development and commercial licenses, initial transfer of the Company's technologies and relevant know-how, continuing technology transfer, participation in the Joint Steering Committee ("JSC") and other sub-committees, manufacturing technology transfer, provision of development supply, provision of commercial supply, and transfer of future rights related to the development and commercial license. The Company concluded that the licenses and initial technology transfer are distinct together and the continuing technology transfer and the Company's participation to the JSC and other sub-committees' activities are also distinct together. Remaining deliverables were individually determined to be distinct.

Development and commercial licenses as well as initial transfer of technologies and relevant know-how were considered to be a single performance obligation. The consideration of \$7.1 million allocated to this performance obligation was recognized as revenue over a two-month period during which the delivery of the license and transfer of the relevant technology occurred. Deliverables of continuing technology transfer and participation in the JSC and other sub-committees together were considered to be a single performance obligation and the consideration allocated to this performance obligation will be recognized as revenue over time as these activities are completed. Remaining deliverables are considered individually distinct and the revenue will be recognized as delivery or transfer of future rights to BeiGene occurs.

In March 2020, BeiGene dosed the first patient in a two-arm Phase 1b/2 trial evaluating zanidatamab in combination with chemotherapy as a first-line treatment for patients with metastatic HER2-positive breast cancer and in combination with chemotherapy and BeiGene's PD-1-targeted antibody tislelizumab as a first-line treatment for patients with metastatic HER2-positive GEA. The Company recognized revenue of \$5.0 million in relation to this milestone. In November 2020, BeiGene dosed the first patient in South Korea in the pivotal HERIZON-BTC-01 study. The Company recognized revenue of \$10.0 million in relation to this milestone. In December 2021, BeiGene dosed the first patient in South Korea in the pivotal HERIZON-GEA-01 study and the Company recognized revenue of \$8.0 million in relation to this milestone.

In relation to the Zanidatamab Zovodotin Agreement, the Company identified the following promised goods and services at the inception of the BeiGene agreement that are material: development and commercial licenses, initial transfer of the Company's technologies and relevant know-how, continuing technology transfer, participation in the JSC and other sub-committees, manufacturing technology transfer, provision of development supply, provision of commercial supply, and transfer of future rights related to the development and commercial license. The Company concluded that the licenses and initial technology transfer together are were distinct together and the continuing technology transfer and the Company's participation to the JSC and other sub-committees' activities are were also distinct together. Manufacturing technology transfer, provision of development supply and provision of commercial supply were individually determined to be distinct.

Development and commercial licenses as well as initial transfer of technologies and relevant know-how were considered to be a single performance obligation while continuing technology transfer and participation in the JSC and other sub-committees together were considered as a single performance obligation. Remaining deliverables were considered individually distinct. No

Termination of BeiGene License and Collaboration Agreement Regarding Zanidatamab Zovodotin and Amendment of BeiGene License and Collaboration Agreement Regarding Zanidatamab:

On September 18, 2023, Zymeworks BC and BeiGene entered into a Termination Agreement (the "Termination Agreement") relating to the Zanidatamab Zovodotin Agreement. The Termination Agreement does not terminate the Zanidatamab Agreement (as defined below).

Pursuant to the Termination Agreement, the Zanidatamab Zovodotin Agreement is terminated, effective as of September 18, 2023, and is no longer in effect, except that the termination does not relieve the parties from obligations under the Zanidatamab

Zovodotin Agreement that accrued prior to the termination and certain other provisions expressly indicated to survive the termination, including certain licenses to BeiGene intellectual property with respect to zanidatamab zovodotin.

Under the Zanidatamab Zovodotin Agreement, no performance obligations were completed by the Company as of **December 31, 2022** December 31, 2023 as the initial transfer of technologies and relevant know-how **is** was not going to start until the earlier of completion of the Company's Phase-1 clinical studies for zanidatamab zovodotin or completion of dose escalation studies. Accordingly, no revenue was recognized from the Zanidatamab Zovodotin Agreement to date.

In connection with the entry into the Termination Agreement, on September 18, 2023, Zymeworks BC and BeiGene also entered into the Third Amendment to License and Collaboration Agreement (the "Amendment") relating to the Zanidatamab Agreement. Pursuant to the Amendment, Zymeworks BC is eligible to receive development and commercial milestone payments of up to \$172.0 million, together with tiered royalties up to 19.5% of net sales in BeiGene territories increasing up to 20% when cumulative amounts forgone as a result of a royalty reduction of 0.5% reaches a cap in the low double-digit millions of dollars. Pursuant to the Amendment, the remaining provisions of the Zanidatamab Agreement remain unchanged.

The Termination Agreement and the Amendment did not have any financial impact on the Company's financial statements as of and for the year ended December 31, 2023, other than allocation of consideration and performance obligations under the Zanidatamab Zovodotin Agreement to Zanidatamab Agreement. As of **December 31, 2022** December 31, 2023, the Company **recorded** has \$32,941 of the upfront fees from the **zanidatamab and zanidatamab zovodotin agreements** Zanidatamab Agreement as deferred revenue on the Company's consolidated balance sheet (December 31, **2021: \$32,941**) 2022: \$32,941 from the Zanidatamab Agreement and Zanidatamab Zovodotin Agreement). Amounts not expected to be recognized as revenue within the next twelve months of the consolidated balance sheet date are classified as long-term deferred revenue.

Research and Licensing Agreement for Azymetric and EFECT Platforms

For the development and commercialization licenses of up to three bispecific antibody therapeutics using the Company's Azymetric and EFECT platforms, the Company received an upfront payment of \$20.0 million. The Company **is** was also eligible to

[Table of Contents](#)

receive development and commercial milestone payments of up to \$702.0 million. In addition, the Company **is** was eligible to receive tiered royalties in the mid-single digits on product sales. No development or commercial milestone payments or royalties have been received to date. Under this agreement, BeiGene **is** was solely responsible for the research, development, manufacturing, and commercialization of the products. This agreement expired in November 2023.

2020 Research and License Agreement with Merck

In July 2020, the Company entered into a new licensing agreement with Merck granting Merck a worldwide, royalty-bearing license to research, develop and commercialize up to three new multispecific antibodies toward Merck's therapeutic targets in the human health field and up to three new multispecific antibodies toward Merck's therapeutic targets in the animal health field using the Company's Azymetric and EFECT platforms. The Company is eligible to receive up to \$419.3 million in option exercise fees and clinical development and regulatory approval milestone payments and up to \$502.5 million in commercial milestone payments, as well as tiered royalties on worldwide sales.

Licensing and Collaboration Agreement with Celgene Corporation & Celgene Alpine Investment Co. LLC (formerly "Celgene" and now a Bristol-Myers Squibb company, "BMS")

On December 23, 2014, the Company entered into an agreement with Celgene (now "BMS") to research, develop and commercialize bispecific antibodies generated through the use of the Company's Azymetric platform. The Company will apply its Azymetric platform in combination with BMS's proprietary targets to create novel bispecific antibodies for which BMS has an option to develop and commercialize a certain number of products ("Commercial License Option").

Upon the execution of the Agreement, the Company received an upfront payment of \$8.0 million and an expansion fee of \$4.0 million. This agreement was expanded in 2018 to increase the number of programs from eight to ten and to extend BMS's research period. BMS has the right to exercise options on up to ten programs, but in 2023 BMS stopped further development of one of the ten programs. If BMS opts in on a program, the Company is eligible to receive up to \$164.0 million per product candidate (up to \$1.64 billion for all ten programs, or \$1.48 billion not including the one program for which BMS has stopped development), comprised of a commercial license option payment of \$7.5 million, development milestone payments of up to \$101.5 million and commercial milestone payments of up to \$55.0 million. From contract inception to December 31, 2023, BMS has exercised one commercial license option and the Company has received a total of \$7.5 million in product candidate-specific payments. After conclusion of BMS's research period, BMS will be solely responsible for the research, development, manufacturing and commercialization of the products. In addition, the Company is eligible to receive tiered royalties calculated upon the global net sales of the resulting products. BMS will have exclusive worldwide commercialization rights to products derived from the agreement if BMS elects to exercise a commercial license option for each product. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on BMS's performance.

In June 2020, the Company's existing collaboration agreement with BMS was amended to expand the license grant to include the use of the Company's EFECT platform for the development of therapeutic candidates and to extend the research term. The amendment included an upfront expansion fee of \$12.0 million paid to the Company and all other financial terms were unchanged. The Company's performance obligations in relation to the upfront fee were met on the date of amendment. Accordingly, the upfront payment was recognized as revenue during the year ended December 31, 2020.

2015 Collaboration and License Agreement with GlaxoSmithKline Intellectual Property Development Ltd. ("GSK")

On December 1, 2015, the Company entered into a collaboration and license agreement with GSK for the research, development, and commercialization of up to ten Fc-engineered monoclonal and bispecific antibodies generated through the use of the Company's EFECT and Azymetric platforms. The Company and GSK will collaborate to further develop the Company's EFECT platform through the design, engineering, and testing of novel engineered Fc domains tailored to induce specific antibody-mediated immune responses.

At the conclusion of the research collaboration, both GSK and the Company will have the right to develop and commercialize monoclonal and bispecific antibody candidates that incorporate the Company's optimized immune-modulating Fc domains.

Under the terms of the agreement, GSK will have the right to develop a minimum of four products across multiple disease areas, and the Company will be eligible to receive up to \$1.1 billion, including research, development, and commercial milestones of up to \$110.0 million for each product. In addition, the Company is eligible to receive tiered sales royalties in the low single digits on net sales of products. Under this agreement, the Company is sharing certain research and development responsibilities with GSK to generate new Fc-engineered antibodies. Each party will bear its own costs for the responsibilities assigned to it during the research period. Furthermore, the Company will have the right to develop up to four products, free of royalties, using the new intellectual property arising from the collaboration and after a period of time, to grant licenses to such intellectual property for development of additional products by third parties without any royalty or milestone payment to GSK. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on GSK's performance.

No development or commercial milestone payments or royalties have been received to date.

2016 Platform Technology Transfer and License Agreement with GSK

On April 21, 2016, the Company entered into a platform technology transfer and license agreement with GSK for the research, development, and commercialization of up to six bispecific antibodies enabled using the Company's Azymetric platform. Each of the two agreements with GSK were negotiated independently and the deliverables covered by the respective contracts utilize different therapeutic platforms and are unrelated to one another. Accordingly, the Platform Technology and License Agreement with GSK has been accounted for as a new arrangement. In May 2019, this agreement was expanded to provide GSK access to the Company's unique heavy-light chain pairing technology under the Azymetric platform. This may include bispecific antibodies incorporating new engineered Fc regions generated under the 2015 GSK agreement.

The Company is eligible to receive up to \$1.1 billion in milestone and other payments. From contract inception to December 31, 2023, the Company has received an upfront technology access fee payment of \$6.0 million. The Company is also eligible to receive research milestone payments of up to \$37.5 million, development milestone payments of up to \$183.5 million and commercial milestone payments of up to \$867.0 million. In addition, the Company is entitled to receive tiered royalties in the low to mid-single digits on product sales. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on GSK's performance.

No research, development or commercial milestone payments or royalties have been received to date.

2016 Collaboration Agreement with Daiichi Sankyo, Co., Ltd. ("Daiichi Sankyo")

On September 26, 2016, the Company and Daiichi Sankyo entered into a collaboration and cross license agreement which was amended on September 25, 2018, July 2, 2021, and June 6, 2022 (collectively, the "2016 Daiichi Collaboration Agreement") for the research, development, and commercialization of one bispecific antibody enabled using the Company's Azymetric and EFECT platforms. Additionally, the Company was able to license immuno-oncology antibodies from Daiichi Sankyo, with the right to research, develop and commercialize multiple products globally in exchange for royalties on product sales. Under the agreement, Daiichi Sankyo had the option to develop and commercialize a single bispecific immuno-oncology therapeutic.

From contract inception to the termination of 2016 Daiichi Collaboration agreement as defined below, the Company has received an upfront technology access fee payment of \$2.0 million and research and commercial option related payments totaling \$4.5 million.

Termination of the 2016 Daiichi Sankyo Collaboration Agreement

In March 2023, Zymeworks BC and Daiichi Sankyo terminated the Daiichi Collaboration Agreement and is no longer in effect, except that the termination does not relieve the parties from obligations under the Daiichi Collaboration Agreement that have accrued prior to the termination or provisions of the Daiichi Collaboration Agreement expressly indicated in the Daiichi Collaboration Agreement or the Termination and License Agreement to survive the termination. The termination of the 2016 Daiichi Collaboration Agreement did not have any financial impact during the year ended December 31, 2023.

2018 Licensing Agreement with Daiichi Sankyo

In May 2018, the Company entered into a second license agreement with Daiichi Sankyo to research, develop and commercialize two bispecific antibodies generated through the use of the Company's Azymetric and EFECT platforms. Under the terms of the agreement, the Company granted Daiichi Sankyo a worldwide, royalty-bearing, antibody sequence pair-specific, exclusive license to research, develop and commercialize certain products. Under the agreement, Daiichi Sankyo will be solely responsible for the research, development, manufacturing and commercialization of the products.

Under the terms of the agreement, the Company was eligible to receive up to \$484.7 million in various milestone and other payments. From contract inception to December 31, 2023, the Company has received an upfront technology access fee payment of \$18.0 million. The Company remains eligible to receive development milestone payments totaling up to \$63.4 million and commercial milestone payments of up to \$170.0 million. In addition, the Company is eligible to receive tiered royalties ranging from the low single digits up to 10% on product sales, with the royalty term being, on a product-by-product and country-by-country basis, either (i) for as long as there is Zymeworks platform patent coverage on

products, or (ii) for 10 years beginning from the first commercial sale, whichever period is longer. If there is no Zymeworks patent coverage on products, royalty rates may be reduced.

No development or commercial milestone payments or royalties have been received to date.

Collaboration and License Agreement with Janssen Biotech, Inc. ("Janssen")

On November 13, 2017, the Company entered into a collaboration and license agreement with Janssen to research, develop and commercialize up to six bispecific antibodies generated through the use of the Company's Azymetric and EFECT platforms. Under the terms of the agreement, the Company granted Janssen a worldwide, royalty-bearing, antibody group-specific exclusive license to research, develop and commercialize certain products. Janssen also has the option to develop two additional bispecific antibodies under this agreement subject to a future option payment. Under the agreement, Janssen will be solely responsible for the research, development, manufacturing and commercialization of the products.

The Company was originally eligible to receive up to \$1.45 billion in various license and milestone payments. From contract inception to December 31, 2023, the Company has received an upfront payment of \$50.0 million and development milestones totaling \$8.0 million with two bispecific antibodies initiating clinical trials. Janssen has deprioritized the development of one of those two bispecific antibodies, and in 2023 the research program term under the agreement ended with respect to the remaining four bispecific antibodies. As a result, the Company remains eligible to receive development milestone payments of up to \$86.0 million and commercial milestone payments of up to \$373.0 million (\$43.0 million and \$186.5 million, respectively, not including the bispecific antibody that Janssen has deprioritized). In addition, the Company is eligible to receive tiered royalties in the mid-single digits on product sales, with the royalty term being, on a product-by-product and country-by-country basis, either (i) for as long as there is Zymeworks platform patent coverage on products, or (ii) for 10 years, beginning from the first commercial sale, whichever period is longer. If there is no Zymeworks patent coverage on products, royalty rates may be potentially reduced. Janssen has the right, prior to the first dosing of a patient in a Phase 3 clinical trial for a product, to buy down the royalty relating to such product by one percentage point with a payment of \$10.0 million. The Company determined that, the events and conditions resulting in payments for research, development and commercial milestones solely depend on Janssen's performance.

No commercial milestone payments or royalties have been received to date.

Research and License Agreement with LEO Pharma A/S ("LEO")

On October 23, 2018, the Company entered into a research and license agreement with LEO. The Company granted LEO a worldwide, royalty-bearing, antibody sequence pair-specific exclusive license to research, develop and commercialize two bispecific antibodies, generated through the use of the Company's Azymetric and EFECT platforms, for dermatologic indications. The Company will retain rights to develop antibodies resulting from this collaboration in all other therapeutic areas. The Company and LEO are jointly responsible for certain research activities, with the Company's cost to be fully reimbursed by LEO. Each party is solely responsible for the development, manufacturing, and commercialization of their own products.

Pursuant to this agreement, the Company received an upfront payment of \$5.0 million. No development or commercial milestone payments or royalties have been received to date.

Termination of LEO Research and License Agreement

On October 27, 2023, Zymeworks BC received written notice from LEO Pharma A/S ("LEO"), stating that LEO elected to terminate, in its entirety, the Research and License Agreement. In accordance with the terms of the Research and License Agreement, the termination of such agreement was effective on January 25, 2024. The termination of the LEO Research and License Agreement did not have any financial impact during the year ended December 31, 2023.

License Agreement with Iconic Therapeutics, Inc. ("Iconic")

On May 13, 2019, the Company entered into a license agreement with Iconic to develop and commercialize an antibody-drug conjugate (ICON-2) targeting tissue factor generated through the use of the Company's ZymeLink platform. Under the terms of this agreement, the Company granted Iconic a worldwide, royalty-bearing, antibody sequence-specific, exclusive license to develop and commercialize certain products. Iconic is responsible for the development, manufacturing, and commercialization of the products.

Pursuant to this agreement, the Company was initially eligible to receive development and commercial milestone payments and tiered royalties on worldwide net sales. From contract inception to December 31, 2022, the Company has received \$1.0 million in milestone payments.

In December 2020, Exelixis, Inc. ("Exelixis") exercised an option under an existing agreement with Iconic to license ICON-2 (also known as XB002) and under the Company's agreement with Iconic, the Company received \$4.0 million accordingly, a share of the \$20.0 million option fee paid to Iconic by Exelixis. In December 2021, under an amendment between Iconic and Exelixis, the Company recognized \$5.0 million as a share of the one-time fee received by Iconic in exchange for all future milestones owing to Iconic from Exelixis. The Company will continue to be eligible to receive future royalties on the ICON-2 program pursuant to the agreement with Iconic. Iconic and its partners are responsible for the development, manufacturing, and commercialization of the products.

Atreca

In April 2022, the Company entered into a licensing agreement with Atreca, Inc. ("Atreca"), granting Atreca a worldwide, royalty-bearing license to research, develop and commercialize novel ADCs. The Company is eligible to receive up to \$210.0 million in option exercise fees and clinical development and regulatory approval milestone payments and up to \$540.0 million in commercial milestone payments, as well as tiered royalties on worldwide sales. The Company's performance obligations in relation to the research license fee of \$5.0 million were met in April 2022. Accordingly, the research license fee was recognized as revenue during the year ended December 31, 2022. There are no active programs under development pursuant to this agreement.

13. Other (Expense) Income, net

Other (expense) income, net consists of the following:

Year ended December 31,			
	2022	2021	2020
Foreign exchange gain	\$1,152	\$1,191	\$1,683

Year ended December 31,				Year ended December 31,			
	2023			2023	2022		2021
Foreign exchange (loss) gain							
Other	Other	(42)	118	(35)			
		\$1,110	\$1,309	\$1,648			
	\$						

14. Income Taxes

a. Income tax **recovery** (expense) **recovery** is comprised of the following:

Year Ended December 31,			
	2022	2021	2020
Current income tax expense	\$ (8,953)	\$ (437)	\$ (292)
Deferred income tax (expense) recovery	(1,940)	953	(137)
Income tax (expense) recovery	\$ (10,893)	\$ 516	\$ (429)

Year Ended December 31,			
	2023	2022	2021
Current income tax expense	\$ (189)	\$ (8,953)	\$ (437)
Deferred income tax recovery (expense)	757	(1,940)	953
Income tax recovery (expense)	\$ 568	\$ (10,893)	\$ 516

Current income tax **expense** **recovery** (expense) for the years ended **December 31, 2022**, **December 31, 2023**, **2021**, **2022** and **2020**, **2021** arose from the operations of the Company as well as its wholly owned subsidiaries in Canada, **and** in the United States, **in Ireland and in Singapore**, as well as withholding taxes paid by the Company abroad in **2023**, **2022**, **2021** and **2020**.

[Table of Contents](#)

2021.

b. Following the Redomicile Transactions, the applicable statutory tax rate is the U.S. federal income tax at the statutory rate. Income tax **recovery** (expense) **recovery** varies from the amounts that would be computed by **apply** **applying** the expected U.S. statutory income tax rate of 21% (**2021**: 21% and **2020**: 21%) to income (loss) before income taxes as shown in the following table:

Year Ended December 31,			
	2022	2021	2020

Year Ended December 31,				Year Ended December 31,			
	2023			2023	2022		2021
Computed taxes at United States statutory income tax rate	Computed taxes at United States statutory income tax rate						
		\$(28,429)	\$44,620	\$37,821			

Non-deductible expenses	Non-deductible expenses	(9,745)	(798)	(7,149)
Difference between domestic and foreign tax rate	Difference between domestic and foreign tax rate	(8,365)	12,175	8,949
Adjustments to prior year	Adjustments to prior year	(826)	(33)	(441)
Change in valuation allowance	Change in valuation allowance	33,526	(60,260)	(48,411)
Share issuance costs in equity	Share issuance costs in equity	—	2	5,385
Change in recognition and measurement of tax positions				
Changes due to SR&ED and research credits	Changes due to SR&ED and research credits	3,238	5,096	4,067
Other	Other	(292)	(286)	(650)
Income tax (expense) recovery		<u>\$ (10,893)</u>	<u>\$ 516</u>	<u>\$ (429)</u>
Income tax recovery (expense)				

c. Deferred income tax assets and liabilities result from the temporary differences between the amounts of assets and liabilities recognized for financial statement and income tax purposes. The significant components of the deferred income tax assets and liabilities are as follows:

		December 31, 2022	December 31, 2021	
	December 31, 2023			December 31, 2022
<u>Deferred tax assets:</u>	<u>Deferred tax assets:</u>			
Non-capital losses carried forward	Non-capital losses carried forward	\$ 84,948	\$123,554	
Non-capital losses carried forward				
Non-capital losses carried forward				
Deferred revenue	Deferred revenue	8,893	8,894	
Share issue costs		4,549	6,058	

Share issuance costs			
Property and equipment	Property and equipment	565	1,219
Intangible assets	Intangible assets	5,930	2,911
Research and development deductions and credits	Research and development deductions and credits	39,957	35,401
Contingent consideration	Contingent consideration	404	421
Stock options	Stock options	4,344	4,330
Operating lease liability	Operating lease liability	7,008	7,871
Other	Other	302	351
		<u>\$156,900</u>	<u>\$191,010</u>
	\$		
<u>Deferred tax liabilities:</u>	<u>Deferred tax liabilities:</u>		
Property and equipment	Property and equipment		
Property and equipment	Property and equipment	(967)	(1,085)
IPR&D	IPR&D	(4,759)	(4,760)
Operating lease right-of-use assets	Operating lease right-of-use assets	(5,758)	(6,685)
Outside basis difference in foreign subsidiary	Outside basis difference in foreign subsidiary	(1,788)	(1,573)
		<u>\$ (13,272)</u>	<u>\$ (14,103)</u>
		143,628	176,907
Stock options			
Other			
	\$		
		222,336	
Less: valuation allowance	Less: valuation allowance	(144,071)	(175,410)
Net deferred tax (liabilities) assets	Net deferred tax (liabilities) assets	\$ (443)	\$ 1,497
Deferred tax assets	Deferred tax assets	\$ 1,345	\$ 3,070
Deferred tax liabilities	Deferred tax liabilities	(1,788)	(1,573)

Net deferred tax (liabilities) assets	Net deferred tax (liabilities) assets	\$ (443)	\$ 1,497

The realization of deferred income tax assets is dependent upon the generation of sufficient taxable income during future periods in which the temporary differences are expected to reverse. The valuation allowance is reviewed on a quarterly basis and if the assessment of the "more likely than not" criterion changes, the valuation allowance is adjusted accordingly.

Table of Contents

d. At **December 31, 2022** **December 31, 2023**, the Company has net operating losses carried forward for tax purposes in Canada, which are available to reduce taxable income of future years of approximately **\$314.7 million** **\$597.2 million** (December 31, **2021: \$457.6 million** **2022: \$314.7 million**) expiring commencing **2040** **2035** through **2041**, **2043**.

At **December 31, 2022** **December 31, 2023**, the Company also has unclaimed tax deductions for scientific research and experimental development expenditures of approximately **\$89.0 million** **\$99.1 million** (December 31, **2021: \$81.4 million** **2022: \$89.0 million**) available to reduce taxable income of future years in Canada, with no expiry. At **December 31, 2022** **December 31, 2023**, the Company has approximately **\$18.5 million** **\$21.7 million** (December 31, **2021: \$15.8 million** **2022: \$18.5 million**) of investment tax credits available to offset Canadian federal and provincial taxes payable expiring commencing in 2029 through **2042**, **2043**, and has approximately **\$1.2 million** **\$0.4 million** (December 31, **2021: \$1.1 million** **2022: \$1.2 million**) of research tax credit credits available to offset **US U.S.** federal taxes payable expiring commencing in **2041** **2042** through **2042**, **2043**.

e. The investment tax credits and non-capital losses for income tax purposes expire as follows:

Expiry date	Expiry date	Investment tax credits	Research tax credits	Non-capital losses	Expiry date	Investment tax credits	Research tax credits	Non-capital losses
2029	2029	\$ 1,169	\$ —	\$ —				
2030	2030	1,242	—	—				
2031	2031	1,424	—	—				
2032	2032	1,357	—	—				
2033	2033	—	—	—				
2034	2034	229	—	—				
2035	2035	1,068	—	—				
2036	2036	862	—	—				
2037	2037	1,586	—	—				
2038	2038	1,485	—	—				
2039	2039	1,818	—	—				
2040	2040	1,903	—	121,729				
2041	2041	2,222	1,057	192,924				
2042	2042	2,126	96	—				
		\$ 18,491	\$ 1,153	\$ 314,653				
2043	—							
	\$							
	=							

f. A reconciliation of total unrecognized tax benefits for the years ended **December 31, 2022** **December 31, 2023**, **2021, 2022**, and **2020** **2021** are as follows:

		Year Ended December 31,					
		2022	2021	2020			
		Year Ended December 31,			Year Ended December 31,		
		2023			2023	2022	2021
Balance, beginning of year	Balance, beginning of year	\$3,063	\$3,063	\$3,063			

Increases related to prior year tax positions	Increases related to prior year tax positions	—	—	—
Increases related to current year tax positions	Increases related to current year tax positions	—	—	—
Balance, end of year	Balance, end of year	\$3,063	\$3,063	\$3,063

Included in the balance of unrecognized tax benefits at **December 31, 2022**, **December 31, 2023**, **2021 2022** and **2020 2021** are potential benefits of nil that, if recognized, would affect the effective tax rate on income from continuing operations. Recognition of these potential benefits would result in a deferred tax asset in the form of net operating loss carry-forward, which would be subject to a valuation allowance based on conditions existing at the reporting date.

The Company recognizes interest expense and penalties related to unrecognized tax benefits within the provision for income tax expense on the consolidated statements of **(loss)** income **(loss)** and comprehensive **income (loss)**, **income**.

The Company currently files income tax returns in Canada, the United States, the United Kingdom, **Ireland** and **Ireland, Singapore**, the jurisdictions in which the Company believes that it is subject to tax. Further, while the statute of limitations in each jurisdiction where an income tax return has been filed generally limits the examination period, as a result of loss carry-forwards, the limitation period for examination generally does not expire until several years after the loss carry-forwards are utilized. Other than routine audits by tax authorities for tax credits and tax refunds that the Company has claimed, management is not aware of

[Table of Contents](#)

any other material income tax examination currently in progress by any taxing jurisdiction. Tax years ranging from 2006 to **2022 2023** remain subject to Canadian income tax examinations. Tax years ranging from **2019 2020** to **2022 2023** remain subject to U.S. income tax examinations. Tax **year years ranging from 2022 to 2023** remain subject to **U.K United Kingdom** and Ireland income tax examinations. **Tax year 2023** remains subject to **Singapore income tax examinations**.

15. Leases

The Company leased separate lease for the Company's office and laboratory spaces in Vancouver, British Columbia, which expired in February 2022. On January 25, 2019, the Company was entered into a lease for a new building in Vancouver, including both office and laboratory space. This lease commenced for accounting purposes in May 2021 and construction of leasehold improvements was completed during the year ended December 31, 2022. This lease January 2019, has an initial term of ten years, expiring in February 2032, with two five-year extension options. In addition, the Company leases office space spaces in Bellevue and Seattle, Washington and in Redwood City, California with lease terms expiring in between December 2024 and May 2027. None of the optional extension periods have been included in the determination of the right-of-use assets or the lease liabilities for operating leases as the Company did not consider it reasonably certain that the Company would exercise any such options. The Company also leases office equipment under capital lease agreements.

The balance sheet classification of the Company's lease liabilities was as follows:

	December 31, 2022	December 31, 2021
Operating lease liabilities:		
Current portion	\$ 3,322	\$ 1,310
Long-term portion	24,667	30,923
Total operating lease liabilities	27,989	\$ 32,233
Finance lease liabilities:		
Current portion included in other current liabilities	16	22
Long-term portion included in other long-term liabilities	124	100
Total finance lease liabilities	140	122
Total lease liabilities	\$ 28,129	\$ 32,355

	December 31, 2023	December 31, 2022

Operating lease liabilities:		
Current portion	\$ 4,261	\$ 3,322
Long-term portion	22,369	24,667
Total operating lease liabilities	\$ 26,630	\$ 27,989
Finance lease liabilities:		
Current portion included in other current liabilities	30	16
Long-term portion included in other long-term liabilities	92	124
Total finance lease liabilities	122	140
Total lease liabilities	\$ 26,752	\$ 28,129
Weighted average remaining lease term:		
Operating leases	6.7 years	7.8 years
Weighted average discount rate:		
Operating leases in U.S. dollars	3.6 %	2.8 %
Operating leases in Canadian dollars	4.8 %	4.8 %

Cash paid for amounts included in the measurement of operating lease liabilities for fixed lease payments for the year ended **December 31, 2022** **December 31, 2023** was **\$4,471** **\$4,896** and was included in net cash used in operating activities in the consolidated statement of cash flows.

As of **December 31, 2022** **December 31, 2023**, the maturities of the Company's operating lease liabilities were as follows:

	Operating leases
Within 1 year	\$ 4,435 5,542
1 to 2 years	4,493 5,113
2 to 3 years	4,611 5,021
3 to 4 years	4,589 3,811
4 to 5 years	3,357 3,174
Thereafter	11,653 8,730
Total operating lease payments	33,138 31,391
Less:	
Imputed interest	(5,149) (4,761)
Operating lease liabilities	\$ 27,989 26,630

As

The cost components of **December 31, 2022**, the weighted average remaining lease term is 7.8 years and the discount rate used to determine the operating lease liability was 4.8% for leases in Canadian dollars and 2.8% for leases in U.S. dollars, were as follows:

	Year Ended December 31,		
	2023	2022	2021
Lease expenses:			
Operating lease expense	\$ 7,292	6,609	\$ 5,323
Variable lease expense	1,637	1,186	335
	\$ 8,929	\$ 7,795	\$ 5,658

During the year ended **December 31, 2022**, the Company incurred total operating lease expenses of \$7,795 (2021 - \$5,658, 2020 - \$3,595), which included lease expenses associated with fixed lease payments of \$6,609 (2021 - \$5,323 and 2020 -

[Table of Contents](#)

\$3,156), and variable payments associated with common area maintenance and similar expenses of \$1,186 (2021 - \$335 and 2020 - \$439).

During the year ended December 31, 2022 December 31, 2023, the Company did not recognize any impairment losses on its right-of-use assets (2021: nil), (2022: nil and 2021: nil).

16. Financial Instruments

The Company evaluates financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level of classification each reporting period. This determination requires the Company to make subjective judgments as to the significance of inputs used in determining fair value and where such inputs lie within the fair value hierarchy.

Fair Value Measurements

The Company measures certain financial instruments and other items at fair value.

To determine fair value, the Company uses a fair value hierarchy that prioritizes the inputs, assumptions and valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are unadjusted quoted market prices for identical instruments available in active markets.
- Level 2 inputs are inputs other than Level 1 prices, such as prices for a similar asset or liability that are observable either directly or indirectly. If the asset or liability has a contractual term, the input must be observable for substantially the full term. An example includes quoted market prices for similar assets or liabilities in active markets.
- Level 3 inputs are unobservable inputs for the asset or liability and will reflect management's assessment about market assumptions that would be used to price the asset or liability.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The Company's financial instruments consist of cash and cash equivalents, short-term and long-term investments in marketable and other securities, accounts receivable, accounts payable and accrued liabilities, contingent consideration, finance and operating lease obligations, and other long-term liabilities.

The carrying values of cash and cash equivalents, short-term investments in marketable securities, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the near-term maturities of these financial instruments. As at December 31, 2022, long-term investments in equity securities of private entities are accounted for as available for sale at their fair values. Other long-term liabilities for contingent consideration related to business acquisitions are recorded at fair value on the acquisition date and are adjusted quarterly for changes in fair value. Changes in the fair value of contingent consideration liabilities can result from changes in anticipated milestone payments and changes in assumed discount periods and rates. These inputs are unobservable in the market and therefore categorized as level 3 inputs as defined above.

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis, and indicate the fair value hierarchy of the valuation techniques used to determine such fair value:

	December 31, 2022	Level 1	Level 2	Level 3
Assets				
Cash equivalents:				
GICs	\$ 200,289	\$ —	\$ 200,289	\$ —
Investments:				
GICs	91,320	—	91,320	—
Total	<u>\$ 291,609</u>	<u>\$ —</u>	<u>\$ 291,609</u>	<u>\$ —</u>
Liabilities				
Liability for contingent consideration	1,248	—	—	1,248
Total	<u>\$ 1,248</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,248</u>

Table of Contents

	December 31, 2021	Level 1	Level 2	Level 3
Assets				
Cash equivalents:				
Commercial paper	\$ 61,387	\$ —	\$ 61,387	\$ —
Investments:				
GICs	50,741	—	50,741	—

Total	\$	112,128	\$	—	\$	112,128	\$	—
Liabilities								
Liability for contingent consideration		1,498		—		—		1,498
Total	\$	1,498	\$	—	\$	—	\$	1,498

The following table presents the changes in fair value of the Company's liability for contingent consideration:

	Liability at the beginning of the period	Increase (decrease) in fair value of liability for contingent consideration	Amounts paid or transferred to payables	Liability at end of the period
Year ended December 31, 2022	\$ 1,498	\$ —	\$ (250)	\$ 1,248
Year ended December 31, 2021	\$ 1,285	\$ 213	\$ —	\$ 1,498

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, short-term investments, long-term investments and accounts receivable. Cash and cash equivalents and investments in marketable securities are invested in accordance with the Company's cash investment policy with the primary objective being the preservation of capital and maintenance of liquidity. The cash investment policy includes guidelines on the quality of financial instruments and defines allowable investments that the Company believes minimizes the exposure to concentration of credit risk. The Company limits its exposure to credit loss by placing its cash and cash equivalents, short-term investments and long-term investments with high credit quality financial institutions.

At December 31, 2022, the maximum exposure to credit risk for accounts receivable was \$33,400 (December 31, 2021: \$15,614) and all accounts receivable are due within the next 12 months. As at December 31, 2022 and December 31, 2021, the Company has recognized nominal amounts of provision for expected credit losses in relation to accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's short-term cash requirements are primarily to settle its financial liabilities, which consist primarily of accounts payable and accrued liabilities falling due within 45 days and current portion of lease obligations falling due within the next 12 months, with medium term requirements to invest in property and equipment and research and development. The Company's principal sources of liquidity to settle its financial liabilities are cash, cash equivalents and short-term investments, collection of accounts receivable relating to research collaboration and license agreements and additional public equity offerings as required. The Company believes that these principal sources of liquidity are sufficient to fund its operations for at least the next 12 months, and potentially beyond.

Foreign Currency Risk

The Company incurs certain operating expenses in currencies other than the U.S. dollar and accordingly is subject to foreign exchange risk due to fluctuations in exchange rates. The Company does not use derivative instruments to hedge exposure to foreign exchange risk due to the low volume of transactions denominated in foreign currencies. At December 31, 2022, the Company's net monetary liabilities denominated in Canadian dollars were \$1,593 (C\$2,144).

The operating results and financial position of the Company are reported in U.S. dollars in the Company's consolidated financial statements. The fluctuation of the U.S. dollar relative to the Canadian dollar and other foreign currencies will have an

Table of Contents

impact on the reported balances for net assets, net income (loss) and stockholders' equity in the Company's consolidated financial statements.

17. Commitments and Contingencies

Commitments

The Company has entered into research collaboration agreements with strategic partners in the ordinary course of operations that may include contractual milestone payments related to the achievement of pre-specified research, development, regulatory and commercialization events and indemnification provisions, which are common in such agreements. Pursuant to the agreements, the Company is obligated to make research and development and regulatory milestone payments upon the occurrence of certain events and royalty payments based on net sales. The maximum amount of potential future indemnification is unlimited, however, the Company currently holds commercial and product liability insurance that limits the Company's liability and may enable it to recover a portion of any future amounts paid. Historically, the Company has not made any indemnification payments under such agreements and believes that the fair value of these indemnification obligations is minimal. Accordingly, the Company has not recognized any liabilities relating to indemnification obligations for any period presented in the consolidated financial statements.

In connection with the Company's 2016 Kairos acquisition, the Company may be required to make future payments of up to an aggregate of C\$8.5 million, 8,500, consisting of (i) a C\$2.5 million 2,500 payment when the first patient is dosed in the first Phase 2 trial and (ii) a C\$6.0 million 6,000 payment when the first patient is dosed in the first Phase 3 trial, to CDRD Ventures Inc. ("CVI") upon the direct achievement of certain development milestones for products incorporating certain Kairos intellectual property, property (such as zanidatamab zovodotin or other product candidates using our ZymeLink technology). In addition, CVI is eligible to receive low single-digit royalty payments from the Company on the

net sales of such products. For out-licensed products and technologies incorporating certain Kairos intellectual property, the Company may also be required to pay CVI a mid-single digit percentage of certain future revenue. As of **December 31, 2022** **December 31, 2023**, the contingent consideration had an estimated fair value of **\$1,248**, **\$1,878**, which has been recorded **within in accounts payable and accrued liabilities and in** other long-term liabilities on the Company's consolidated balance sheet (December 31, **2021: \$1,498**) **2022: \$1,248**) (note 9). The contingent consideration was calculated using a probability weighted assessment of the likelihood of the milestones being met, a probability adjusted discount rate that reflects the stage of the development and time to complete the development. Contingent consideration is a financial liability and measured at its fair value at each reporting period, with any changes in fair value from the previous reporting period recorded within research and development expenses in the **consolidated** statement of **income (loss) loss (income)**.

The following table presents the changes in fair value of the Company's liability for contingent consideration:

	Liability at the beginning of the period	Increase in fair value of liability for contingent consideration	Amounts paid or transferred to payables	Liability at end of the period
Year ended December 31, 2023	\$ 1,248	630	—	\$ 1,878
Year ended December 31, 2022	\$ 1,498	—	(250)	\$ 1,248

The following tables present information about the Company's liability for contingent consideration measured at fair value on a recurring basis, and **comprehensive income (loss)**. indicate the fair value hierarchy of the valuation technique used to determine such fair value:

	December 31, 2023	Level 1	Level 2	Level 3
Liability for contingent consideration	\$ 1,878	—	—	\$ 1,878
Total	\$ 1,878	\$ —	\$ —	\$ 1,878

	December 31, 2022	Level 1	Level 2	Level 3
Liability for contingent consideration	\$ 1,248	—	—	\$ 1,248
Total	\$ 1,248	\$ —	\$ —	\$ 1,248

The Company used the following assumptions to estimate fair value of contingent consideration liability as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Weighted assessment of the likelihood of the milestones	33.5 %	16.3 %
Weighted average estimated period for achievement of milestones	0.92 years	1.36 years
Discount rate	17.0 %	12.0 %

Contingencies

From time to time, the Company may be subject to various legal proceedings and claims related to matters arising in the ordinary course of business. The Company does not believe it is currently subject to any material matters where there is at least a reasonable possibility that a material loss may be incurred.

18. 17. Restructuring

In January 2022, During the year ended December 31, 2022, the Company **started implementing completed** a restructuring program (the "Restructuring") **as part of its renewed to** focus on achieving its key strategic priorities and to help create a more cost-efficient **organization in order to execute on its strategic priorities. organization**. In connection with the Restructuring, the Company made changes to its management team and reduced headcount by approximately 25% by the completion of the **Restructuring during the three months period ended March 31, 2022. Restructuring**. During the year ended December 31, 2022, the Company recorded the following costs for the Restructuring:

- employee severance and termination benefits of \$5,214;
- an offsetting non-cash reversal of previously recognized stock-based compensation expenses for unvested stock and RSU awards of \$10,381; and

- other restructuring charges primarily related to accelerated depreciation and accelerated recognition of rent expense in relation to the shutdown of certain facilities of \$2,435 and early termination of certain service contracts of \$1,275.

Of the net charges, \$5,659 expense and \$5,516 recovery of stock-based compensation were recorded in research and development expenses, and \$3,265 expense and \$4,865 stock-based compensation recovery were recorded in general and administrative expenses in the accompanying statements of (loss) income (loss) and comprehensive (loss) income (loss) for the year ended December 31, 2022.

[Table of Contents](#)

As of December 31, 2022 December 31, 2023, the net outstanding liability related to employee severance termination benefits and other contract liabilities was approximately \$678. The Company nil (December 31, 2022: \$678). No costs for the Restructuring were recognized the majority of these charges during the year ended December 31, 2022 and does not expect to incur any material additional costs related to the Restructuring. December 31, 2023.

[Table of Contents](#)

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the design and operating effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Any such information is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on our evaluation of our disclosure controls and procedures as of December 31, 2022 December 31, 2023, our Chief Executive Officer and our Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were, in design and operation, effective at the reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) and Rule 15d-15(f) of the Exchange Act.

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute, assurances. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Management has assessed the effectiveness of our internal control over financial reporting as at December 31, 2022 December 31, 2023. In making its assessment, management used the criteria set forth in the internal control – integrated framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO framework) to evaluate the effectiveness of our internal control over financial reporting. Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

Attestation Report of Independent Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by KPMG LLP, an independent registered public accounting firm, regarding our internal control over financial reporting. For so long as we are not classified as an "accelerated filer" or "large accelerated filer" pursuant to SEC rules, we will continue to be exempt from the auditor attestation requirements of Section 404(b) of Sarbanes-Oxley, stated in their report included elsewhere in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2022 December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

Item 9B. Other Information

As previously reported on January 4, 2023, the Company removed Dr. Neil Josephson from the position of Chief Medical Officer, effective January 3, 2023 (the "Separation Date"). In accordance with the terms of Dr. Josephson's employment agreement with the Company and pursuant to the separation and release agreement with the Company, dated as of March 3, 2023 (the "Separation Agreement"), for the 12-month period following the Separation Date, Dr. Josephson will be paid the equivalent of his base salary in effect as of the Separation Date (\$40,000 per month), less applicable withholdings, and payment or reimbursement of COBRA premiums for up to 12 months following the Separation Date, or until Dr. Josephson secures health insurance coverage through another employer.

Dr. Josephson's receipt of the foregoing benefits under the Separation Agreement is subject to his non-revocation of the Separation Agreement and his continued compliance with the surviving terms of his employment agreement with the Company that pertain to confidentiality, non-disclosure, and invention assignment obligations and post-employment non-solicitation and non-competition covenants. The Separation Agreement includes a release of claims.

The foregoing description of the Separation Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Separation Agreement, which is attached hereto as Exhibit 10.59 and is incorporated herein by reference. None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

We maintain Board of Directors

The following table sets forth the names, ages and positions of the members of our board of directors as of February 29, 2024.

Name	Age	Position(s)
Kenneth Galbraith	61	Chief Executive Officer, President and Chair of the Board of Directors
Carlos Campoy ⁽¹⁾⁽²⁾	59	Director
Alessandra Cesano ⁽²⁾⁽⁴⁾	63	Director
Troy M. Cox ⁽¹⁾	59	Director
Nancy Davidson ⁽³⁾⁽⁴⁾	70	Director
Susan Mahony ⁽³⁾	59	Director
Derek J. Miller ⁽¹⁾⁽²⁾	53	Director
Kelvin Neu ⁽⁴⁾	50	Director
Scott Platshon	32	Director
Hollings C. Renton ⁽³⁾	77	Director

(1) Member of the audit committee.

(2) Member of the nominating and corporate governance committee.

(3) Member of the compensation committee.

(4) Member of the research and development committee.

There are no family relationships among any of the directors or executive officers.

Kenneth Galbraith

Mr. Galbraith is 61 years old and has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022. Mr. Galbraith was a Managing Director at Five Corners Capital, Inc., which he founded in 2013, from February 2021 until January 2022. He served as Executive in Residence at Syncona Limited from April 2021 until January 2022, and has served as an advisor to Syncona since May 2023. He served as Chief Executive Officer of Liminal BioSciences Inc. (formerly Prometic Life Sciences Inc.), a publicly held company, from April 2019 to November 2020, continuing as an advisor to that company from November 2020 to February 2021. He also served as Chief Executive Officer of Fairhaven Pharmaceuticals Inc. from June 2017 to April 2019. Mr. Galbraith has served as a director of several publicly held companies, including MacroGenics, Inc. from July 2008 until January 2022,

Profound Medical Corp. from January 2017 to May 2023, and Celator Pharmaceuticals, Inc. from July 2008 to October 2013. He has also served as a director of several privately held companies. Previously, he joined Ventures West Capital in 2007 and founded Five Corners Capital Inc. in 2013 to manage the continued operations of the Ventures West Investment Funds. Mr. Galbraith has over 35 years of experience serving as an executive, director, investor and adviser to companies in the biotechnology, medical device, pharmaceutical and healthcare sectors. Mr. Galbraith received his B.Comm. from the University of British Columbia.

Based on Mr. Galbraith's depth of experience in the biotechnology industry, ranging from executive officer to director roles, the board of directors believes Mr. Galbraith has the appropriate set of skills to serve as a member of our board of directors.

Carlos Campoy

Mr. Campoy is 59 years old and has served as a member of our board of directors since June 2023. Mr. Campoy served as Chief Financial Officer of CytomX Therapeutics, Inc. from March 2020 through September 2022. Prior to CytomX Therapeutics, Mr. Campoy served as the Chief Financial Officer of Alder BioPharmaceuticals, Inc., a public biopharmaceutical company acquired in October 2019 by Lundbeck A/S, from December 2018 to November 2019. During his time at Alder BioPharmaceuticals, Mr. Campoy led the finance organization and readied the company for commercial launch of its lead program, eptinezumab. Prior to Alder BioPharmaceuticals, Mr. Campoy was a partner at Think Forwards, a boutique financial consulting firm, from September 2017 to December 2018. Prior to his position at Think Forwards, Mr. Campoy held the role of vice president of finance at Allergan plc from July 2014 to November 2016. Prior to joining Allergan, Mr. Campoy held senior financial leadership positions at Eli Lilly and Company from 1996 to 2014, including chief financial officer of Eli Lilly Japan K.K. Mr. Campoy holds a Certified Management Accountant (CMA) designation. Mr. Campoy received his M.B.A. in Finance and Decision Information Systems from Indiana University and his B.S. in Management from Faculdade de Ciências Contábeis e de Administração de Empresas de Tupã (FACCAT), in São Paulo, Brazil.

The board of directors believes that Mr. Campoy is qualified to serve on our board of directors because of his extensive strategic and financial leadership experience in the pharmaceutical and biotechnology sectors.

Alessandra Cesano

Dr. Cesano is 63 years old and has served as a member of our board of directors since February 2024. Dr. Cesano has served as the Chief Medical Officer of ESSA Pharma Inc., a pharmaceutical company developing therapies for the treatment of prostate cancer, since July 2019. Previously, Dr. Cesano was the Chief Medical Officer of NanoString Technologies, Inc., a biotechnology company that develops translational research tools, from July 2015 to July 2019, where she focused on development of translational and diagnostic multi-plexed assays for the characterization and measurement of mechanisms of immune response and resistance. Prior to NanoString, Dr. Cesano was Chief Medical Officer at Cleave Biosciences, Inc., a biopharmaceutical company focusing on protein therapies for the treatment of cancer and neurodegenerative diseases, and before that she served as Chief Medical Officer and Chief Operations Officer at Nodality, Inc., where she built and led the Research & Development group, while providing the overall clinical vision for the organization. Dr. Cesano has also held various management positions at Amgen Inc., Biogen Inc. (formerly Biogen Idec) and SmithKline Beecham Pharmaceuticals, where she helped to advance various oncology drugs through late-stage development and FDA approvals. She currently serves as associate editor for the Biomarker section of the Journal for ImmunoTherapy of Cancer and co-chair of the Society for Immunotherapy of Cancer (SITC) regulatory committee. She has been an author on more than 140 publications. Dr. Cesano has served as a director at Puma Biotechnology, Inc. since July 2022 and as a director of Summit Therapeutics Inc. since November 2022. Dr. Cesano received an M.D. summa cum laude, a board certification in oncology and a Ph.D. in Tumor Immunology from the University of Turin, Italy.

The board of directors believes that Dr. Cesano is qualified to serve on our board of directors because of her extensive experience in biotechnology research and development and oncology.

Troy M. Cox

Mr. Cox is 59 years old and has served as a member of our board of directors since June 2019. Mr. Cox served as Chief Executive Officer of Foundation Medicine, Inc. from February 2017 through February 2019, as a member of Foundation Medicine's board of directors from February 2017 until July 2018, and in the additional role of President of Foundation Medicine from February 2018 until July 2018. Prior to Foundation Medicine, Mr. Cox served as Senior Vice President, Sales & Marketing at Genentech, Inc. from February 2010 until February 2017. Before joining Genentech, Mr. Cox served as President at UCB S.A. Prior to UCB BioPharma, Mr. Cox held senior commercial leadership roles with Sanofi-Aventis and Schering-Plough. Mr. Cox served on the board of directors of SomaLogic, Inc. from September 2021 until January 2024 and as executive chair of the board of SomaLogic from October 2022 to March 2023. He has served on the board of directors of Standard BioTools Inc. since January 2024 and on the board of directors of SOPHiA GENETICS SA since July 2019. Mr. Cox received a B.B.A. in finance from the University of Kentucky and an M.B.A. from the University of Missouri.

The board of directors believes Mr. Cox's nearly three decades of proven leadership and expertise in the global, strategic and operational aspects of the biopharmaceutical industry qualifies him to serve on our board of directors.

Nancy Davidson

Dr. Davidson is 70 years old and has served as a member of our board of directors since December 2023. Dr. Davidson has served as the Executive Vice President, Clinical Affairs, since April 2022, and as the Raisbeck Chair for Collaborative Cancer Research, since July 2019, of Fred Hutchinson Cancer Center. In addition, Dr. Davidson has served as a Professor, since December 2016, and previously served as the Senior Vice President, since December 2016 to August 2023, of Fred Hutchinson Cancer Center Clinical Research Division. At the University of Washington School of Medicine, Dr. Davidson served as Head of the Division of Medical Oncology from December 2016 to August 2023 and as a Professor since December 2016. Previously, Dr. Davidson served as the President and Executive Director of the Seattle Cancer Care Alliance from December 2016 to April 2022. Dr. Davidson also held various positions at the University of Pittsburgh from February 2009 to December 2016, including as the Director of the University of Pittsburgh Cancer

Institute. Dr. Davidson has served as Adjunct Professor of Oncology at The Johns Hopkins School of Medicine since February 2009. Dr. Davidson is also a member of the scientific advisory boards of many foundations and cancer centers and a member of various organizations, including the American Society of Clinical Oncology and the American Association for Cancer Research. She has received many awards, honors, and appointments, including the Brinker International Award for Breast Cancer Research, the Rosalind E. Franklin Award for Women in Science from the National Cancer Institute (2008), and election to the National Academy of Medicine (2011) and the American Academy of Arts and Sciences (2019). She has also been listed among Thomson Reuters Highly Cited Researchers (2014-2015). Dr. Davidson holds an M.D. from the Harvard Medical School and a B.A. in Molecular Biology from Wellesley College. She completed her residency in Internal Medicine at University of Pennsylvania and Johns Hopkins Hospital and a medical oncology fellowship at the National Cancer Institute.

The board of directors believes that Dr. Davidson is qualified to serve on our board of directors because of her extensive knowledge and experience in the field of oncology, and as an experienced researcher and clinician.

Susan Mahony

Dr. Mahony is 59 years old and has served as a member of our board of directors since June 2019 and as Lead Independent Director of our board of directors since December 2023. Dr. Mahony is an executive with over 30 years of experience in pharmaceutical and life sciences companies. Dr. Mahony served as Senior Vice President of Eli Lilly and Company and President of Lilly Oncology from February 2011 until August 2018. She joined Lilly in 2000, holding senior leadership positions in product development, marketing, human resources, and general management. Prior to joining Lilly, Dr. Mahony served in sales and marketing roles in Europe for over a decade for Schering-Plough, Amgen, and Bristol-Myers Squibb. Dr. Mahony has served on the board of directors of Assembly Biosciences, Inc. since December 2017 and on the board of directors of Axsome Therapeutics, Inc. since October 2023. She previously served on the board of directors of Horizon Therapeutics Public Limited Company from August 2019 to October 2023 (acquired by Amgen Inc.) and on the board of directors of Vifor Pharma from May 2019 until August 2022. Dr. Mahony received a B.Sc. and a Ph.D. from Aston University and an M.B.A. from London Business School.

Based on Dr. Mahony's extensive experience in management at public pharmaceutical companies, together with her experience serving on the board of directors of public and private companies, our board of directors concluded that she should serve as a director due to our business focus and strategy.

Derek J. Miller

Mr. Miller is 53 years old and has served as a member of our board of directors since April 2023. Mr. Miller has been a leader in the biotechnology and pharmaceutical sector for more than 25 years with experience in corporate development, business development and global commercial strategy. He is an independent commercial and business development consultant for pre-clinical and clinical-stage companies in oncology and rare diseases, and currently serves as Chief Executive Officer of a cell and gene therapy imaging startup venture, spun out from the University of Pennsylvania. From May 2018 to November 2019, he served as Chief Business Officer of Aro Biotherapeutics, a spinout of Janssen Pharmaceuticals, leading numerous strategic and operational initiatives including a transformative collaboration with Ionis with potential revenues of up to \$1.4 billion. Mr. Miller also previously served as Chief Business Officer of Celator Pharmaceuticals where he led the development of their pipeline and business development strategy, resulting in its acquisition by Jazz Pharmaceuticals in 2016 for cash proceeds of approximately \$1.5 billion. Prior to Celator Pharmaceuticals, Mr. Miller held a variety of marketing, sales and market access roles with Genentech, Centocor and GSK. Mr. Miller is a member of the Board of Trustees for the Eastern Pennsylvania Chapter of the Leukemia and Lymphoma Society and serves as a mentor for the Villanova School of Business. He received an M.B.A. from Villanova University and Bachelor of Arts and Science degree from the University of Delaware.

The board of directors believes that Mr. Miller is qualified to serve on our board of directors because of his extensive experience in the biotechnology and pharmaceutical sector, including experience in corporate development, business development and global commercial strategy.

Kelvin Neu

Dr. Neu is 50 years old and has served as a member of our board of directors since March 2020. Dr. Neu is Founder and Chief of Herringbone, a life sciences innovation practice established in January 2022. Dr. Neu is also Co-Founder and Chair of QDX Technologies Pte. Ltd., a computational chemistry company established in February 2023. Previously, Dr. Neu was a Partner at Baker Bros. Advisors LP, a registered investment adviser, where he worked from April 2004 until January 2021. Dr. Neu previously served on the board of directors of IGM Biosciences, Prelude Therapeutics, Idera Pharmaceuticals, Aquinox Pharmaceuticals and XOMA Corporation. Dr. Neu holds an M.D. from the Harvard Medical School-MIT Health Sciences and Technology program, and spent three years in the Immunology Ph.D. program at Stanford University as a Howard Hughes Medical Institute Fellow. Dr. Neu holds an A.B. (summa cum laude) from Princeton University, where he was awarded the Khoury Prize for graduating first in his department of Molecular Biology. Prior to attending Princeton, Dr. Neu served for two and a half years in the military of his native Singapore.

The board of directors believes that Dr. Neu is qualified to serve on our board of directors because of his extensive investment and leadership experience, knowledge of our industry, and educational background in biology and biotechnology.

Scott Platshon

Mr. Platshon is 32 years old and has served as a member of our board of directors since February 2024. Mr. Platshon has served as a Partner at EcoR1 Capital since December 2020. Mr. Platshon was also a Principal at EcoR1 Capital from December 2017 to December 2020, and has been with EcoR1 Capital since October 2015. Prior to joining EcoR1 Capital, Mr. Platshon served as an analyst at Aquilo Partners, a San Francisco life-sciences investment bank, from September 2014 to September 2015. Mr. Platshon has served on the board of directors of Terremoto Biosciences since October 2023, Kumquat Biosciences Inc. since February 2021 (prior to that he was a board observer since August 2019) and Ajax Therapeutics, Inc. since May 2021. Mr. Platshon received his B.S. in Bioengineering from Stanford University.

The board of directors believes that Mr. Platshon is qualified to serve on our board of directors because of his extensive investment and leadership experience, in addition to his knowledge of our industry.

Hollings C. Renton

Mr. Renton is 77 years old and has served as a member of our board of directors since February 2017. Mr. Renton served as Chief Executive Officer and President of Onyx Pharmaceuticals, Inc. from March 1993 to March 2008 and was the chair of the board of directors of Onyx from June 2000 to March 2008. Onyx was acquired by Amgen Inc. in 2013 for \$10.4 billion. Before joining Onyx, Mr. Renton was the President and Chief Operating Officer of Chiron Corporation, a pharmaceutical company, from December 1991 to December 1993. Mr. Renton served in a variety of executive roles at Cetus Corporation from 1983, including as President from 1990 to 1991, Chief Operating Officer from 1987 to 1990 and Chief Financial Officer from 1983 to 1987, prior to its acquisition by Chiron in 1991. Mr. Renton has served on the board of directors of AnaptysBio, Inc. since June 2015. Previously, Mr. Renton served on the boards of four other biopharmaceutical companies, Portola Pharmaceuticals Inc., where he had also been board chairman (March 2010 to July 2020), KYTHERA Biopharmaceuticals, Inc. (December 2014 to October 2015), Affymax, Inc. (June 2009 to November 2014) and Rigel Pharmaceuticals, Inc. (January 2004 to March 2014). Mr. Renton also previously served on the board of Cepheid Inc., a molecular diagnostics company, from March 2000 to November 2016. Mr. Renton received his M.B.A. from the University of Michigan and his B.S. in Mathematics from Colorado State University.

Because of Mr. Renton's extensive experience building successful biotechnology companies and commercializing drug products, the board of directors believes he is able to bring valuable insights to our board of directors.

Executive Officers

The following table sets forth the names, ages and positions of our executive officers as of February 29, 2024.

Name	Age	Position(s)
Kenneth Galbraith	61	Chief Executive Officer, President and Chair of Board of Directors
Christopher Astle, Ph.D.	44	Senior Vice President and Chief Financial Officer
Paul A. Moore, Ph.D.	57	Chief Scientific Officer
Jeffrey Smith, M.D.	64	Executive Vice President and Chief Medical Officer

There are no family relationships among any of the directors or executive officers.

The following is biographical information for our executive officers, other than Mr. Galbraith, whose biographical information is included above.

Christopher Astle

Dr. Astle joined Zymeworks in April 2021 and was promoted to Senior Vice President and Chief Financial Officer in February 2022. He previously served as our Executive Director, Corporate and Commercial Finance from April 2021 to February 2022. Prior to joining Zymeworks, Dr. Astle worked as a Chief Financial Officer at the CFO Centre in British Columbia, Canada from April 2020 to March 2021, and as Vice President, Finance at Alder BioPharmaceuticals Inc. in Seattle, USA from April 2019 to February 2020. From August 2017 to January 2020, he served as Chief Executive Officer and founder of Think Forwards, a boutique financial consulting firm in London, United Kingdom. Dr. Astle worked at Allergan from 2011 to 2017, including as the Associate Vice President Finance, International Division from July 2016 to July 2017, managing multiple product launches, M&A transactions and restructurings, with a team of 170 across 60 countries. He is a UK Chartered Accountant (ICAS), qualifying at PwC London, UK in Audit & Pharmaceutical Performance Improvement Consulting with audit clients including GSK. He is a board member of Healome Therapeutics (2021-present), a private biotechnology company. During his time in the United Kingdom, he was the Chair of the 2018 CFO Agenda conference, guest lecturer at the Henley Business School, and judge at the British Accountancy Awards. Dr. Astle holds a PhD in Organic Chemistry from the University of Bristol (UK) and a MChem in Chemistry from the University of Liverpool (UK).

Paul A. Moore

Dr. Moore joined Zymeworks in July 2022 as our Chief Scientific Officer. Dr. Moore has more than 25 years of US-based experience in biologics drug discovery and development in biotechnology research. His career efforts have led to the discovery and development of a range of FDA-approved and clinical-stage biologics for patients with difficult-to-treat cancers and autoimmune conditions. Prior to joining Zymeworks, Dr. Moore served as Vice President, Cell Biology, and Immunology at MacroGenics from April 2008 to July 2022, leading a team of approximately 50 researchers engaged in the discovery, preclinical validation and clinical development of antibody-based therapeutics, including bispecific antibodies and antibody drug conjugates. Among the portfolio supported by Dr. Moore were FDA-approved Margenza (margetuximab-cmkb) for treatment of HER2+ breast cancer, Zynyz (retifanlimab-dlwr) for treatment of Merkel cell carcinoma and Tzield (teplizumab-mzwv) to delay onset of type I diabetes. Prior to joining MacroGenics, Dr. Moore was Director of Cell Biology at Celera from May 2005 to April 2008, where he oversaw research leveraging proteomic-based discoveries to validate novel cancer targets suitable for antibody-based therapeutics. Dr. Moore began his industrial career at Human Genome Sciences (HGS), holding several titles within research culminating in Director of Lead Product Development, where he managed various genomic-based target discovery programs including efforts that led to the discovery, development, approval, and commercialization of Benlysta (belimumab) for the treatment of systemic lupus erythematosus. Dr. Moore has an extensive research record co-authoring over 75 peer-reviewed manuscripts and is a named co-inventor on over 50 issued US patents. Dr. Moore holds a Ph.D. in Molecular Genetics from the University of Glasgow, performed post-doctoral work at the Roche Institute of Molecular Biology in Nutley, New Jersey, and also holds a degree in Biotechnology from the University of Strathclyde.

Jeffrey Smith

Dr. Smith joined Zymeworks in January 2023 as Senior Vice President, Early Stage Development and was promoted to Executive Vice President and Chief Medical Officer in January 2024. He is based at our European hub in Dublin, Ireland. Dr. Smith has held many senior positions within the pharmaceutical industry. Previously, Dr. Smith served as the Managing

Director of Alder Biopharmaceuticals Inc. in Dublin, Ireland from March 2017 to October 2019, and as Senior Vice President, Translational Medicine at Alder Biopharmaceuticals Inc. in Seattle, USA from 2012 to March 2017. Dr. Smith was responsible for the clinical development (phase I – III) of eptinezumab (anti-CGRP antibody for migraine) and clazakizumab (anti -IL-6 antibody for rheumatoid arthritis and cancer cachexia). Dr. Smith was also a founder of Alder Biopharmaceuticals Inc (founded 2004). Dr. Smith received his M.B. B.S. and M.D. from the University of London, UK and is a Fellow of the Royal College of Physicians in London.

Although we have not adopted specific targets for women and other diverse candidates in executive positions, the board of directors has always considered diversity as an important aspect of its decision making when recommending appointments for individuals to serve as executive officers.

Governance

Code of Conduct and Ethics

Our board of directors has adopted corporate governance guidelines that set forth expectations for directors, director independence standards, board committee structure and functions, and other policies for our governance. It also has adopted a Code of Business Conduct and Ethics (the "Code of Conduct") that incorporates our code of business conduct and ethics applicable to members of our board of directors, and our executive officers as well as all of our employees. Our Several standing committees (audit, compensation, nominating and corporate governance, and research and development) assist our board of directors in carrying out its responsibilities. Each standing committee operates under a written charter adopted by our board of directors. The full text of our Code of Conduct is posted on our website at www.zymeworks.com. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendments to, or waiver from, a provision of the Code of Conduct by posting such information on the website address and location specified above. Paper copies of the Code of Conduct, as well as our governing documents (including our certificate of incorporation and bylaws) may be obtained upon request by writing to: Corporate Secretary, Zymeworks Inc., 108 Patriot Drive, Suite A, Middletown, Delaware 19709.

Audit Committee

Our audit committee currently consists of Mr. Campoy, Mr. Cox and Mr. Miller. Dr. Mahony and Ms. Lota Zoth, a former member of our board of directors, ceased serving on the audit committee in June 2023 and December 2023, respectively. Mr. Campoy serves as the chair of our audit committee. Our board of directors has determined that each of Mr. Campoy and Mr. Cox is an "audit committee financial expert" as that term is defined in the rules and regulations established by the SEC, and possesses financial sophistication, as defined under the rules of the Nasdaq Global Select Market. The members of our audit committee are "independent" for audit committee purposes, as that term is defined in the rules of the SEC and the applicable Nasdaq rules, and have sufficient knowledge in financial and auditing matters to serve on the audit committee.

The remaining principal purposes of our audit committee are to:

- assist our board of directors in its oversight of:
 - the quality, audit and integrity of our financial statements and related information;
 - the independence, qualifications, appointment and performance of our external auditor;
 - our disclosure controls and procedures, internal control over financial reporting, and management's responsibility for assessing and reporting on the effectiveness of such controls;
 - the organization and performance of our internal audit function;
 - our compliance with applicable legal and regulatory requirements;
 - our enterprise risk management processes; and
- prepare the report required by Item 10. of Form 10-K is incorporated by reference to our 2023 Proxy Statement or our Form 10-K/A, as applicable, SEC rules to be filed included in our proxy statement for the annual meeting of stockholders, and for performing other duties and responsibilities as are enumerated in or consistent with the audit committee's charter.

Our board of directors has established a written charter setting forth the purpose, composition, authority and responsibility of our audit committee, consistent with the rules of Nasdaq and the SEC, within 120 days after a current copy of which is available on our website at www.zymeworks.com. Our audit committee has access to all of our books, records, facilities and personnel and may request any information about us as it may deem appropriate. It also has the authority in its sole discretion and at our expense to retain and set the compensation of outside legal, accounting or other advisors as necessary to assist in the performance of its duties and

responsibilities. Both our independent auditors and internal financial personnel regularly meet privately with the audit committee and have unrestricted access to this committee.

Our audit committee held four meetings during the year ended December 31, 2022December 31, 2023.

Item 11. Executive Compensation

Discussion of Executive Compensation Practices

This section describes our executive compensation philosophy and how we implemented it through our 2023 compensation program for our named executive officers. The named executive officers for 2023 are:

- Kenneth Galbraith, Chief Executive Officer and Chair of the Board of Directors;

- Christopher Astle, Ph.D., Senior Vice President and Chief Financial Officer;
- Paul Moore, Ph.D., Chief Scientific Officer; and
- Neil Klompas, CPA, CA, our former President and Chief Operating Officer.

This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and projections regarding future compensation programs. Actual compensation programs adopted in the future may differ materially from the various planned programs summarized in this discussion.

In the paragraphs that follow, we provide an overview and analysis of our compensation program and policies, the material compensation decisions we have made under those programs and policies, and the material factors that we considered in making those decisions.

2023 Advisory Vote on Executive Compensation

At our 2023 annual general meeting, we conducted an advisory vote on named executive officer compensation. At that meeting, 74.71% of the votes cast on the advisory vote proposal were supportive of our named executive officer compensation program as disclosed in our 2023 proxy statement. Our next advisory vote on named executive officer compensation will be held at our 2024 annual general meeting.

The compensation committee reviewed the advisory vote results in the context of our overall compensation philosophy and programs, and based on the level of support, determined that no significant changes to our compensation policies and programs were necessary. The compensation committee will continue to consider the results from future stockholder advisory votes on named executive officer compensation and other relevant market developments affecting named executive officer compensation in order to determine whether any subsequent changes to our named executive officer compensation programs and policies would be warranted to reflect any stockholder concerns reflected in those advisory votes or to address market developments.

Overview of Compensation Program

Compensation Philosophy

The goal of our compensation program is to attract, retain and motivate our employees and executives, including our named executive officers. The compensation committee is responsible for setting our executive compensation and reviewing and approving, or recommending to the board of directors for approval, the Company's annual corporate performance objectives applicable to executive and other Company bonus programs. In considering executive compensation, the compensation committee strives to ensure that our total compensation is competitive within the industry in which we operate and supports our overall strategy and corporate objectives. The combination of base salary, annual incentives and long-term incentives that we provide our executives is designed to accomplish this.

Compensation Objectives

The objectives of our executive compensation program are to:

- attract and retain highly qualified executive officers who have a history of proven success;
- align the interests of executive officers with our stockholders' interests and with the execution of our business strategy;
- motivate and reward our executive officers through competitive pay practices and an appropriate mix of short- and long-term incentives;
- evaluate and reward executive performance on the basis of achievement of program development goals and key financial measurements which we believe closely correlate to long-term stockholder value; and
- tie compensation awards directly to program development goals and key financial measurements with evaluations based on achieving and overachieving predetermined objectives.

Role of the Compensation Committee

During 2023, the compensation committee's work included the following:

- **Competitive Compensation Review** – The compensation committee reviewed compensation practices and policies with respect to our executives against Zymeworks' peer group of companies (as further described below), in order to allow us to place our compensation practices for these positions in a market context. This reference exercise included a review of base salary, total cash compensation and total direct compensation.
- **Executive Compensation** – The compensation committee reviewed the corporate goals and objectives applicable to the compensation of the Company's executives and evaluated the executives' performance in light of those goals and objectives. Based on this review and evaluation, the compensation committee approved the 2023 compensation for the Company's executives, including each of the named executive officers. In addition, the compensation committee considered and approved the separation and transition arrangements related to Mr. Klompas.
- **Short- and Long-Term Incentive Plans** – The compensation committee administers the Company's incentive compensation plans and equity-based plans with respect to the Company's executives, including the named executive officers.
- **Succession Planning** – The compensation committee reviewed the succession plan for the Chief Executive Officer and other executive officers.

In reaching its decisions, the compensation committee may consider input from management and other factors that the compensation committee considers appropriate. Decisions made by the compensation committee are the responsibility of the compensation committee and may reflect factors and considerations other than the information and/or recommendations provided by management.

Independent Compensation Consultant

In 2023, the compensation committee retained the Human Capital Solutions practice at Aon plc, as an independent consultant to the compensation committee to conduct competitive reviews and assessments of Zymeworks' executive compensation program and recommend go-forward strategies. The compensation committee made the decision to retain Aon in its sole discretion and was directly responsible for the appointment, compensation and oversight of Aon's work. The compensation committee is involved in and approves the adoption of the following procedures during Aon's assessments:

- establishing the public company peer group used in the executive compensation assessment;
- reviewing the detailed assessment of Zymeworks' executive compensation program versus the market;
- reviewing and approving executive pay mix;
- reviewing the assessment of Zymeworks' board of directors compensation program versus the market; and
- reviewing and approving the non-executive equity compensation program.

The compensation committee utilizes these strategies when contemplating future executive compensation matters.

In 2023, Aon was retained to review the salaries, bonuses and equity plan levels and participation of executive employees, as well as equity plan levels and participation of employees below the executive level. Zymeworks' management did not make or recommend such engagements and all such other services were approved by the compensation committee. Except as discussed below, Aon did not perform other services to the Company other than as a compensation consultant. The compensation committee determined Aon to be independent after evaluating the factors required under the applicable listing standard.

Aon received \$244,996 in fees in 2023 for services related to determining or recommending the amount or form of executive and non-employee director compensation. Separately, management engaged Aon to perform unrelated broad-based compensation services and risk brokerage services (which included global risk in Canada and the United States), for which Aon was paid \$328,913. The compensation committee was informed about these services.

Peer Companies and Use of Market Data

We compare our executive compensation program to those of a group of peer companies (North American biotechnology companies of a similar size and stage of development). The first step in the process is that the compensation committee, with the support of Aon and management, reviews trends in biotechnology compensation practices and reviews and approves the list of peer companies used for benchmarking. As part of its analysis for 2023, Aon collected and analyzed compensation information from a comparative group of biotechnology companies, or peer group, approved by [Item 11](#), the compensation committee. The compensation committee evaluates the criteria used in establishing the peer group at least annually. The compensation committee seeks input from management in addition to Aon to ensure the peer group is consistent with our current business objectives and strategy.

The list of [Form 10-K](#) peer companies is [incorporated by](#) approved based on various factors including industry classification, market capitalization, headcount and stage of development. In August 2022, with assistance from Aon, the compensation committee approved a peer group consisting of publicly traded, pre-commercial biopharmaceutical companies:

- with an emphasis on oncology companies and a focus on companies in Phase 2 and Phase 3 clinical trials;
- with market capitalizations generally between \$150 million and \$1.2 billion (based on the Company's then-current 30-day average market capitalization of approximately \$400 million);
- with generally between 100 and 900 employees;
- that are located in Canada and the United States, with a focus on companies headquartered in biotechnology hub markets; and
- preference for companies that have gone public in approximately the last five years (but continue to de-emphasize initial public offering date as a primary selection criteria).

Based on these criteria, in August 2022, the compensation committee approved the following peer group set forth below and used this peer group to inform compensation decisions for 2023:

Adaptimmune Therapeutics plc	IGM Biosciences, Inc.	Precision BioSciences, Inc.
Alector, Inc.	Jounce Therapeutics, Inc.	REGENXBIO Inc.
AnaptysBio, Inc.	Kura Oncology, Inc.	Repare Therapeutics Inc. ⁽¹⁾
Atara Biotherapeutics, Inc.	MacroGenics, Inc.	Replimune Group, Inc. ⁽¹⁾
C4 Therapeutics, Inc. ⁽¹⁾	Mersana Therapeutics, Inc.	Silverback Therapeutics, Inc.
CytomX Therapeutics, Inc.	NGM Biopharmaceuticals, Inc.	Sutro Biopharma, Inc. ⁽¹⁾
Gossamer Bio, Inc.	Poseida Therapeutics, Inc.	

(1) Added to the peer group in August 2022. The following companies were deleted from the peer group approved in August 2022: Allogene Therapeutics, Inc., Athira Pharma, Inc. and Harpoon Therapeutics, Inc.

Our compensation committee uses comparative data from our peer group as a reference when setting and adjusting executive compensation, but it does not target our overall program or any particular element of compensation to be at a particular percentile compared to our peers. Rather, our compensation committee uses a range of peer group data for each executive position for which data is available, along with an assessment of each executive's performance, criticality and tenure, to ensure that our executive compensation program and its constituent elements are and remain competitive in relation to our peers.

Components of Compensation Package

In 2023, our executive compensation program consisted of three major components:

- base salary;
- annual cash bonuses based on a comparison of corporate performance to pre-set goals and objectives; and
- long-term incentives, which in 2023, consisted of grants of stock options and restricted stock units.

In making 2023 compensation decisions, our compensation committee believed that each component of executive compensation must be evaluated and determined with reference to competitive market data, individual and Company-wide performance, our recruiting and retention goals, internal equity and consistency, and other information it deems relevant. As it evaluated executive compensation in 2023, the compensation committee believed that in the biopharmaceutical/biotechnology industry, long-term incentives such as stock options and restricted stock units are a primary motivator in attracting and retaining executives, in addition to salary and cash incentive bonuses.

The primary components of our 2023 Proxy Statement executive compensation program are described in more detail below.

Base Salary Annual base salary is designed to provide a competitive fixed rate of pay recognizing different levels of responsibility and performance within Zymeworks. This compensation component helps us to attract and retain highly qualified executives who have a history of proven success. In determining whether to increase the base salary for a particular executive, our compensation committee in discussions with our Chief Executive Officer (for executives other than the Chief Executive Officer) considers a variety of factors, including performance, length of service and criticality of role. The determination of base salary affects the amount of an executive's cash bonus. The table below shows the base salaries of our named executive officers for 2023:

Name and Principal Position	2023 Base Salary (\$)
Kenneth Galbraith, Chief Executive Officer, President and Chair of Board of Directors(1)	625,000
Christopher Astle, Senior Vice President and Chief Financial Officer	410,000
Paul Moore, Chief Scientific Officer	465,000
Neil Klompas, Former President and Chief Operating Officer(2)	500,000

(1) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022.

(2) Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023.

Cash Bonus

The cash bonus component is designed to provide our named executive officers with annual cash incentive awards based on achievement of certain goals and objectives. The awards represent pay at risk – they result in payment only if and to the extent certain goals and objectives are met – and do not affect decisions regarding other components of compensation. This compensation component motivates and rewards our named executive officers for outstanding performance.

Annual cash incentive compensation for our named executive officers is paid pursuant to the Company's Executive Incentive Compensation Plan, which provides the compensation committee discretion to make changes to performance targets and bonus targets, to decrease, increase or eliminate bonuses and to change other terms and conditions related to annual incentive compensation, in each case as the compensation committee deems appropriate to meet the overarching retention and incentive goals associated with our Form 10-K/A, executive bonus program.

Named executive officers are eligible to receive an amount targeted at a pre-determined percentage of their base salary established at the beginning of each year. In January 2023, the compensation committee set annual target bonuses for each of our named executive officers as applicable, follows:

Name and Principal Position	2023 Target Bonus (% of Base Salary)
Kenneth Galbraith, Chief Executive Officer, President and Chair of Board of Directors(1)	60%
Christopher Astle, Senior Vice President and Chief Financial Officer	35%
Paul Moore, Chief Scientific Officer	45%
Neil Klompas, Former President and Chief Operating Officer(2)	45%

(1) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to **be filed** August 2022.

(2) The compensation committee assigned a target bonus percentage for Mr. Klompas in January 2023. However, Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023. Pursuant to the Klompas Separation Agreement, Mr. Klompas was not eligible for any annual performance bonus with respect to the **SEC within 120 days after** Company's 2023 fiscal year. For more information regarding the Klompas Separation Agreement, see the section titled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control—Executive Employment Arrangements."

At the beginning of each year, the compensation committee approves, or recommends that the board of directors approve, performance targets that are tied to the level of achievement of corporate and/or individual goals, and the compensation committee approves the weighting assigned to each goal. For 2023, the corporate and individual weighting was 100% corporate and 0% individual for all named executive officers. Achievement of corporate goals was a precondition for payment of bonuses with respect to 2023. Our compensation committee believed that this mix was appropriate in order to incentivize our management team to achieve our key corporate objectives.

After the end of the year, the compensation committee determines the performance bonus payable to each named executive officer based on the results achieved as compared to the performance targets established for a particular year. Depending on level of achievement, named executive officers may earn up to 150% of their respective target bonuses. There is no minimum bonus payable.

2023 Company Corporate Goals and Achievement

In January 2023, the board of directors approved corporate goals that were grouped into six main categories: (i) zanidatamab via the Jazz Partnership, (ii) zanidatamab via the BeiGene Partnership, (iii) zanidatamab zovodotin (ZW49), (iv) Early R&D (ZW171, ZW191 and emerging pipeline), (v) Platforms and Legacy Partnerships and (vi) Financial. In September 2023, the compensation committee updated certain of the corporate goals established at the beginning of the year related to zanidatamab zovodotin to align with our revised strategy with respect to zanidatamab zovodotin.

In January 2024, the compensation committee reviewed our performance against the corporate goals under the 2023 bonus plan, as revised in September 2023, and determined that these goals were achieved at the 87.25% level. Additional detail on these goals and the assessed achievement is set forth in the table below:

2023 Corporate Goal Category	Key Elements of Goal	Target Weight of Goal	Assessed Achievement
Zanidatamab via the Jazz Partnership	Advance clinical trials of zanidatamab, including: - enrollment of HERIZON-GEA-01; - finalize clinical study report for HERIZON-BTC-01; and - no material disruption to clinical drug supply of zanidatamab for any studies being conducted by us or Jazz. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Certain cost recoveries under our agreements with Jazz.	25% for base goals; an additional 12.5% for stretch goals	18.25%
Zanidatamab via the BeiGene Partnership	Advance clinical trials of zanidatamab, including: - enrollment of HERIZON-GEA-01; - finalize clinical study report for HERIZON-BTC-01; and - no material disruption to clinical drug supply of zanidatamab for any studies being conducted by BeiGene. Presentation of data. Support of BeiGene's interactions with regulatory authorities.	10% for base goals; an additional 5% for stretch goals	10.0%
Zanidatamab Zovodotin (ZW49)	Advance clinical trials of zanidatamab zovodotin, including: - advancement of Phase 2 NSCLC trial; and - no material disruption to clinical drug supply of zanidatamab zovodotin for clinical trials. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Negotiation of collaboration agreements.	10% for base goals; an additional 5% for stretch goals	7.0%
Early R&D (ZW171, ZW191 and emerging pipeline)	Complete IND enabling studies for ZW171 and ZW191. Complete GMP manufacturing of ZW171 and ZW191 to support clinical supplies requirements. Select second Topo1-based ADC IND molecule and fourth IND development candidate. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Revenue from upfront, research option and development payments.	40% for base goals; an additional 20% for stretch goals	45.0%
Platform & Legacy	Goals relating to our collaboration agreements.	5% for base goals; an additional 2.5% for stretch goals	0%
Financial	Improve Zymeworks' financial position, including securing additional financing, and a related stretch goal.	10% for base goals; an additional 5% for stretch goals	7.0%
Total		100% for base goals; bonuses capped at 150%	87.25%

Given the Company's strong performance against its 2023 corporate goals, the compensation committee determined that these goals were achieved at the 87.25% level and approved 2023 bonuses for our named executive officers as follows:

Name and Principal Position	2023 Bonus ⁽¹⁾
Kenneth Galbraith, <i>Chief Executive Officer, President and Chair of Board of Directors</i>	\$327,188
Christopher Astle, <i>Senior Vice President and Chief Financial Officer</i>	\$125,204
Paul Moore, <i>Chief Scientific Officer</i>	\$182,571
Neil Klompas, <i>Former President and Chief Operating Officer⁽²⁾</i>	—

(1) Bonus amounts for all named executive officers are determined in U.S. dollars, and the table above reflects this determination in U.S. dollars. However, the 2023 bonuses for Dr. Astle and Dr. Moore were paid in Canadian dollars and the 2023 bonus for Mr. Galbraith was paid in British pounds, based on conversion rates in effect at the time of payment.

(2) Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023, and therefore did not receive a bonus with respect to 2023.

Long-Term Incentives

Our Amended and Restated Stock Option and Equity Compensation Plan (the "Equity Compensation Plan") authorizes us to make grants to eligible recipients of stock options, restricted stock, restricted stock units and other share-based awards, to attract, retain, motivate and reward qualified directors and employees and to enable and encourage such directors and employees to acquire shares of common stock as long-term investments.

In January 2023, the Company granted a mix of stock options and restricted stock units to our named executive officers. The compensation committee believes this approach aligns the interests of our executives (including those of our named executive officers) with our stockholders' interests by rewarding for improvements in stock price over a period of time. The Company issues stock options and restricted stock units to reward for future performance and appreciation. Because stock options only have value if our stock price increases relative to the stock option's exercise price, we consider them to be an important performance-based tool that encourages our named executive officers to focus on driving increases to stockholder value. Restricted stock units play an important role in our executive compensation program because they provide some value even during periods of stock price or market volatilities, provide retention incentives during the vesting period, and reinforce a culture of ownership. By granting restricted stock units, the Company can also reduce the dilutive effect of the equity incentive awards in the form of stock options, which benefits our stockholders over time. In addition, the vesting feature of our stock awards contributes to executive retention by providing an incentive to our executives to remain employed by us during the vesting period. For 2023, we determined that annual grants to our named executive officers in the form of a 50/50 value mix of stock options and restricted stock units was most appropriate to reflect the continued change in the market and the evolution of our compensation program away from an options-only approach. The compensation committee evaluates the long-term incentive programs for each year, and the appropriate mix of equity awards to grant to our executive officers for the applicable year. In future years, the compensation committee may approve a different mix of equity awards if it determines necessary or appropriate to achieve our compensation objectives.

The option exercise price may not be less than the closing price of our common stock on the date of grant. For the 2023 stock option grants to our named executive officers, 25% of the granted options is scheduled to vest on the first anniversary of grant date (subject to continued service and any applicable acceleration of vesting provisions in their employment agreements, as described below). On the last day of each month thereafter, a further 1/36th of the total number of remaining granted options is scheduled to vest.

Each restricted stock unit represents the right to receive one share of our common stock upon vesting of that unit, without the payment of an exercise price or other cash consideration for the issued shares of common stock. For the 2023 restricted stock unit grants to our named executive officers, 1/3rd of the restricted stock units are scheduled to vest on each anniversary of the grant date (subject to the named executive officer's continued service and subject to any applicable acceleration provisions in the Equity Compensation Plan or in the named executive officer's employment agreement).

The following table shows information regarding stock option and restricted stock unit grants to each of our named executive officers made during the year ended December 31, 2023:

Name	Grant Date	Restricted Stock Units Granted (#) ⁽¹⁾	Stock Options Granted (#) ⁽²⁾	Exercise Price of Stock Options (\$/Sh) ⁽³⁾	Grant Date Fair Value of Stock and Option Awards (\$) ⁽⁴⁾
Kenneth Galbraith	1/5/2023	—	215,000	8.00	1,194,627
	1/5/2023	143,000	—	—	1,144,000
Christopher Astle	1/5/2023	—	47,000	8.00	257,602
	1/5/2023	31,500	—	—	252,000
Paul Moore	1/5/2023	—	77,500	8.00	397,571
	1/5/2023	51,500	—	—	412,000
Neil Klompas	1/5/2023	—	87,500	8.00	328,363
	1/5/2023	58,500	—	—	468,000

(1) Restricted stock units vest in three equal annual installments beginning on January 5, 2024, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(2) Options vest and become exercisable with respect to (i) 25% of the underlying shares one year after the grant date and (ii) the remainder of the underlying shares in 36 equal monthly installments following the first anniversary of the date of grant, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(3) The exercise price of the stock options is the closing price of the Company's stock on the Nasdaq on the grant date.

(4) The amounts set forth in this column reflect the grant date fair value for restricted stock unit awards and stock option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the "Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation" and Note 10(e) "Notes to Consolidated Financial Statements – Stockholders' Equity-Stock Based Compensation" included in this Annual Report on Form 10-K for our year ended December 31, 2023.

Previous grants are taken into account when considering new option and restricted stock unit grants, as well as other factors such as market data, retention and incentive considerations, internal equity, Company performance and prior and expected future individual contributions. Decisions regarding long-term incentives do not affect decisions regarding other components of compensation.

Benefits and Perquisites

Other compensation to our named executive officers primarily consists of participation in our broad-based employee benefit plans. Named executive officers are eligible to participate in all our employee benefit plans, in each case on the same basis as other employees in the entity in which they are employed, including a retirement savings plan for those employed in Canada, a 401(k) plan for those employed in the United States, and pension plans for those employed in Ireland and the United Kingdom. Our named executive officers also are eligible to participate in our employee stock purchase plan on the same terms as our other eligible employees.

Currently, we do not view perquisites or other personal benefits as a material component of our executive compensation program. However, we do provide certain perquisites to our named executive officers in situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make them more efficient and effective, and for recruitment and retention purposes.

In addition, consistent with our philosophy regarding personal benefits, and as further described in "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control," to encourage and facilitate Dr. Moore's relocation to Canada, we provide him with certain reimbursements for relocation expenses, as well as a gross-up to make sure such payments are tax neutral to him, tax equalization payments to neutralize any increase in his taxes as a result of his relocation, and tax preparation assistance for two years following his relocation. The compensation committee believes these benefits were appropriate to enable a smooth relocation for Dr. Moore and to allow him to keep his focus on the business rather than on the costs and burdens of the relocation.

Similarly, in November 2022, we amended Dr. Astle's employment agreement to provide certain corporate housing benefits based on need (as determined in the Company's discretion) in the Vancouver, British Columbia metropolitan area. In addition to the corporate housing benefits, we provided for a gross-up to Dr. Astle for the impact of any tax withholding related to the corporate housing benefits. The compensation committee believes that these corporate housing benefits were important to allow Dr. Astle to be on-site at our offices in Vancouver as needed, increase his ability to work efficiently, and focus his efforts on the business rather than travel and housing considerations.

We also provide certain personal benefits to Mr. Galbraith, which were negotiated as part of Mr. Galbraith's initial January 2022 employment agreement and subsequent amendments, including the most recent amendment in January 2024. These benefits were provided in order to induce him to initially join and later to remain with the Company and to increase his ability to work efficiently. These benefits include certain housing, travel, relocation, and certain tax equalization and gross-up benefits, as described in "Executive Compensation – Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." In late 2022 and again in January 2024, we amended Mr. Galbraith's employment agreement to extend the time period for certain benefits, as described in "Executive Compensation – Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." The compensation committee approved the extension of these benefits as it believed that doing so would assist Mr. Galbraith in the continued performance of his duties and continue to aid in his efficiency.

In the future, we may continue to provide perquisites or other personal benefits in circumstances where we believe it is appropriate to assist an individual named executive officer in the performance of his or her duties, to make him or her more efficient and effective, and for recruitment, motivation or retention purposes.

Anti-Hedging Policy and Clawback Policy

Under the terms of our Insider Trading Policy, all directors, officers, employees, as well as any other personnel that we determine should be subject to our Insider Trading Policy (such as contractors and consultants), any person or entity an insider controls, exercises substantial influence over, serves as a trustee or in a similar fiduciary capacity of or is otherwise involved with, in connection with securities trading or investment decisions and an insider's spouse, partner, parents, children, dependents and other family members or roommates, are prohibited from purchasing financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) designed to hedge or offset a decrease in the market value of our securities.

In November 2023, we adopted a clawback policy in accordance with the SEC and Nasdaq requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act. This policy provides for the non-discretionary recovery of excess incentive-based compensation from current and former executive officers in the event of an accounting restatement, whether or not the executive officer was at fault for the restatement, in accordance with the SEC and Nasdaq requirements.

In addition, as a public company subject to Section 304 of the Sarbanes-Oxley Act of 2002, if we are required to prepare an accounting restatement due to our material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws, our chief executive officer and chief financial officer may be legally required to reimburse us for any bonus or incentive-based or equity-based compensation they received from us during the 12-month period following the first public issuance or filing with the SEC of the financial document incorporating such financial reporting requirement, as well as profits realized from the sale of securities during that 12-month period.

Potential Payments upon Termination or Change in Control

Certain of our executives, including each of our named executive officers who remain current employees, are parties to employment agreements with us which set forth conditions of employment and the payments that will be made upon termination of their employment. Additional discussion of the employment agreements with our named executive officers is set forth below under "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." We believe that these protections are necessary to provide our valuable named executive officers with incentives to forego other employment opportunities and to maintain continued focus and dedication to their responsibilities to maximize stockholder value, including if there is a potential transaction that could involve a change in control, without undue concern that the officer will be terminated and lose his or her income and benefits. We believe the level of severance and change in control benefits provided is appropriate and is necessary to attract and retain key employees.

In May 2023, in connection with Mr. Klompas' cessation of employment with Zymeworks, we and Mr. Klompas entered into a separation agreement that provided for certain severance payments and benefits to Mr. Klompas in consideration for a release of

claims in favor of us, effective June 2023. We believe that this separation arrangement was appropriate in light of Mr. Klompas' past (and expected future) contributions to Zymeworks, and generally believe it is favorable to us to obtain a release of claims even in the event of a mutual agreement to separate from employment. We also entered into a consulting service agreement with Mr. Klompas pursuant to which he assists us with certain transitional matters. We entered into the consulting service agreement in order to provide a smooth transition of Mr. Klompas' duties and responsibilities and to allow us to benefit from his ongoing input and expertise on certain matters. Additional discussion of these arrangements is set forth below under "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

Summary Compensation Table

The following table presents the compensation awarded to, earned by or paid to each of our named executive officers for the years ended December 31, 2023 and December 31, 2022. We do not have non-qualified deferred compensation.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽¹⁾⁽³⁾	All Other Compensation (\$) ⁽¹⁾	Total (\$)
Kenneth Galbraith, <i>Chair, President & CEO</i> ⁽⁴⁾	2023	625,452	1,144,000	1,194,627	321,651	89,146 ⁽⁵⁾	3,374,876
	2022	582,481	879,000	5,044,999	537,728	81,249 ⁽⁶⁾	7,125,457
Christopher Astle, <i>SVP & CFO</i> ⁽⁷⁾	2023	410,093	252,000	257,602	124,895	147,230 ⁽⁸⁾	1,191,820
	2022	358,749	—	593,772	203,048	159,436 ⁽⁹⁾	1,315,005
Paul Moore, <i>CSO</i> ⁽¹⁰⁾	2023	465,784	412,000	397,571	182,120	224,762 ⁽¹¹⁾	1,682,237
Neil Klompas, <i>Former President & COO</i> ⁽¹²⁾	2023	321,568 ⁽¹³⁾	468,000	328,363	—	1,007,801 ⁽¹⁴⁾	2,125,732
	2022	503,795 ⁽¹⁵⁾	—	950,036	330,699	23,878 ⁽¹⁶⁾	1,808,408

(1) Salary, non-equity incentive plan compensation (bonuses) and amounts in the "All Other Compensation" column for all named executive officers are determined in U.S. dollars. However, 2023 and 2022 cash compensation amounts for Mr. Klompas and Dr. Astle, and a portion of 2023 cash compensation amounts for Dr. Moore, were paid in Canadian dollars and have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022, the U.S. dollar per Canadian dollar exchange rates used for such conversions were 0.7410 and 0.7685, which were the average annual Bank of Canada exchange rates for 2023 and 2022, respectively. Cash compensation amounts for Mr. Galbraith were paid in British pounds and have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022 the U.S. dollar per British pound exchange rate used for such conversion were 1.2437 and 1.2354, which were the average annual Bank of Canada exchange rate for 2023 and 2022, respectively.

(2) The amounts set forth in these columns reflect the aggregate grant date fair value for restricted stock unit awards and option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the "Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation" and Note 10(e) "Notes to Consolidated Financial Statements – Shareholders' Equity – Stock Based Compensation" included in this Annual Report on Form 10-K for our year ended December 31, 2023.

(3) The amounts reflect the dollar value of incentive bonuses paid in 2024 and 2023 for performance during 2023 and 2022, respectively, as discussed further above under "Executive Compensation – Components of Compensation Package – Cash Bonus."

(4) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022.

(5) Of the total amount for 2023, (i) \$53,260 represents accommodation benefits, (ii) \$6,547 represents Company contributions to a defined contribution pension plan, (iii) \$746 represents life insurance premiums through our group extended benefit plan, (iv) \$17,593 represents airfare for immediate family members in accordance with the terms of Mr. Galbraith's employment agreement, and (v) \$11,000 represents an estimated tax equalization payment (which includes \$6,000 for estimated tax gross-up) in connection with taxation attributable to the performance of work outside the United Kingdom.

(6) Of the total amount for 2022, (i) \$45,724 represents accommodation benefits, (ii) \$20,263 represents Company contributions to a defined contribution pension plan, (iii) \$2,158 represents life insurance premiums through our group extended benefit plan, and (iv) \$13,104 represents airfare for immediate family members in accordance with the terms of Mr. Galbraith's employment agreement.

(7) Dr. Astle joined Zymeworks in April 2021 as Executive Director, Corporate and Commercial Finance and was promoted to Senior Vice President and Chief Financial Officer in February 2022.

(8) Of the total amount for 2023, (i) \$131,229 represents accommodation benefits (which includes \$61,021 for tax gross-up), (ii) \$13,289 represents Company contributions to our registered retirement savings plan, and (iii) \$2,712 represents life insurance premiums through our group extended benefit plan.

(9) Of the total amount for 2022, (i) \$136,960 represents accommodation benefits (which includes \$63,686 for tax gross-up), (ii) \$21,525 represents Company contributions to our registered retirement savings plan, and (iii) \$951 represents life insurance premiums through our group extended benefit plan.

(10) Dr. Moore has served as our Chief Scientific Officer since July 2022. Dr. Moore was not a named executive officer in 2022. As such, Dr. Moore's compensation for 2022 is not included in the table above.

(11) Of the total amount for 2023, (i) \$41,496 represents accommodation benefits, (ii) \$163,115 represents relocation expenses (which includes \$77,334 for tax gross-up), (iii) \$19,800 represents Company contributions to our 401(k) plan, and (iv) \$351 represents life insurance premiums through our group extended benefit plan.

(12) Mr. Klompas served as our Chief Operating Officer and Chief Financial Officer until February 2022, as our Chief Operating Officer from February 2022 until August 2022, and as our President and Chief Operating Officer from August 2022 to June 2023.

(13) Included in the total amount for 2023 is \$54,942 which represents payment of accrued vacation.

(14) Of the total amount for 2023, (i) \$990,970 represents severance payments and benefits under a separation agreement, (ii) \$15,998 represents Company contributions to our registered retirement savings plan and, (iii) \$833 represents life insurance premiums through our group extended benefit plan.

(15) Included in the total amount for 2022 is \$47,624 which represents payment of accrued vacation.

(16) Of the total amount for 2022, (i) \$23,004 represents Company contributions to our registered retirement savings plan and (ii) \$874 represents life insurance premiums through our group extended benefit plan.

Outstanding Equity Awards at 2023 Year End

The following table lists all outstanding equity awards granted in Canadian dollars under our Second Amended and Restated Stock Option Plan, as amended (the "Original Plan") and equity awards granted in U.S. dollars under the Equity Compensation Plan and our Inducement Stock Option and Equity Compensation Plan (the "Inducement Plan") held by our named executive officers as of December 31, 2023:

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)(3)
		Exercisable ⁽¹⁾	Unexercisable ⁽¹⁾				
Kenneth Galbraith	1/15/2022	250,000	250,000	14.97	1/14/2023	—	—
	1/5/2023	—	215,000	8.00	1/4/2033	—	—
	12/22/2022	—	—	—	—	100,000 ⁽⁴⁾	1,039,000
	1/5/2023	—	—	—	—	143,000	1,485,770
Christopher Astle	5/17/2021	11,500	5,750	26.68 ⁽⁵⁾	5/16/2031	—	—
	3/10/2022	57,292	67,708	7.00	3/9/2022	—	—
	1/5/2023	—	47,000	8.00	1/4/2033	—	—
	1/5/2023	—	—	—	—	31,500	327,285
Paul Moore	7/18/2022	75,000	125,000	5.82	7/17/2032	—	—
	1/5/2023	—	77,500	8.00	1/4/2033	—	—
	1/5/2023	—	—	0.00	—	51,500	535,085
Neil Klompas	1/1/2015	23,464	—	10.70	1/1/2025	—	—
	1/29/2016	125,700	—	8.97	1/29/2026	—	—
	2/3/2017	35,615	—	16.75	2/3/2027	—	—
	6/12/2017	85,000	—	9.82	6/12/2027	—	—
	3/19/2018	75,000	—	11.84	3/18/2028	—	—
	1/8/2019	90,000	—	15.53	1/7/2029	—	—
	3/27/2019	15,000	—	15.23	3/26/2029	—	—
	3/10/2020	43,125	1,875	35.20	3/9/2030	—	—
	3/10/2021	34,531	14,219	34.82	3/9/2031	—	—
	3/10/2022	91,667	108,333	7.00	3/9/2032	—	—
	1/5/2023	—	87,500	8.00	1/4/2033	—	—
	3/10/2021	—	—	—	—	2,709	28,147
	1/5/2023	—	—	—	—	58,500	607,815

(1) Options vest and become exercisable with respect to (i) 25% of the underlying shares one year after the grant date and (ii) the remainder of the underlying shares in 36 equal monthly installments following the first anniversary of the date of grant, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(2) Unless otherwise noted, restricted stock units vest in three equal annual installments on each of the first, second, and third anniversaries of the date of grant, subject to the holder's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(3) Market value of restricted stock units that have not vested is based on the closing price of the Company's common shares on Nasdaq on December 29, 2023, which was \$10.39 per share.

(4) These restricted stock units vest on the third anniversary of the date of grant, subject to the holder's continued service. Pursuant to the terms of Mr. Galbraith's grant agreement with respect to these restricted stock units, (i) if Mr. Galbraith's employment is terminated by the Company without cause, 100% of the restricted stock units will fully vest, and (ii) if on or within twelve months following a change of control (as defined in Mr. Galbraith's employment agreement) or within three months prior to a change of control, Mr. Galbraith's employment with the Company terminates due to his resignation for good reason, 100% of the restricted stock units will fully vest, in each case of (i) and (ii) subject to Mr. Galbraith having entered into a valid and enforceable settlement agreement with the Company on terms satisfactory to the

Company. These restricted stock units also are subject to the applicable acceleration of vesting provisions described for Mr. Galbraith under the section below entitled "*Executive Employment Arrangements and Potential Payments upon Termination or Change in Control.*"

(5) These options were granted with exercise prices denominated in Canadian dollars. The U.S. dollar per Canadian dollar exchange rate used to convert option exercise price to U.S. dollars was 0.7410, which was the average annual Bank of Canada exchange rate for 2023.

Pension Benefits

We do not have any qualified or non-qualified defined benefit pension plans.

Non-qualified Deferred Compensation

We do not have any non-qualified defined contribution plans or other deferred compensation plans.

Executive Employment Arrangements and Potential Payments upon Termination or Change in Control

Executive Employment Arrangements

Key provisions of the employment agreements that were in effect as of December 31, 2023, for our named executive officers are described below.

Kenneth Galbraith. In connection with Mr. Galbraith's appointment as President and Chief Executive Officer in January 2022, Mr. Galbraith entered into an employment agreement with us (the "Original Agreement"), on December 30, 2022 Zymeworks BC and Zymeworks Management Inc., our subsidiaries, and Mr. Galbraith entered into an amendment to the Original Agreement (the "First Amendment"), and on January 3, 2024, Zymeworks BC and Mr. Galbraith entered into a second amendment (the "Second Amendment" and the Original Agreement, as amended by the First Amendment and the Second Amendment, the "Galbraith Employment Agreement"). The Galbraith Employment Agreement does not have a specific term. The Second Amendment established Mr. Galbraith's principal place of employment as the United Kingdom, or another location as agreed upon between the parties, which removes the requirement for Mr. Galbraith to relocate to Vancouver, British Columbia or Seattle, Washington, and incorporated certain extensions of compensation and benefit provisions, as described below.

Pursuant to the Galbraith Employment Agreement, Mr. Galbraith is entitled to the following compensation and benefits:

- An annual base salary of \$600,000, with eligibility to earn an annual discretionary bonus of up to 60% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Mr. Galbraith's current annual base salary is \$655,000 and his target annual discretionary bonus remains at 60% of his annual base salary;
- Options, which were granted to Mr. Galbraith in 2022, to purchase 500,000 of our common shares at an exercise price per share equal to the fair market value on the date of grant (the "Inducement Options"). 25% of the Inducement Options vest and become exercisable on the one-year anniversary of the date of grant, and thereafter 1/36th of the remaining Inducement Options will vest on the last day of each month, until all of the Inducement Options have vested, subject to Mr. Galbraith's continued service;
- Eligibility to participate in our employee benefit plans, policies and arrangements that, in the aggregate, are reasonably consistent with other executive officers generally, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- Enrollment in a qualifying pension scheme under the UK Pensions Act 2008;
- Prior to the Second Amendment, the Galbraith Employment Agreement provided for reimbursement of relocation expenses up to a maximum gross amount of \$300,000, grossed up for the impact of any tax withholding, for reasonable moving expenses incurred by Mr. Galbraith and his immediate family during relocation from Mr. Galbraith's primary residence to Vancouver, British Columbia or Seattle, Washington if he relocated on or before July 15, 2024 (under the Original Agreement, this related to a relocation within the first eighteen months of employment), with the total amount reimbursed under this provision required to be repaid if Mr. Galbraith's employment had terminated within three years (two years under the Original Agreement) following the effective date of employment. The Second Amendment removed the requirement to relocate, and deleted this provision regarding relocation expenses;
- Temporary housing for Mr. Galbraith in Vancouver, British Columbia, grossed up for the impact of any tax withholding. The First Amendment had provided for this benefit through the earlier of Mr. Galbraith's relocation or July 15, 2024, and under the Original Agreement, this was through the earlier of Mr. Galbraith's relocation or the date that is 18 months following the effective date of employment;
- Reimbursement of reasonable travel and living expenses when traveling from his home to Vancouver, British Columbia or Seattle, Washington for his employment duties, as well as reimbursement or Company payment for reasonable airfare and lodging expenses for Mr. Galbraith and his immediate family for one trip per calendar year to

Vancouver, British Columbia or Seattle, Washington, as applicable (under the Original Agreement, this related to trips that occurred prior to the end of 2023 under the Original Agreement, and under the First Amendment, to trips that occurred prior to the end of 2024);

- A tax equalization payment if Mr. Galbraith is subject to income taxation or other taxation outside of the United Kingdom during the period of his employment, grossed up for the impact of any tax withholding, and tax preparation services;
- If we terminate Mr. Galbraith's employment during his first three years of employment, then Mr. Galbraith will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Mr. Galbraith's employment, Mr. Galbraith will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service, up to a total maximum of eighteen months. Mr. Galbraith will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan;
- In the event of termination on death or disability, as defined in our long-term disability plan or policy then in effect with respect to him, Mr. Galbraith, or his estate, will receive (x) a lump sum payment equal to the difference between (1) eighteen months of base salary plus target annual cash bonus as of the date of death or disability and (2) the amount that Mr. Galbraith or his estate will receive as a result of death or disability under our applicable insurance policies in effect as of the date of termination, (y) group extended health and dental benefits continuation for his surviving family members for eighteen months (or lump sum payment for the premium costs of such benefits in lieu thereof), and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants made to Mr. Galbraith as of the date of death or disability;
- If Mr. Galbraith's employment is terminated by us without cause on or within twelve months following, or within three months prior to, a change of control (as defined in the Galbraith Employment Agreement), Mr. Galbraith will be eligible to receive (x) a lump sum payment of eighteen months of base salary and 100% of target annual cash bonus as of the date of termination, (y) group extended health and dental benefits continuation as of the date of termination for eighteen months (or lump sum payment for the premium costs of such benefit plans in lieu thereof) and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Mr. Galbraith entering into a valid settlement agreement with us; and
- In addition, the Galbraith Employment Agreement requires Mr. Galbraith, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Galbraith Employment Agreement also requires Mr. Galbraith not to solicit our employees or consultants to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

On August 4, 2022, Mr. Galbraith ceased to serve in the role of our President, which role was then assumed by Mr. Klompas, and Mr. Galbraith continued in the role of Chair of the Board of Directors and Chief Executive Officer. Effective upon Mr. Klompas' departure in June 2023, Mr. Galbraith was re-appointed as our President. The compensatory and other material terms of Mr. Galbraith's employment with us were unchanged in connection with his re-appointment as our President.

Neil Klompas. On August 4, 2022, the board of directors appointed Mr. Klompas as our President, effective August 4, 2022. Mr. Klompas continued in the role of Chief Operating Officer following his appointment our President. The compensatory and other material terms of Mr. Klompas' employment with us, described below, were unchanged in connection with his appointment as President. Effective June 30, 2023, Mr. Klompas stepped down as our President and Chief Operating Officer and separated from employment. In May 2023, in anticipation of Mr. Klompas' departure, Zymeworks BC and Mr. Klompas entered into a separation agreement and release (the "Klompas Separation Agreement") providing for certain benefits, including:

- A lump sum payment of \$1,000,000, equivalent to twenty-four (24) months of his then-current base salary, which payment was subject to Mr. Klompas not being terminated for cause prior to the June 30, 2023 (Mr. Klompas was not terminated for cause prior to such date and therefore became entitled to this payment). Mr. Klompas was not eligible for any annual performance bonus with respect to our 2023 fiscal year;
- Eligibility for Mr. Klompas and his spouse to participate in our employee benefit plans for the lesser of (a) twenty-four (24) months following June 30, 2023 and (b) the date of enrollment in the benefit plans of a new employer;
- Payments of \$7,500 for professional development and continuing educational courses and \$2,500 for legal fees incurred in the review of the Klompas Separation Agreement, and reimbursement for laptop and provision of related peripherals;
- Entry into a consulting services agreement (the "Klompas Consulting Agreement"), whereby Mr. Klompas will assist with certain transitional matters at the request and direction of Zymeworks BC on an as needed basis. The Klompas Consulting Agreement became effective on June 30, 2023 and is scheduled to expire on June 30, 2025. Mr. Klompas will be entitled to continued vesting and exercise benefits for outstanding stock options and restricted stock units under our equity incentive plans for the duration of the Klompas Consulting Agreement as well as certain cash payments at a rate of \$300/hour for any services provided in excess of five hours per week. If a change of control (as such term is defined in the Equity Compensation Plan) had occurred prior to the expiration or earlier termination of the Klompas Consulting Agreement, any unvested options and restricted stock units held by Mr. Klompas immediately prior to such change of control that would have vested on or prior to June 30, 2025 had Mr. Klompas remained as a service provider through such date, would have been accelerated such that they would have been vested as of immediately prior to and contingent upon such change of control. Following the termination of the Klompas Consulting Agreement, and provided that Mr. Klompas (i) had not been terminated for cause prior to June 30, 2023 (Mr. Klompas was not terminated for cause prior to such date) and (ii) timely executed a supplemental release agreement, Mr. Klompas will have the period from the termination of the Klompas Consulting Agreement to June 30, 2026 to exercise any vested Company stock options, subject to any such options' earlier expiration during such period; and
- Reimbursement for all reasonable and documented business expenses actually and properly incurred in relation to Zymeworks BC's and our business up to June 30, 2023.

In addition to providing a release of claims in favor of the Company, the Klompas Separation Agreement reaffirmed Mr. Klompas' agreement to be bound by the confidentiality provisions and the restrictive covenants of his employment agreement, which include a requirement that Mr. Klompas not solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us, and a requirement, modified by the Klompas Separation Agreement, that he

will not compete with us, while employed by us and for up to six months following the termination of his employment, either directly or indirectly, with respect to certain aspects of our business with which he was materially involved in the last 12 months of his employment with us.

Prior to Mr. Klompas' separation from employment with us, Mr. Klompas was subject to an employment agreement with us, which had been entered into with him on January 25, 2007 and amended from time to time, as well as to the later Klompas Promotion Letter, described below.

The 2007 employment agreement with Mr. Klompas had set forth the initial terms and conditions of his employment and had provided for his initial base salary and initial equity award, and which included, among other things, provisions regarding confidentiality, ownership of developments, non-competition and non-solicitation, as well as eligibility for our incentive plans, reimbursements for certain professional association memberships and professional development fees and costs, and the ability to participate in generally available benefits. This agreement was amended on October 23, 2007, and January 1, 2014. On January 17, 2017, we entered into an amended and restated employment agreement with Mr. Klompas that superseded and replaced the January 2007 agreement, as amended, and set forth revised termination and change of control provisions. Under the revised not-for-cause termination severance provisions, during the first three years of employment, Mr. Klompas was entitled to 12 months of written notice or payment in lieu of notice equal to 12 months of his base salary and continuation of benefits for 12 months, or any combination thereof. Commencing in the fourth year of employment, Mr. Klompas was entitled to an additional one month's notice, or the equivalent base salary and continuation of benefits, or any combination thereof, for each additional completed year of service, up to a total maximum of 18 months. If Mr. Klompas were terminated without cause within 12 months following a change of control, he would have received severance equal to 18 months of his base salary, continuation of benefits for 18 months and full vesting acceleration of all unvested stock options or other equity grants made as at that date. Any severance payments payable under the agreement in excess of any minimum required by certain applicable laws were conditional upon Mr. Klompas' release of claims against us.

In connection with Mr. Klompas' appointment as Chief Operating Officer in January 2022, we provided Mr. Klompas with a promotion letter (the "Klompas Promotion Letter"), which reflected increases to his then-current base salary and annual bonus opportunity. In January 2023, Mr. Klompas' base salary was increased to \$500,000, which increase was given retroactive effect to August 4, 2022 in connection with his appointment as President, and his annual target bonus remained at 45% of his base salary.

Christopher Astle. In connection with Dr. Christopher Astle's appointment as Senior Vice President and Chief Financial Officer, we entered into an amended and restated employment agreement with Dr. Astle effective as of February 24, 2022 (the "Astle Employment Agreement"). The Astle Employment Agreement does not have a specific term.

Pursuant to the Astle Employment Agreement, Dr. Astle is entitled to the following compensation and benefits:

- An annual base salary of \$375,000, with eligibility to earn an annual discretionary bonus of up to 35% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Dr. Astle's current annual base salary is \$425,000 and his target annual discretionary bonus for 2024 has been set at 40% of his annual base salary;
- Options, which were granted to Dr. Astle in 2022, to purchase 125,000 of our common shares at an exercise price per share equal to the fair market value on the date of grant. The options were granted under the Equity Compensation Plan. 25% of the options will vest and become exercisable on the one-year anniversary of the date of grant, and thereafter 1/36th of the remaining options will vest on the last day of each month, until all of the options have vested, subject to Dr. Astle's continued service;
- Eligibility to participate in our employee benefit plans, policies and arrangements, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- If we terminate Dr. Astle's employment without cause prior to April 1, 2024, then Dr. Astle will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Dr. Astle's employment without cause, Dr. Astle will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service after April 1, 2024, up to a total maximum of eighteen months. Dr. Astle will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan. Such payments will be subject to Dr. Astle entering into a valid settlement agreement with us;
- If Dr. Astle's employment is terminated by us without cause on or within twelve months following a change of control (as defined in the Astle Employment Agreement), Dr. Astle will be eligible to receive (x) eighteen months of base salary, (y) group extended health and dental benefits continuation as of the date of termination for eighteen months and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Dr. Astle entering into a valid settlement agreement with us; and
- In addition, the Astle Employment Agreement requires Dr. Astle, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Astle Employment Agreement also requires Dr. Astle not to solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

On November 17, 2022, we entered into an amendment with Dr. Astle to the Astle Employment Agreement. The amendment amends the Astle Employment Agreement to provide to Dr. Astle certain corporate housing benefits based on need (as determined in our discretion) in the Vancouver, British Columbia metropolitan area. In addition to the corporate housing benefits, the amendment provides for a gross-up to Dr. Astle for the impact of any tax withholding related to the corporate housing benefits.

Paul Moore. On July 18, 2022, the Company and Zymeworks Biopharmaceuticals Inc., a subsidiary of the Company, entered into an employment agreement with Dr. Moore setting forth the terms and conditions of his employment as Chief Scientific Officer of the Company (the "Initial Employment Agreement"). In connection with Dr. Moore's planned relocation from the United States to Canada, the Company and our subsidiary Zymeworks BC entered into an amended and restated employment agreement with Dr. Moore (the "Moore Employment Agreement") that supersedes and replaces the Initial Employment Agreement. The Moore Employment Agreement does not have a stated term.

Pursuant to the Moore Employment Agreement, Dr. Moore is entitled to the following compensation and benefits:

- An annual base salary of \$465,000, with eligibility to earn an annual discretionary bonus of up to 45% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Dr. Moore's current annual base salary is \$495,000 and his target annual discretionary bonus remains at 45% of his annual base salary;
- Eligibility to participate in our employee benefit plans, policies and arrangements, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- Reimbursement of relocation expenses up to a maximum of \$200,000, grossed-up to offset the impact of any taxes on such payment, for reasonable and customary moving expenses that Dr. Moore incurs within eighteen months of his July 18, 2022 start date in connection with his relocation to the Vancouver, British Columbia metropolitan area, as contemplated in the Initial Employment Agreement.
- A tax equalization payment if Dr. Moore is subject to income taxation in Canada in a given year equal to the difference between (i) the sum of total Canadian taxes plus any U.S. federal, state and local income taxes, that Dr. Moore is or would be obligated to pay for an applicable tax year, and (ii) the amount of U.S. federal, state and local tax liability had Dr. Moore worked in the United States for the entire tax year. Any tax equalization payment will be grossed-up to offset the impact of taxes on such payment.
- Provision of tax preparation support or reimbursement of up to \$5,000 per year for additional tax preparation expenses of Dr. Moore for a period of two years from his July 18, 2022 start date.
- If we terminate Dr. Moore's employment without cause during his first three years of employment, then Dr. Moore will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Dr. Moore's employment without cause, Dr. Moore will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service, up to a total maximum of eighteen months. Dr. Moore will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan; Such payments will be subject to Dr. Moore entering into a valid separation and release agreement with us;
- If Dr. Moore's employment is terminated by us without cause on or within twelve months following a change of control (as defined in the Moore Employment Agreement), Dr. Moore will be eligible to receive as severance (x) eighteen months continued base salary following termination, (y) group extended health and dental benefits as of the date of termination for eighteen months, and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Dr. Moore entering into a valid separation and release agreement with us; and
- In addition, the Moore Employment Agreement requires Dr. Moore, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Moore Employment Agreement also requires Dr. Moore not to solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

Equity Compensation Plan Information

Under our Original Plan, upon a transaction in which equity securities representing more than 66 2/3% of our common stock are sold (a "substantial sale"), if the purchaser offers to buy out options, the options must be sold to the purchaser at a purchase price equal to (x) the price per share in the transaction (calculated in accordance with the terms of the Original Plan) minus the exercise price per share, multiplied by (y) the number of shares then exercisable under the option. If the option holders do not sell their options to the purchaser, such options will terminate upon completion of the substantial sale.

Under our Equity Compensation Plan and our Inducement Plan, in connection with a change of control (as defined in the applicable plan), our board of directors or the committee to which our board of directors has delegated authority to administer the applicable plan (either, the "Administrator") has the right to provide for the conversion or exchange of any outstanding awards into or for options, rights or other securities in any entity participating in or resulting from a change of control, cash or other property. If we enter into an agreement for a transaction that, if completed, would result in a change of control, or otherwise becomes aware of a pending change of control, we will give written notice to the award holders regarding the potential change of control and a description of the effect of the change of control on outstanding awards at least seven (7) days prior to the closing of change of control.

Under our Equity Compensation Plan and Inducement Plan, the Administrator may, in its discretion, accelerate the vesting and/or expiration date of any or all outstanding awards in connection with the change of control to provide that such designated awards shall be fully vested and any options not exercised within the specified period will be terminated after the completion of the change of control. If the change of control would also result in a capital reorganization, arrangement, amalgamation or reclassification of our share capital (and if the vesting and expiration of the awards has not been accelerated as contemplated by the prior sentence), upon completion of the change of control, the number and kind of shares subject to outstanding awards and, if applicable, the exercise price per share of options shall be appropriately adjusted (including by substituting the awards for awards with respect to securities in any successor entity to us) in such manner as the Administrator considers equitable to prevent substantial dilution or enlargement of the rights granted to Award holders. The Administrator also may make changes to the terms of the awards or the Equity Compensation Plan or Inducement Plan to the extent necessary or desirable to comply with any rules, regulations or policies of any stock exchange on which any of our securities may be listed, provided that the value of previously granted awards and the rights of award holders are not materially adversely affected by any such changes. In addition, in the event of a potential change of control, the Administrator may, in its sole discretion, modify the terms of the plan and/or the awards to assist the participants to tender into a take-over bid or other transaction leading to a change of control, including the authority to allow participants to conditionally exercise options.

Director Compensation Table

The following table presents the compensation awarded to, earned by or paid to our directors (other than Mr. Galbraith, whose compensation is provided in the Summary Compensation Table above) for the year ended December 31, 2023. Dr. Cesano and Mr. Platshon are not included in the table below as they did not join the board of directors until 2024. We do not currently have director compensation in the form of share-based awards (other than stock options), non-equity incentive plan compensation or non-qualified deferred compensation.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) ⁽¹⁾⁽²⁾	All Other Compensation	Total (\$)
Carlos Campoy	25,875	483,094	—	508,969
Troy M. Cox	51,077	212,754	—	263,831
Nancy Davidson	4,333 ⁽³⁾	436,683	—	441,016
Kenneth Hillan	53,788	212,754	—	266,542
Susan Mahony	49,072	212,754	—	261,826
Derek J. Miller	29,480	504,121	21,545 ⁽⁴⁾	555,146
Kelvin Neu ⁽⁴⁾	49,703	212,754	—	262,457
Hollings C. Renton	51,245	212,754	—	263,999
Natalie Sacks	29,391	—	—	29,391
Lota S. Zoth	84,845	—	—	84,845

(1) The amounts set forth in this column reflect the aggregate grant date fair value for option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the “Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation” and Note 10(e) “Notes to Consolidated Financial Statements – Stockholders’ Equity Stock- Based Compensation” included in this Annual Report on Form 10-K for our year ended December 31, 2023.

(2) As of December 31, 2023, directors held the following number of options to purchase Company common shares: (i) Mr. Campoy, 87,000; (ii) Mr. Cox, 110,000; (iii) Dr. Davidson, 74,000; (iv) Dr. Hillan, 121,425; (v) Dr. Mahony, 110,000; (vi) Mr. Miller, 87,000; (vii) Dr. Neu, 71,000; (viii) Mr. Renton, 121,425; (ix) Dr. Sacks, 78,140; and (x) Ms. Zoth, 86,117.

(3) In 2023, cash compensation for non-employee directors was paid in advance for directors serving on the board of directors at the beginning of each of the first, second, third and fourth quarters of 2023. In the fourth quarter of 2023, the board of directors changed the cash compensation approach such that, going forward, cash compensation would be payable quarterly in arrears. As a result of this change, the amount included in this column for Dr. Davidson reflects the pro-rated cash compensation earned during the fiscal year ended December 31, 2022 December 31, 2023 by Dr. Davidson.

(4) Mr. Miller provided consulting services to us pursuant to the Consulting Agreement (as defined below) the Company entered into with Derek J Miller Consulting LLC, a limited liability company owned by Derek Miller in May 2022. The amounts set forth above reflect consulting fees paid to Mr. Miller for the year ended December 31, 2023. In total, we have paid Mr. Miller an aggregate of approximately \$36,000 for such consulting services, of which (i) approximately \$22,000 was paid for services rendered prior to Mr. Miller’s appointment to the board of directors and (ii) approximately \$14,000 was paid for services rendered since Mr. Miller joined the board of directors. In October

2023, we entered into a Termination of Consulting Agreement and Further Amended and Restated Statement of Work #1 with Derek J Miller Consulting LLC, which provided for, among other things, the termination of the Consulting Agreement effective as of November 30, 2023.

(5) Dr. Neu joined the Company’s board of directors in March 2020. Dr. Neu was an employee of Baker Bros. Advisors LP until January 2021. Pursuant to the terms of Dr. Neu’s employment by Baker Brothers Advisors LP, the options granted to him in 2020 were, and will continue to be, beneficially owned by Baker Bros. Advisors LP.

Director Compensation

The written charter of our compensation committee provides that the compensation committee will review compensation for members of our board of directors on at least an annual basis, taking into account their responsibilities and time commitment and information regarding the compensation paid at peer companies. The compensation committee will make recommendations to our board of directors with respect to changes to our approach to director compensation as it considers appropriate.

In November 2022, the compensation committee worked with Aon to update prior competitive assessments of our board of director compensation program. Based on these findings, in November 2022, the compensation committee recommended, and the board of directors approved, the following changes to the cash and equity compensation of non-employee directors:

- The cash component for board of directors and committee membership was maintained at the 2022 levels, with the exception that the cash retainer fee for service as chair of the compensation committee was increased from \$10,000 to \$12,000, the cash retainer fee for service as a member of the compensation committee was increased from \$5,000 to \$6,000, the cash retainer fee for service as chair of the nominating and corporate governance committee increased from \$7,500 to \$8,500, and the cash retainer fee for service as a member of the nominating and corporate governance committee was increased from \$3,750 to \$4,250 (in each case effective January 2023);
- The initial option grant for new directors, to be granted on or about the time of the director joining the board of directors, was changed from 40,000 to 50,000 options, with the vesting schedule remaining as 1/36th of the options vesting on each monthly anniversary of the grant date, subject to the director’s continued service (effective November 2022); and
- The annual equity grant to directors, to be granted at or about the time of our annual meeting of stockholders, was changed from 20,000 options to 25,000 options, with the vesting schedule remaining 100% of the options vesting on the date of the next year’s annual meeting of stockholders, subject to the director’s continued service through such date (effective November 2022).

In May 2023, the board of directors approved, with input from the compensation committee and nominating and corporate governance committee, certain amendments to our board of directors compensation program to provide for: (i) full acceleration of vesting of options granted as annual equity awards in connection with our 2022 annual meeting of stockholders for directors departing on or after the restatement of the policy on May 24, 2023 and at or prior to the 2023 annual meeting of stockholders, (ii) pro rata acceleration of vesting of options granted as annual equity awards in connection with the 2023 annual meeting of stockholders for directors departing after the 2023 annual meeting of stockholders but at or before our 2024 annual meeting of stockholders, with the pro rata acceleration determined based on the number of full or partial months served as a non-employee director on and after the 2023 annual meeting of stockholders date, and (iii) extension of the post-termination exercise period for vested options held by departing directors to three years following the director’s cessation of service (or, if earlier, upon the expiration of the option).

In November 2023, the compensation committees worked with Aon to again update prior competitive assessments of our board of director compensation program. Based on these findings, in November 2023, the compensation committee recommended certain changes to the non-employee director compensation program.

In December 2023, the board of directors approved, following its annual assessment of the director compensation program and including its consideration of the input and recommendations from the compensation committee, the following changes to the cash and equity compensation of non-employee directors (as amended, the "Amended and Restated Director Compensation Policy"), which changes adjust the director compensation program to more closely align with the non-employee director compensation practices of the Company's peer group:

- Beginning January 1, 2024, the annual cash retainer fee for service as chair of the audit committee will be increased from \$15,000 to \$20,000, the annual cash retainer fee for service as a member of the audit committee will be increased from \$7,500 to \$10,000, the annual cash retainer fee for service as chair of the compensation committee will be increased from \$12,000 to \$15,000, the annual cash retainer fee for service as a member of the compensation committee will be increased from \$6,000 to \$7,500, the annual cash retainer fee for service as chair of the nominating

and corporate governance committee will be increased from \$8,500 to \$10,000, the annual cash retainer fee for service as a member of the nominating and corporate governance committee will be increased from \$4,250 to \$5,000;

- Effective immediately, the initial option grants for new non-employee directors, to be granted on or about the time of the director joining the board of directors, were changed from options to purchase 50,000 shares of Company common stock to options to purchase 74,000 shares of Company common stock, with the vesting schedule remaining as 1/36th of the shares subject to the option vesting on each monthly anniversary of the grant date, subject to the director's continued service; and
- Effective immediately, the annual equity grant to continuing non-employee directors, to be granted at or about the time of our annual meeting of stockholders, was changed from options to purchase 25,000 shares of Company common stock to 37,000 shares, with the vesting schedule remaining 100% of the shares subject to the option vesting on the date of the next year's annual meeting of stockholders, subject to the optionee's continued service through such date.

Following the recommendation of the compensation committee, the board of directors also determined to not implement stock ownership guidelines at this time. No other changes to board of director compensation were made for 2023.

Cash Compensation for Directors

In 2023, we provided the below annual cash retainer fees for service on our board of directors and committees. The fees for service on committees are in addition to the annual retainer fees for service on the board of directors.

	Effective January 1, 2023	Effective January 1, 2024
	Amount (\$)	Amount (\$)
Board of Directors:		
Member	40,000	40,000
Lead Independent Director	65,000	65,000
Audit Committee:		
Member	7,500	10,000
Chair	15,000	20,000
Compensation Committee:		
Member	6,000	7,500
Chair	12,000	15,000
Nominating and Corporate Governance Committee:		
Member	4,250	5,000
Chair	8,500	10,000
Research and Development Committee:		
Member	6,000	6,000
Chair	15,000	15,000

Cash retainer fees were amended in December 2023 as discussed above.

Equity Compensation for Directors

Beginning from December 2023, new non-employee directors will be granted an initial option grant to purchase 74,000 shares of common stock, to be granted on or about the time such director joins the board of directors, with a vesting schedule of 1/36th of the options vesting on each monthly anniversary of the grant date, subject to the optionee's continued service through such date.

In addition, non-employee directors will be granted an annual option grant to purchase 37,000 shares of common stock, to be granted at or about the time of the Company's annual meeting of stockholders, with a vesting schedule of 100% of the options vesting on the date of the next year's annual meeting of stockholders, subject to the optionee's continued

service through such date.

Upon cessation of a non-employee director's continued service, each outstanding stock option held by such director is subject to (i) full acceleration of vesting of options granted as annual equity awards in connection with our 2022 annual meeting of stockholders for directors departing on or after May 24, 2023 and at or prior to the 2023 annual meeting of stockholders held on December 7, 2023 and (ii) pro rata acceleration of vesting of options granted as annual equity awards in connection with the 2023 annual meeting of stockholders for directors departing after the 2023 annual meeting of stockholders, but at or before our 2024 annual meeting of stockholders, with the pro rata acceleration determined based on the number of full or partial months served as a non-employee director on and after the 2023 annual meeting of stockholders date.

In addition, the post-termination exercise period for vested options held by departing directors is extended to three years following the director's cessation of service (or, if earlier, upon the expiration of the option).

Expense Reimbursement

Each member of our board of directors is also entitled to reimbursement for reasonable travel and other expenses incurred in connection with attending board meetings and meetings for any committee on which he or she serves. These amounts are not included in the table above.

Risk Management

As part of its normal practice, the compensation committee evaluates the risk-taking incentives created by our compensation programs, policies and practices and has concluded that such programs, policies and practices are not reasonably likely to have a material adverse effect on the Company.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table sets forth summary information relating to our Equity Compensation Plan, employee share purchase plan, as amended (the "ESPP"), the Original Plan and the Inducement Plan as of December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted average exercise price of outstanding options, warrants, and rights ⁽²⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders			
Equity Compensation Plan	7,136,255 ⁽³⁾	\$12.99 ⁽⁴⁾	4,594,639
ESPP	—	—	2,029,328
Original Plan	493,878	\$17.07 ⁽⁵⁾	\$12.65
Equity compensation plans not approved by security holders			
Inducement Plan	700,000	\$12.36	50,000

(1) Includes restricted stock units.

(2) Does not include restricted stock units, which do not have an exercise price.

(3) The original maximum number of common shares reserved for issuance under the Equity Compensation Plan as of June 7, 2018, was 5,686,097. Beginning in 2019 and ending in 2028, this maximum number may be increased on the first day of each calendar year by up to 4.0% of the number of outstanding shares on the last day of the immediately preceding calendar year.

(4) Stock options granted under the Equity Compensation Plan are granted with exercise prices in both Canadian dollars and U.S. dollars. As of December 31, 2023, there were 6,364,842 outstanding stock options under the Equity Compensation Plan, consisting of 995,600 stock options with a weighted average exercise price of C\$17.98 (\$13.32 based on the U.S. dollar per Canadian dollar exchange rate of 0.7409, which was the average annual Bank of Canada exchange rate for 2023) and 5,369,242 stock options with a weighted average exercise price of \$12.45.

(5) Stock options granted under the Original Plan were granted with exercise prices in Canadian dollars. As of December 31, 2023, there were 493,878 outstanding stock options under the Original Plan, with a weighted average exercise price of C\$17.07 (\$12.65 based on the U.S. dollar per Canadian dollar exchange rate of 0.7409, which was the average annual Bank of Canada exchange rate for 2023).

Inducement Plan

Our Inducement Plan was adopted by our board of directors in January 2022, and was amended and restated in October 2022. The Inducement Plan was adopted without stockholder approval pursuant to the NYSE listing rules related to inducement plans, which are substantially similar to the Nasdaq rules related inducement plans. The Inducement Plan allows for the grant of options, grant restricted stock, restricted stock units and other share-based awards. The terms of the Inducement Plan are substantially similar to those of the Equity Compensation Plan, including with respect to treatment of awards in connection with a change of control, as described above. However, in accordance with the exemption requirements under NYSE and Nasdaq rules, awards under the Inducement Plan may only be made to employees of our Company or our subsidiaries to whom the grant of the award is a material inducement to the individual's entering into employment with us in accordance with such rules.

Share Ownership

The table below indicates information as of February 29, 2024, regarding the beneficial ownership of our common stock for:

- each person who is known by us to beneficially own more than 5% of our common stock;
- each named executive officer;
- each of our directors; and
- all executive officers and directors as a group.

In accordance with SEC rules, for the purposes of calculating percent ownership, as of February 29, 2024, (i) 70,532,213 shares of common stock were issued and outstanding, and, (ii) for any individual who beneficially owned shares represented by exchangeable shares, warrants, options, or restricted stock units that were exercisable or scheduled to vest within sixty days of February 29, 2024, those shares were treated as if outstanding for that person, but not for any other person. Unless otherwise indicated in the footnotes to the table, and subject to community property laws where applicable, the following persons have sole voting and investment control with respect to the shares beneficially owned by them. To our knowledge, except as noted in the table below, no person or entity was the beneficial owner of more than 5% of the voting power of our common stock as of February 29, 2024.

Except as otherwise indicated, the address of each of the persons in this table is 108 Patriot Drive, Suite A, Middletown, Delaware 19709.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned	Percentage of Shares Beneficially Owned	Total Voting Percentage †
5% and Greater Stockholders:			
EcoR1 Capital, LLC	14,262,473 ⁽¹⁾	19.99% ⁽²⁾	19.81% ⁽²⁾
BVF Partners L.P.	5,870,000 ⁽³⁾	8.32%	8.25%
Redmile Group, LLC	5,790,230 ⁽⁴⁾	8.21%	8.13%
Morgan Stanley	4,842,464 ⁽⁵⁾	6.87%	6.80%
BlackRock, Inc.	3,923,328 ⁽⁶⁾	5.56%	5.51%
Directors and Named Executive Officers:			
Christopher Astle	98,872 ⁽⁷⁾	*	*
Carlos Campoy	12,500 ⁽⁸⁾	*	*
Alessandra Cesano	4,111 ⁽⁹⁾	*	*
Troy M. Cox	80,500 ⁽¹⁰⁾	*	*
Nancy Davidson	8,222 ⁽¹¹⁾	*	*
Kenneth Galbraith	372,199 ⁽¹²⁾	*	*
Neil Klompas	681,600 ⁽¹³⁾	*	*
Susan Mahony	73,000 ⁽¹⁴⁾	*	*
Derek J. Miller	16,666 ⁽¹⁵⁾	*	*
Paul Moore	119,086 ⁽¹⁶⁾	*	*
Kelvin Neu	34,000 ⁽¹⁷⁾	*	*
Scott Platshon	—	—	—
Hollings C. Renton	84,425 ⁽¹⁸⁾	*	*
All Directors, Executive Officers:			
All current executive officers and directors as a group (13 persons) ⁽¹⁹⁾	962,331	1.35%	1.33%

*Less than one percent

†Percentage of total voting power represents voting power with respect to all shares of our common stock and the voting rights of the exchangeable shares exercised via the share of our special voting preferred stock, as a single class. Each holder of our common stock is entitled to one vote per share, and each holder of an exchangeable share is entitled to voting rights equivalent to one vote per exchangeable share on all matters submitted to our stockholders for a vote. The common stock and the special voting preferred stock (exercising the voting rights of the exchangeable shares) vote together as a single class on all matters submitted to a vote of our stockholders, except as may otherwise be required by Item 12, our certificate of Form 10-K incorporation or bylaws.

(1) Consists of (i) 12,658,224 shares of common stock held by EcoR1 Capital Fund Qualified, L.P. ("Qualified Fund") and (ii) 781,523 shares of common stock issuable upon the exercise of pre-funded warrants held by Qualified Fund, (iii) 779,249 shares of common stock held by EcoR1 Capital Fund, L.P. ("Capital Fund"), and (iv) 43,477 shares of common stock issuable upon the exercise of pre-funded warrants held by Capital Fund. Qualified Fund, Capital Fund and other private investment funds managed by EcoR1 Capital, LLC (collectively, "EcoR1") are prohibited from exercising such pre-funded warrants, if as a result of such exercise, EcoR1 would beneficially own more than 19.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise. EcoR1 is incorporated managed by reference EcoR1 Capital, LLC ("EcoR1 LLC"). Oleg Nodelman, the manager of EcoR1 LLC, has shared voting control and investment discretion over the securities reported herein that are held by EcoR1. As a result, Mr. Nodelman may be deemed to have beneficial ownership of the securities that are held by EcoR1. The address of these entities and this individual is 357 Tehama Street #3, San Francisco, California 94103. Scott Platshon, a Partner of EcoR1, is a member of the board of directors of the Company.

(2) In December 2023, the Company entered into a securities purchase agreement with funds affiliated with EcoR1 for the sale of an aggregate of 5,086,521 pre-funded warrants to purchase 5,086,521 shares of common stock, \$0.00001 par value per share, in a private placement. Each pre-funded warrant will be exercisable at an exercise price equal to \$0.0001 per share, subject to adjustments as provided under the terms of the pre-funded warrant and will be exercisable at any time on or after the closing date, subject to a post-exercise beneficial ownership limitation of 19.99% ("Maximum Percentage"). For purposes of calculating the Percentage of Shares Beneficially Owned and the Total Voting Percentage, the calculations only include 825,000 shares of common stock issuable upon the exercise of 825,000 pre-funded warrants pursuant to the Maximum Percentage, and do not include the remaining 4,261,521 pre-funded warrants to purchase 4,261,521 shares of our 2023 Proxy Statement common stock.

(3) Based on a Schedule 13G filed January 3, 2023, consists of 3,146,377 shares of common stock held by Biotechnology Value Fund, L.P. ("BVF"), 2,370,712 shares of common stock held by Biotechnology Value Fund II, L.P. ("BVF2"), 267,526 shares of common stock held by Biotechnology Value Trading Fund OS LP ("Trading Fund OS"), and 85,385 shares of common stock held in a certain BVF Partners L.P. managed account, each as of December 22, 2022. BVF Partners L.P., as the investment manager of BVF, BVF2 and Trading Fund OS, and the sole member of BVF Partners OS Ltd., the general partner of Trading Fund OS, may be deemed to beneficially own the 5,870,000 shares of common stock as of December 22, 2022. The address for this entity is 44 Montgomery Street, 40th Floor, San Francisco, CA 941014.

(4) Based on a Schedule 13G/A filed February 14, 2024, consists of 5,790,230 shares of common stock held as of December 31, 2023 by certain private investment vehicles and/or our Form 10-K sub-advised accounts managed by Redmile Group, LLC ("Redmile") and may be deemed beneficially owned by Redmile as investment manager of such private investment vehicles and/or sub-advised accounts, and by Jeremy C. Green as the principal of Redmile. The address for this entity and individual is One Letterman Drive Building D, Suite D3-300, San Francisco, CA 94129 and c/o Redmile Group LLC, 45 W. 27th Street, Floor 11, New York, NY 10001, respectively.

(5) Based on a Schedule 13G/A filed February 9, 2024, consists of 4,842,464 shares of common stock held by Morgan Stanley as applicable, of December 31, 2023. The address for this entity is 1585 Broadway, New York, NY, 10036.

(6) Based on a Schedule 13G filed January 29, 2024, consists of 3,923,328 shares of common stock held by BlackRock, Inc., as of December 31, 2023. The address for this entity is 50 Hudson Yards, New York, NY 10001.

(7) Consists of 6,503 shares of common stock and 92,369 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(8) Consists of 12,500 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(9) Consists of 4,111 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(10) Consists of 7,500 shares of common stock and 73,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(11) Consists of 8,222 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(12) Consists of 23,762 shares of common stock and 348,437 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(13) Consists of 17,032 shares held personally and 700 shares held by S. Jennifer Heine, and 663,868 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(14) Consists of 73,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(15) Consists of 16,666 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(16) Consists of 7,367 shares of common stock and 111,719 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(17) Consists of 34,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024. Dr. Neu was an employee of Baker Bros. Advisors LP until January 2021. Pursuant to the terms of Dr. Neu's employment by Baker Brothers Advisors LP, options granted to him in 2020 were, and will continue to be, filed beneficially owned by Baker Bros. Advisors LP.

(18) Consists of 84,425 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(19) Although Mr. Klompas was one of our named executive officers in 2023, he is no longer with the SEC within 120 days after Company and thus his ownership is not included in the end total of shares beneficially owned by the fiscal year ended December 31, 2022, current executive officers and directors as a group. Dr. Smith is not a named executive officer, but he is a current executive officer as a result of his promotion to Executive Vice President and Chief Medical Officer in January 2024. Therefore, Dr. Smith's ownership is reflected in the total shares beneficially owned by the current executive officers and directors as a group.

Item 13. Certain Relationships and Related Transactions and Director Independence

Certain Relationships and Related Transactions

Other than as discussed below and the compensation arrangements discussed under "Executive Compensation—Discussion of Executive Compensation Practices," since January 1, 2022, there have not been any transactions to which we are a party, nor are there any proposed transactions to which we would be a party, with related parties and which we are required to disclose pursuant to the rules of the SEC.

On March 16, 2020, we entered into a registration rights agreement with Baker Brothers Life Sciences, L.P. and 667, L.P., requiring us, upon request delivered by such persons and subject to certain terms and conditions, to register the resale of the shares of our common stock held by them. Dr. Neu, who joined our board of directors in March 2020, served as an employee of Baker Bros. Advisors L.P., which serves as an investment adviser to Baker Brothers Life Sciences, L.P. and 667, L.P., until January 2021.

On January 31, 2022, we announced the closing of our underwritten public offering which consisted of the issuance of 11,035,000 common shares, including the exercise in full of the underwriters' over-allotment option to purchase 1,875,000 additional common shares, and, in lieu of shares, to certain investors, pre-funded warrants to purchase up to 3,340,000 common shares. The information required common shares were sold at a price to the public of \$8.00 per common share and the pre-funded warrants were sold at a price of \$7.9999 per pre-funded warrant, for aggregate gross proceeds to the Company of \$115.0 million, before deducting underwriting discounts and commissions and estimated offering expenses. Entities affiliated with Armistice Capital, LLC and

Perceptive Advisors LLC purchased 2,285,000 and 1,100,000 common shares, respectively, and Armistice Capital Master Fund Ltd, Baker Brothers Life Sciences, L.P. and 667, L.P. purchased 2,715,000, 577,293 and 47,707 pre-funded warrants, respectively. These entities beneficially owned more than 5% of our common shares prior to or as a result of this offering.

On June 16, 2023, EcoR1 purchased an aggregate of 3,350,000 shares of common stock at \$8.12 per share under our at-the-market sales agreement, dated as of November 9, 2022, with Cantor Fitzgerald & Co. We received gross proceeds of \$27.2 million and net cash proceeds of \$26.2 million, after underwriting commissions and offering expenses. EcoR1 beneficially owned more than 5% of our shares of common stock prior to this purchase.

On December 28, 2023, EcoR1 purchased an aggregate of 5,086,521 pre-funded warrants to purchase 5,086,521 shares of our common stock in a private placement. The per share purchase price for the pre-funded warrants is \$9.8299, for an aggregate purchase price of approximately \$50 million. In connection with the private placement, we entered into a registration rights agreement with EcoR1 requiring us to register the resale of the shares of our common stock issuable upon exercise of the pre-funded warrants. In addition, we agreed that EcoR1 will have the right to nominate one of its partners as a member of our board of directors, subject to specified conditions. On February 22, 2024, our board of directors appointed Mr. Scott Platshon as a member of our board of directors. EcoR1 beneficially owned more than 5% of our shares of common stock prior to this purchase. Under the registration rights agreement, we agreed to file a registration statement covering the resale by [Item 13](#), EcoR1 of their registrable securities upon the earlier of March 15, 2024 and the first business day following the date that we file this Annual Report on Form 10-K [is incorporated by reference](#) for the fiscal year ended December 31, 2023. We agreed to [our 2023 Proxy Statement](#) use commercially reasonable efforts to cause such registration statement or [our Form 10-K/A](#), final prospectus, as applicable, to be [filed](#) declared effective as soon as practicable, but no later than the later of April 29, 2024 and the 123rd calendar day following the closing date, and to keep such registration statement effective for a period that will terminate upon the earliest of (i) the date that all registrable securities covered by such registration statement or final prospectus, as applicable, have been sold, (ii) the date that all registrable securities covered by such registration statement or final prospectus, as applicable, may be sold without the requirement for us to be in compliance with the [SEC within 120 days](#) current public information required under Rule 144 as to such registrable securities and without volume or manner-of-sale restrictions and (iii) two (2) years after the [end](#) date of the securities purchase agreement.

Indebtedness of Directors, Executive Officers and Employees

None of our directors, executive officers, employees, former directors, former executive officers or former employees, and none of their associates, is indebted to us or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by us.

Policy Regarding Related Party Transactions

We have adopted a formal, written policy regarding related person transactions. This written policy regarding related person transactions provides that a related person transaction is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships), in which we are a participant and in which a related person has, had or will have a direct or indirect material interest and in which the aggregate amount involved exceeds \$120,000. For purposes of this policy, a related person means any of our executive officers and directors (including director nominees), in each case at any time since the beginning of our last fiscal year, [ended December 31, 2022](#), or holders of more than 5% of any class of our voting securities and any member of the immediate family of, or person sharing the household with, any of the foregoing persons.

Our audit committee has the primary responsibility for reviewing and approving, ratifying or disapproving related person transactions. In determining whether to approve, ratify or disapprove any such transaction, our audit committee will consider, among other factors, (1) whether the transaction is fair to us and on terms no less favorable than terms generally available to unaffiliated third parties under the same or similar circumstances, (2) the extent of the related person's interest in the transaction, (3) whether there are business reasons for us to enter into such transaction, (4) whether the transaction would impair the independence of any of our outside directors and (5) whether the transaction would present an improper conflict of interest for any of our directors or executive officers.

The policy grants standing pre-approval of certain transactions, including (1) certain compensation arrangements for our directors or executive officers, (2) transactions with another company, other than an acquisition by us of that company, at which a related person's only relationship is as a non-executive employee, director or beneficial owner of less than 10% of that company's shares, provided that the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of such company's total annual revenues and the transaction is on terms no less favorable than terms generally available to unaffiliated third parties under the same or similar circumstances, (3) charitable contributions by us to a charitable organization, foundation or university at which a related person's only relationship is as a non-executive employee or director, provided that the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of such organization's total annual receipts, (4) transactions where a related person's interest arises solely from the ownership of our common stock and all holders of our common stock received the same benefit on a pro rata basis and (5) any indemnification or advancement of expenses made pursuant to our organizational documents or any agreement. In addition to our policy, our audit committee charter provides that our audit committee shall review and approve or disapprove any related person transactions.

Interests of Management and Others in Material Transactions

Other than as described elsewhere in this Annual Report on Form 10-K, there are no material interests, direct or indirect, of any of our directors or executive officers, any stockholder that beneficially owns, or controls or directs (directly or indirectly), more than 5% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction since January 1, 2022 that has materially affected or is reasonably expected to materially affect us or our subsidiaries.

[Table Director Independence](#)

[Under the Nasdaq listing rules, independent directors must comprise a majority of Contents](#) a listed company's board of directors. In addition, the listing standards of Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent.

Under the Nasdaq listing rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the additional independence criteria set forth in Rule 10A-3 under the Exchange Act, and the Nasdaq listing rules. Compensation committee members must also satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act.

The board of directors has determined that all directors, except Mr. Galbraith, meet the independence requirements under the Nasdaq listing standards, and qualify as "independent directors" under the Nasdaq listing standards. Mr. Galbraith is not considered independent by virtue of being our Chief Executive Officer. The board of directors also determined that Mr. Campoy, Mr. Cox and Mr. Miller, who comprise our audit committee, and Dr. Mahony, Mr. Renton and Dr. Davidson, who comprise our compensation committee, each satisfy the independence standards for those committees established by applicable SEC rules and the Nasdaq listing standards, and that Mr. Campoy, Mr. Miller, and Dr. Cesano, who comprise our nominating and corporate governance committee, are independent. In making these determinations, the board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them, including those described in the section titled "[Certain Relationships and Related Transactions](#)."

As part of the board of directors' determination that Mr. Miller satisfied the independence requirements under the Nasdaq listing standards and qualifies as an independent director, the board of directors considered the consulting agreement (the "Consulting Agreement") we entered into in May 2022 with Derek J Miller Consulting LLC, a limited liability company owned by Mr. Miller. Pursuant to the Consulting Agreement, Mr. Miller has provided certain consulting services to us, including but not limited to providing advice regarding development of corporate strategy, including corporate messaging, pipeline and technology platform strategies, business development, licensing, investor activities and related matters. In October 2023, we entered into a Termination of Consulting Agreement and Further Amended and Restated Statement of Work #1 with Derek J Miller Consulting LLC, which provides for, among other things, the termination of the Consulting Agreement effective as of November 30, 2023. In total, we have paid Mr. Miller an aggregate of approximately \$36,000 for such consulting services, of which (i) approximately \$22,000 was paid for services rendered prior to Mr. Miller's appointment to the board of directors and (ii) approximately \$14,000 was paid for services rendered after Mr. Miller joined the board of directors.

There are no family relationships among any of our directors, director nominees or executive officers.

Item 14. Principal Accounting Fees and Services

Principal Independent Accountant Fees and Services

KPMG LLP ("KPMG") has served as our independent registered public accounting firm since June 24, 2015.

Aggregate fees billed by our independent auditors, KPMG, for the years ended December 31, 2023 and December 31, 2022, are detailed in the table below:

	2023	2022
	(\$) ⁽⁵⁾	(\$) ⁽⁵⁾
Audit Fees ⁽¹⁾	\$ 775,096	\$ 752,300
Audit Related Fees ⁽²⁾	—	—
Tax Fees ⁽³⁾	507,300	385,600
All Other Fees ⁽⁴⁾	—	—
Total Fees Paid	\$ 1,282,396	\$ 1,137,900

(1) Fees for audit service on an accrued basis.

(2) Fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit of the financial statements.

(3) Fees for professional services rendered for tax compliance, tax advice and tax planning, which include fees of \$126,486 for tax compliance in 2023 (2022: \$160,622).

(4) All other fees billed by the auditor for products and services not included in the foregoing categories.

(5) Canadian dollar amounts have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022, the U.S. dollar per Canadian dollar exchange rates used for such conversions were 0.7410 and 0.7685, which were the average annual Bank of Canada exchange rates for 2023 and 2022, respectively.

Pre-approval Policies and Procedures

Our audit committee has established a policy of reviewing, in advance, and either approving or not approving, all audit, audit-related, tax and other non-audit services that our independent registered public accounting firm provides to us. This policy requires that all services received from independent registered public accounting firms be approved in advance by the audit committee or a delegate of the audit committee. The information required audit committee has delegated pre-approval responsibility to the chair of the audit committee with respect to audit and permissible non-audit services and any associated fees. All services that KPMG provided to us in 2023 and 2022 have been pre-approved by Item 14. our audit committee.

Our audit committee has determined that the provision of Form 10-K the services as set out above is incorporated by reference to our 2023 Proxy Statement or our Form 10-K/A, as applicable, to be filed compatible with the SEC within 120 days after maintaining of KPMG's independence in the end conduct of the fiscal year ended December 31, 2022.

their auditing functions.

[Table of Contents](#)

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements—The financial statements included in Item 8 are filed as part of this Annual Report on Form 10-K.

(a)(2) Financial Statement Schedules—All schedules have been omitted because they are not applicable or required, or the information required to be set forth therein is included in the consolidated Financial Statements or notes thereto included in Item 8 of this Annual Report on Form 10-K.

(a)(3) Exhibits—The exhibits required by Item 601 of Regulation S-K are listed in paragraph (b) below.

(b) Exhibits—The exhibits listed on the Exhibit Index below are filed herewith or are incorporated by reference to exhibits previously filed with the SEC.

EXHIBITS INDEX

Exhibit No.	Description
2.1	Restated and Amended Transaction Agreement, dated August 18, 2022, by and among Zymeworks BC Inc., the Company, Zymeworks Callco ULC and Zymeworks ExchangeCo Ltd. (incorporated by reference to Exhibit 2.1 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
2.2	Plan of Arrangement (incorporated by reference to Exhibit 2.2 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
2.3	Exchangeable Share Support Agreement, dated as of October 13, 2022, by and between the Company, Zymeworks CallCo ULC, and Zymeworks ExchangeCo Ltd. (incorporated by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
2.4	Voting and Exchange Trust Agreement, dated as of October 13, 2022, by and between the Company, Zymeworks Callco ULC, Zymeworks ExchangeCo Ltd. and the Share Trustee (incorporated by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
3.2	Certificate of Designations of Special Voting Stock of the Company (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
3.3	Certificate of Designations of Series B Participating Preferred Stock of the Company (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
3.4	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.4 3.1 to the Company's Current Report on Form 8-K12B 8-K filed with the SEC on October 13, 2022 March 15, 2023).
3.3	Certificate of Elimination of Series B Participating Preferred Stock of Zymeworks Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on June 12, 2023).
4.1	Description of Capital Stock.
4.2	Specimen common stock certificate of the Company (incorporated by reference to Exhibit 4.1 to Amendment No.1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
4.3	Preferred Shares Registration Rights Agreement, dated as of June 9, 2022 December 23, 2023, by and between Zymeworks BC Inc. among the Company and Computershare Trust Company, N.A., as rights agent (including the Resolutions of the Board of Directors of Zymeworks BC Inc. as Exhibit A of Exhibit 4.3 hereto) Purchasers (incorporated by reference to Exhibit 4.1 10.2 to Zymeworks BC Inc.'s the Company's Current Report on Form 8-K filed with the SEC on June 10, 2022 December 26, 2023).
4.4	Amendment No. 1 to the Preferred Shares Rights Agreement, dated as of October 12, 2022, by and between Zymeworks BC Inc. and Computershare Trust Company, N.A., as rights agent (incorporated by reference to Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2022).
4.5	Preferred Stock Rights Agreement, dated October 12, 2022, between the Company and Computershare Trust Company, N.A., as rights agent (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
4.6	Form of Pre-Funded Warrant to Purchase Common Shares (incorporated by reference to Exhibit 99.2 10.3 to Zymeworks BC Inc.'s the Company's Current Report on Form 8-K filed with the SEC on June 20, 2019 December 26, 2023).
4.7	Form of Pre-Funded Warrant to Purchase Common Shares (incorporated by reference to Exhibit 4.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on January 24, 2020).

Table of Contents

Exhibit No.	Description
4.8	Registration Rights Agreement dated March 16, 2020, by and among Zymeworks BC Inc., Baker Brothers Life Sciences, L.P. and 667, L.P. (incorporated by reference to Exhibit 4.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on March 16, 2020).
10.1#	Amended and Restated Employment Agreement, dated January 17, 2017, by and between Zymeworks BC Inc. and Dr. Ali Tehrani (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).
10.2#	Separation Agreement and Release by and between Zymeworks BC Inc. and Ali Tehrani, dated January 5, 2022 (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on January 5, 2022).
10.3#	Amended and Restated Employment Agreement, dated January 17, 2017, by and between Zymeworks BC Inc. and Neil Klompas (incorporated by reference to Exhibit 10.4 to Zymeworks BC Inc.'s Registration Statement on Form F-1 F-1 filed with the SEC on April 3, 2017).
10.4# 10.2#	Promotion Letter from Zymeworks BC Inc. to Neil Klompas, dated January 5, 2022 (incorporated by reference to Exhibit 10.3 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on January 5, 2022).
10.5† 10.3#	Separation Agreement and Release by and between Zymeworks BC Inc. and Neil Klompas, dated May 17, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 18, 2023).
10.4†	Collaboration Agreement, effective as of December 23, 2014, by and among Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 10.22 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).

10.6† Exhibit No.	Description
10.5†	First Amendment to Collaboration Agreement, effective as of May 29, 2017, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to a Report of Foreign Private Issuer on Form 6-K furnished to the SEC on July 18, 2017 and deemed filed under the Exchange Act).
10.7* 10.6*	Second Amendment to Collaboration Agreement, effective as of March 31, 2020, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.8* 10.7*	Third Amendment to Collaboration Agreement, dated June 22, 2020, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC, (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 5, 2020).
10.9* 10.8*	Letter Agreement, effective April 20, 2021, by and between Zymeworks BC Inc. and Celgene Corporation and Celgene Alpine Investment Co. LLC, (incorporated by reference to Exhibit 99.4 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.10* 10.9*	Fourth Amendment to Collaboration Agreement, dated August 4, 2021, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021).
10.11† 10.10†	Collaboration and License Agreement, effective as of December 1, 2015, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 10.23 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).
10.12† 10.11†	Side Letter Agreement effective as of January 11, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).
10.13* 10.12*	First Amendment to Collaboration and License Agreement, effective as of April 30, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated (incorporated by reference to Exhibit 99.4 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.14* 10.13*	Side Letter Agreement effective as of September 30, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited, (incorporated (incorporated by reference to Exhibit 99.5 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.15* 10.14	Side Letter Agreement effective as of February 20, 2020, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited, (incorporated (incorporated by reference to Exhibit 99.6 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).

[Table of Contents](#)

Exhibit	Description
No.	
10.15*	Fifth Amendment to Collaboration and License Agreement, effective as of March 30, 2020, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.11 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on February 24, 2021).
10.17†	10.16*
10.18*	10.17*
10.19*	10.18*
10.20†	10.19†
10.21†	
10.22*	
10.23*	
10.24†	
10.25†	10.20†

10.26† Exhibit No.	Description
10.21†	License Agreement , effective as of May 14, 2018, by and between Zymeworks BC Inc. and Daiichi Sankyo Company, Limited (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on May 18, 2018).
10.27† 10.22*	Research Termination and License Agreement by and between Zymeworks BC Inc. and Daiichi Sankyo Co., Ltd. , effective as of October 23, 2018, by and between Zymeworks BC Inc. and LEO Pharma A/S February 28, 2023 (incorporated by reference to Exhibit 99.1 10.2 to Zymeworks BC Inc.'s Current the Company's Quarterly Report on Form 8-K10-Q filed with the SEC on October 26, 2018 May 8, 2023).
10.28† 10.23†	License and Collaboration Agreement , effective as of November 26, 2018, by and between Zymeworks BC Inc. and BeiGene Ltd. (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on December 6, 2018).
10.29* 10.24*	First Amendment to Collaboration Agreement , effective March 29, 2021, by and between Zymeworks BC Inc. and BeiGene, Ltd. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 5, 2021).
10.30* 10.25*	Second Amendment to License and Collaboration Agreement , dated August 10, 2021, by and between Zymeworks BC Inc. and BeiGene Ltd. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021).
10.26*	Third Amendment License and Collaboration Agreement by and between Zymeworks BC Inc. and BeiGene, Ltd. , dated September 18, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2023).
10.27*	Letter Agreement , effective October 7, 2020, by and between Zymeworks BC Inc. and BeiGene, Ltd. (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.31* 10.28	Second Amendment to License and Collaboration Termination Agreement dated August 10, 2021, by and between Zymeworks BC Inc. and BeiGene, Ltd. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021).
10.32†	License and Collaboration Agreement , effective as of November 26, 2018, by and between Zymeworks BC Inc. and BeiGene Ltd. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on December 6, 2018).

[Table of Contents](#)

Exhibit No.	Description
10.33*	First Amendment to Collaboration Agreement, dated May 25, 2020, by and between Zymeworks BC Inc. and BeiGene, Ltd., September 18, 2023 (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Quarterly the Company's Current Report on Form 10-Q 8-K filed with the SEC on August 5, 2020 September 21, 2023).
10.34* 10.29	Second Amendment to License and Collaboration Agreement, effective June 2, 2021, by and between Zymeworks BC Inc. and BeiGene, Ltd., (incorporated by reference to Exhibit 99.6 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.35*	Letter Agreement, effective October 7, 2020, by and between Zymeworks BC Inc. and BeiGene, Ltd., (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.36†	Research and License Agreement, effective as of November 26, 2018, by and between Zymeworks BC Inc. and BeiGene Ltd., (incorporated by reference to Exhibit 99.3 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on December 6, 2018).
10.37*	Letter Agreement, effective October 7, 2020, by and between Zymeworks BC Inc. and BeiGene, Ltd., (incorporated by reference to Exhibit 99.3 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.38	Indenture of Lease dated as of January 25, 2019, by and between 5th & Main Partnership and Zymeworks BC Inc., (incorporated by reference to Exhibit 10.29 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).
10.39 10.30	Notice and Acknowledgement of Exercise of Expansion Option under Lease, dated as of June 27, 2019, by and between 5th & Main Partnership and Zymeworks BC Inc., (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.40 10.31	Lease Expansion and Modification Agreement, dated as of April 16, 2020, by and between 5th & Main Partnership and Zymeworks BC Inc., (incorporated by reference to Exhibit 99.3 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.41 10.32	Third Lease Modification Agreement, dated February 17, 2021, by and between Zymeworks BC Inc. and 5th & Main Partnership (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 5, 2021).
10.42 10.33	Fourth Lease Modification Agreement, dated May 7, 2021, by and between Zymeworks BC Inc. and 5th and Main Partnership, (incorporated by reference to Exhibit 99.5 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021)).
10.43 10.34	Lease Amending Agreement, dated April 1, 2022, by and between Zymeworks BC Inc. and 130 E 4th Partnership, (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2022).
10.44† 10.35	Notice of Assignment of Lease, dated January 1, 2022 from 5th & Main Partnership, 2000 Main Holdings Inc. and Mount Pixel Projects Limited Partnership to Zymeworks BC Inc., (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2022).
10.45# 10.36#	Employment Agreement effective September 17, 2018, by and between Zymeworks Biopharmaceuticals Inc. and Anthony Polverino (incorporated by reference to Exhibit 10.30 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).
10.46#	Separation Agreement and Release by and between Zymeworks Biopharmaceuticals Inc. and Anthony Polverino, dated March 14, 2022 (incorporated by reference to Exhibit 10.69 to Zymeworks BC Inc.'s Amendment No. 1 to Annual Report on Form 10-K filed with the SEC on May 2, 2022).
10.47*	License Agreement between Zymeworks BC Inc. and Iconic Therapeutics, Inc., dated May 13, 2019 (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on May 15, 2019).
10.48*	Amendment No. 1 to License Agreement effective as of February 26, 2020, by and between Zymeworks BC Inc. and Iconic Therapeutics, Inc., (incorporated by reference to Exhibit 99.7 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.49	Amendment No. 2 to License Agreement effective as of December 10, 2020, by and between Zymeworks BC Inc. and Iconic Therapeutics, Inc., (incorporated by reference to Exhibit 99.12 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on February 24, 2021).

[Table of Contents](#)

Exhibit No.	Description
10.50#	Employment Agreement effective October 14, 2019, by and between Zymeworks Biopharmaceuticals Inc. and Kathryn O'Driscoll (incorporated by reference to Exhibit 10.33 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.51#	Separation Agreement and Release by and between Zymeworks Biopharmaceuticals Inc. and Kathryn O'Driscoll, dated March 4, 2022 (incorporated by reference to Exhibit 10.70 to Zymeworks BC Inc.'s Amendment No. 1 to Annual Report on Form 10-K/A filed with the SEC on May 2, 2022).
10.52	Open Market Sale AgreementSM, dated October 21, 2022, by and between the Company and Jefferies LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on October 21, 2022).
10.53#	Employment Agreement, effective April 1, 2020, by and between Zymeworks Biopharmaceuticals Inc. and James Priour (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 5, 2021).
10.54#	Letter, dated March 3, 2021, from Zymeworks BC Inc. to James Priour (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 5, 2021).
10.55#	Separation and Release Agreement by and between Zymeworks Biopharmaceuticals Inc. and James Priour, Neil Josephson, dated February 4, 2022 March 3, 2023 (incorporated by reference to Exhibit 10.63 10.59 to Zymeworks BC Inc.'s the Company's Annual Report on Form 10-K filed with the SEC on February 24, 2022 March 7, 2023).
10.56#10.37#	Employment Agreement, effective April 29, 2019, by and between Zymeworks Biopharmaceuticals Inc. and Neil Josephson (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.57#	Letter, dated May 16, 2021, from Zymeworks BC Inc. to Neil Josephson (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.58#	Letter, dated November 9, 2021, from Zymeworks BC Inc. to Neil Josephson (incorporated by reference to Exhibit 10.66 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on February 24, 2022).
10.59#	Separation and Release Agreement by and between Zymeworks Biopharmaceuticals Inc. and Neil Josephson, dated March 3, 2023.
10.60#	Employment Agreement by and between Zymeworks BC Inc, Inc. and Kenneth Galbraith, dated January 5, 2022 (incorporated by reference to Exhibit 10.1 to Zymeworks Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on January 5, 2022).

10.61# Exhibit No.	Description
10.38#	Amendment to Employment Agreement, dated as of December 30, 2022, by and among Kenneth Galbraith, Zymeworks BC Inc. and Zymeworks Management Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 30, 2022).
10.62#10.39#	Amendment #2 to Employment Agreement, dated as of January 3, 2024, by and among Kenneth Galbraith and Zymeworks BC Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 5, 2024).
10.40#	Amended and Restated Employment Agreement by and between Zymeworks BC Inc. and Christopher Astle, dated February 24, 2022 (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on February 25, 2022).
10.63#10.41#	Amendment to Amended and Restated Employment Agreement by and between Christopher Astle and Zymeworks BC Inc., dated November 17, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 18, 2022).
10.64#10.42 #	Employment Agreement by and between Zymeworks Pharmaceuticals Limited and Jeffrey Smith, dated January 3, 2023.
10.43 #	Letter, dated January 5, 2024, from Zymeworks Inc. to Jeffrey Smith.
10.44#	Executive Incentive Compensation Plan, Plan (incorporated by reference to Exhibit 10.64 to the Company's Annual Report on Form 10-K filed with the SEC on March 7, 2023).
10.65#10.45#	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.73 to the Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.66#+10.46#	Amended and Restated Employment Agreement by and between Zymeworks BC Inc., Zymeworks Biopharmaceuticals Inc. the Company and Paul Moore, dated July 18, 2022 July 14, 2023 (incorporated by reference to Exhibit 10.4 10.2 to Zymeworks BC Inc.'s the Company's Quarterly Report on Form 10-Q filed with the SEC on August 4, 2022 August 10, 2023).
10.6710.47	Notice of Articles of ExchangeCo (incorporated by reference to Exhibit 10.79 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.6810.48	Articles of ExchangeCo (incorporated by reference to Exhibit 10.80 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.69#10.49#	Inducement Stock Option and Equity Compensation Plan of the Company (and forms of agreements thereunder) (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).

Table of Contents

Exhibit No.	Description
10.50#	
10.70#	Amended and Restated Stock Option and Equity Compensation Plan of the Company (and forms of agreements thereunder) (incorporated by reference to Exhibit 10.3 and UK Sub-Plan to the Company's Current Report on Form 8-K12B filed with Amended and Restated Stock Option and Equity Compensation Plan of the SEC on October 13, 2022).
10.71#10.51#	Second Amended and Restated Employee Stock Option Plan of the Company (and forms of agreements thereunder) (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
10.72#10.52#	Amended and Restated Employee Stock Purchase Plan of the Company (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
10.7310.53	Sales Agreement, dated November 9, 2022, by and between the Company and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on November 9, 2022).
10.74*10.54*	Amended and Restated License and Collaboration Agreement, dated October 18, 2022 May 15, 2023, by and between Zymeworks BC Inc. and Jazz Pharmaceuticals Ireland Limited, Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2023).
10.55*, +	Stock and Asset Purchase Agreement, dated April 25, 2023, by and between Zymeworks BC Inc., Zymeworks Biopharmaceuticals Inc., Zymeworks Zanidatamab Inc., and Jazz Pharmaceuticals, Inc (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2023).
10.56*, +	Amendment No. 1 to Stock and Asset Purchase Agreement, dated May 15, 2023, by and between Zymeworks BC Inc., Zymeworks Biopharmaceuticals Inc., Zymeworks Zanidatamab Inc., and Jazz Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2023).

Exhibit No.	Description
10.57	Securities Purchase Agreement, dated December 23, 2023, by and among the Company and the Purchasers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 26, 2023).
21.1	Subsidiaries of the Company.
23.1	Consent of KPMG LLP, an Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Compensation Recovery Policy.
101	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 , formatted in Inline XBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as at December 31, 2022 December 31, 2023 and 2021 , (ii) Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the years ended December 31, 2022 December 31, 2023 , 2021 2022 and 2020 , 2021 , (iii) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2022 December 31, 2023 , 2021 2022 and 2020 , 2021 , (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023 , 2021 2022 and 2020 2021 and (vi) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

- † The Company has omitted portions of the referenced exhibit pursuant to a request for confidential treatment under Rule 24b-2 promulgated under the **Securities** Exchange Act.
- * Certain portions of this exhibit (indicated by "[...***...]" have been omitted in accordance with Item 601(b)(10) of Regulation S-K because the omitted information is not material and the Company customarily and actually treats such omitted information as private or confidential.
- # Indicates management contract or compensatory plan.
- + Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K, but a copy will be furnished supplementally to the SEC upon request.

Item 16. Form 10-K Summary

Not applicable.

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: **March 7, 2023** **March 6, 2024**

ZYMEWORKS INC.

By: /s/ Kenneth Galbraith

Name: Kenneth Galbraith

Title: Chair of the Board of Directors and Chief Executive Officer (Principal Executive Officer)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Kenneth Galbraith, **and** Christopher Astle, **and** Neil Klompas, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with Exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Kenneth Galbraith Kenneth Galbraith	Chair of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)	March 7, 2023 6, 2024
/s/ Christopher Astle Christopher Astle	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 7, 2023 6, 2024
/s/ Troy M. Cox Troy M. Cox	Director	March 7, 2023 6, 2024
/s/ Kenneth Hillan Alessandra Cesano Kenneth Hillan Alessandra Cesano	Director	March 7, 2023 6, 2024
/s/ Susan Mahony Susan Mahony	Director	March 7, 2023 6, 2024
/s/ Kelvin Neu Kelvin Neu	Director	March 7, 2023 6, 2024
/s/ Hollings C. Renton Hollings C. Renton	Director	March 7, 2023 6, 2024
/s/ Natalie Sacks Carlos Campoy Natalie Sacks Carlos Campoy	Director	March 7, 2023 6, 2024
/s/ Lota Zoth Derek Miller Lota Zoth Derek Miller	Director	March 7, 2023 6, 2024
/s/ Nancy Davidson Nancy Davidson	Director	March 6, 2024
/s/ Scott Platshon Scott Platshon	Director	March 6, 2024

146 186

Exhibit 4.1

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the material terms of the capital stock of Zymeworks Inc., a Delaware corporation (the “Company”). This summary does not purport to be complete and is subject to, and qualified in its entirety by express reference to, the provisions of the Company’s amended and restated certificate of incorporation (the “Certificate of Incorporation”), the Company’s amended and restated bylaws (the “Bylaws”), and the Company’s Certificate of Designations of Special Voting Preferred Stock (the “Special Voting Certificate of Designations”), the Company’s Certificate of Designations of Rights, Preferences and Privileges of Series B Participating Preferred Stock (the “Series B Certificate of Designations”), each of which is included as an exhibit to the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, and each of which may be amended from time to time, and the laws of the state of Delaware. You are encouraged to read the Company’s Certificate of Incorporation, Bylaws, and Special Voting Certificate of Designations and Series B Certificate of Designations, and the applicable provisions of the General Corporation Law of the State of Delaware (the “DGCL”), for additional information.

The Company’s authorized capital stock consists of 1,000,000,000 shares of capital stock, \$0.00001 par value per share, of which:

- 900,000,000 shares are designated as “Common Stock”; and
- 100,000,000 shares are designated as preferred stock, of which one share is designated as “Special Voting Preferred Stock” and 1,000,000 shares are designated as “Series B Participating Preferred Stock”.

As of ~~March 3, 2023~~ March 4, 2024, there are ~~64,041,287~~ 70,568,222 shares of Common Stock outstanding, held by approximately ~~56~~ 82 stockholders of record, and there is one share of Special Voting Preferred Stock outstanding, held by one stockholder of record.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of Common Stock are entitled to receive dividends out of funds legally available if the board of directors of the Company (the "Board"), in its discretion, determines to issue dividends and then only at the times and in the amounts that the Board may determine.

No Preemptive or Similar Rights

The Company's Common Stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Voting Rights

Holders of Common Stock are entitled to one vote for each share held as of the applicable record date on all matters submitted to a vote of the Company stockholders.

The Company stockholders do not have the ability to cumulate votes for the election of directors. As a result, the holders of a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors can elect all of the directors standing for election, if they should so choose. With respect to matters other than the election of directors, at any meeting of the Company stockholders at which a quorum is present or represented, the affirmative vote of a majority of the voting power of the shares cast for or against a proposal shall be the act of the stockholders and broker non-votes and abstentions will be considered for purposes of establishing a quorum, but will not be considered as votes cast for or against a proposal, except as otherwise provided by law, the Company's governing documents or the rules of the stock exchange on which the Company's securities are listed. The holders of 33 1/3% of the voting power of the capital stock issued and

outstanding and entitled to vote as of the applicable record date, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders.

The Certificate of Incorporation and the Bylaws provide that members of the Board will be elected to one of three staggered three-year terms. Only the directors serving one term will be elected at each annual meeting of its

stockholders, with the directors serving under the remaining two terms continuing for the remainder of their respective three-year terms.

Liquidation Rights

If the Company becomes subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to the Company's stockholders would be distributable ratably among the holders of Common Stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Fully Paid and Nonassessable

All outstanding shares of Common Stock are fully paid and non-assessable.

Preferred Stock

The Board has the authority, subject to limitations prescribed by Delaware law, to issue shares of authorized but unissued preferred stock in one or more series, and to fix the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, in each case without further vote or action by the Company's stockholders. These powers, rights, preferences and rights could include dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price(s) and liquidation preferences, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of the Common Stock. The issuance of preferred stock could adversely affect the voting power of holders of Common Stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control or other corporate action. Except for the single share of Special Voting Preferred Stock described below, **as of the closing of the Redomicile Transactions (as defined below)**, there are no outstanding shares of preferred stock.

Special Voting Preferred Stock

On October 13, 2022, the Company (formerly known as Zymeworks Delaware Inc.) became the ultimate parent company of Zymeworks Inc., a corporation existing under the laws of the Province of British Columbia and renamed as Zymeworks BC Inc. ("Zymeworks Canada"), pursuant to a statutory plan of arrangement under the Business Corporations Act (British Columbia) as part of a series of transactions, including the corporate redomicile of Zymeworks Canada (the "Redomicile Transactions"). Pursuant to the Redomicile Transactions, certain eligible shareholders of Zymeworks Canada, at their election, were issued exchangeable shares (the "Exchangeable Shares") in the capital of Zymeworks ExchangeCo Ltd., a company existing under the laws of the Province of British Columbia and an indirect wholly owned subsidiary of the Company ("ExchangeCo"), on a one-for-one basis in exchange for some or all of their common shares of Zymeworks Canada, together with certain contractual rights attached to such Exchangeable Shares. The Company has agreed to issue shares of Common Stock as consideration when, among other things, the holder of Exchangeable Shares calls for its Exchangeable Shares to be retracted in accordance with their terms.

On October 13, 2022, one share of Special Voting Preferred Stock was issued to Computershare Trust Company of Canada (the "Share Trustee"), as trustee for and on behalf of the holders of the Exchangeable Shares (other than the Company and any affiliated entities of the Company). The holder of the Special Voting Preferred Stock will vote together with the holders of the Common Stock, as a single class (except as otherwise required under applicable law), with respect to all meetings of stockholders of the Company at which the holders of the Common Stock are entitled to vote. The Special Voting Preferred Stock entitles the holder of record to that number of votes equal to the number of Exchangeable Shares outstanding at such time (other than those owned by the Company or any affiliated entity of the Company) multiplied by the Exchangeable Share Exchange Ratio (which ratio is initially one), and in

-2-

respect of each beneficial owner of the Special Voting Preferred Stock, rounded down to the nearest whole vote (and for which the Share Trustee has received voting instructions from such holders of Exchangeable Shares in accordance with the Voting and Exchange Trust Agreement, dated October 13, 2022, among the Company, Zymeworks ExchangeCo Ltd., Zymeworks CallCo ULC and the Share Trustee).

The holder of the Special Voting Preferred Stock is not entitled to receive any dividends declared and paid by the Company and, upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, shall rank senior to the Common Stock, and junior to all other or series of preferred stock of the Company, and is entitled to receive, prior to the holders of the Common Stock, an amount equal to US\$1.00.

At such time as the share of Special Voting Preferred Stock has no votes attached to it, the Special Voting Preferred Stock shall be automatically cancelled for no consideration.

Stockholder Rights Plan

On October 12, 2022, the Company and Computershare Trust Company, N.A., as rights agent, entered into the Preferred Stock Rights Agreement (the "Rights Agreement"). Under the Rights Agreement, in connection with the consummation of the Redomicile Transactions, the Board authorized and declared a dividend distribution of one right (each, a "Right") for each share of Common Stock outstanding at 12:01 a.m. (Pacific time) on October 13, 2022 (the "Record Date") and for each share of Common Stock that becomes outstanding, including any shares of Common Stock issued in connection with the Redomicile Transactions and as consideration for the Exchangeable Shares, as applicable, between the Record Date and the earlier of the Distribution Date (as described below) and the expiration of the Rights. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series B Participating Preferred Stock, par value \$0.00001 per share, of the Company ("Series B Preferred Stock") at an exercise price of \$74.00 per one one-thousandth of a share of Series B Preferred Stock (the "Exercise Price"), subject to adjustment. The complete terms of the Rights are set forth in the Rights Agreement.

The Board adopted the Rights Agreement to protect stockholders from coercive or otherwise unfair takeover tactics. In general terms, it works by imposing a significant penalty upon any person or group that acquires 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the shares of Common Stock without the approval of the Board. As a result, the overall effect of the Rights Agreement and the issuance of the Rights may be to render more difficult or discourage a merger, amalgamation, arrangement, take-over bid, tender or exchange offer or other business combination involving the Company that is not approved by the Board. However, neither the Rights Agreement nor the Rights should interfere with any merger, amalgamation, arrangement, take-over bid, tender or exchange offer or other business combination approved by the Board.

The following is a summary of the terms of the Rights Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by express reference to, the full text of the Rights Agreement, which is included as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2022 to which this description is an exhibit.

Distribution and Transfer of Rights; Rights Certificates:

The Board has declared a dividend of one Right for each outstanding share of Common Stock. Prior to the Distribution Date referred to below:

- the Rights will be evidenced by and trade with the certificates for the Common Stock (or, with respect to any uncertificated Common Stock registered in book entry form, by notation in book entry), and no separate rights certificates will be distributed;
- new Common Stock certificates issued after the Record Date will contain a legend incorporating the Rights Agreement by reference (for uncertificated Common Stock registered in book entry form, this legend will be contained in a notation in book entry); and
- the surrender for transfer of any certificates for Common Stock (or the surrender for transfer of any uncertificated Common Stock registered in book entry form) will also constitute the transfer of the Rights associated with such Common Stock.

Rights will accompany any new shares of Common Stock that are issued after the Record Date and prior to the Distribution Date referred to below, including any shares of Common Stock issued in connection with the Redomicile Transactions or related Exchangeable Shares.

Distribution Date:

Subject to the terms of the Rights Agreement, generally speaking the Rights will separate from the Common Stock and become exercisable following (1) the 10th business day (or such later date as may be determined by the Board) after the public announcement that a person or group of affiliated or associated persons (such person or group, an "Acquiring Person") has acquired beneficial ownership of 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the Common Stock or (2) the 10th business day (or such later date as may be determined by the Board) after a person or group announces a tender or exchange offer that would result in ownership by a person or group of 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the Common Stock. For purposes of the Rights Agreement, beneficial ownership is defined to include the ownership of derivative securities. All share calculations will be made in accordance with the terms of the Rights Agreement.

The date on which the Rights separate from the Common Stock and become exercisable is referred to as the "Distribution Date."

After the Distribution Date, the Company will send Rights certificates to the Company's stockholders as of the close of business on the Distribution Date and the Rights will become transferable apart from the Common Stock. Thereafter, such Rights certificates alone will represent the Rights.

-4-

Preferred Stock Purchasable Upon Exercise of Rights:

After the Distribution Date, each Right will entitle the holder to purchase, for the Exercise Price, one one-thousandth of a share of Series B Preferred Stock having economic and other terms similar to that of one share of Common Stock. This portion of a share of Series B Preferred Stock is intended to give the stockholder approximately the same dividend, voting and liquidation rights as would one share of Common Stock, and should approximate the value of one share of Common Stock.

More specifically, each one one-thousandth of a share of Series B Preferred Stock, if issued, will:

- not be redeemable;
- entitle holders to quarterly dividend payments of \$0.001 per one one-thousandth of a share of Series B Preferred Stock, or an amount equal to the dividend paid on one share of Common Stock, whichever is greater;
- entitle holders upon liquidation either to receive \$1 per one one-thousandth of a share of Series B Preferred Stock or an amount equal to the payment made on one share of Common Stock, whichever is greater;
- have the same voting power as one share of Common Stock; and
- entitle holders to a payment per one one-thousandth of a share of Series B Preferred Stock equal to the payment made on one share of Common Stock if the Common Stock is exchanged via merger, consolidation, amalgamation, arrangement or a similar transaction.

Flip-In Trigger:

If an Acquiring Person obtains beneficial ownership of 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the Common Stock, *then* each Right will entitle the holder thereof to purchase, for the Exercise Price, a number of shares of Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a then-current market value of twice the Exercise Price. However, the Rights are not exercisable following the occurrence of the foregoing event until such time as the Rights are no longer redeemable by the Company, as further described below.

Following the occurrence of an event set forth in the preceding paragraph, all Rights that are or, under certain circumstances specified in the Rights Agreement, were beneficially owned by an Acquiring Person or certain of its transferees will be void.

Flip-Over Trigger:

If, after an Acquiring Person obtains 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the Common Stock, (1) the Company merges into, amalgamates with or is otherwise combined with another entity, (2) an acquiring entity merges into, amalgamates with or is otherwise combined with the Company or (3) the Company sells or transfers more than 50 percent of its assets, cash flow or earning power, *then* each Right (except for Rights that have previously been voided as set forth above) will entitle the holder thereof to purchase, for the Exercise Price, a number of shares of common stock of the person engaging in the transaction having a then-current market value of twice the Exercise Price.

Redemption of the Rights:	The Rights will be redeemable at the Company's option for \$0.001 per Right (payable in cash, Common Stock or other consideration deemed appropriate by the Board) at any time on or prior to the 10th business day (or such later date as may be determined by the Board) after the public announcement that an Acquiring Person has acquired beneficial ownership of 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the Common Stock. Immediately upon the action of the Board ordering redemption, the Rights will terminate and the only right of the holders of the Rights will be to receive the \$0.001 redemption price. The redemption price will be adjusted if the Company undertakes a stock dividend or a stock split.
Exchange Provision:	At any time after the date on which an Acquiring Person beneficially owns 10 percent or more (or 20 percent or more in the case of certain institutional investors who report their holdings on Schedule 13G) of the Common Stock and prior to the acquisition by the Acquiring Person of 50 percent of the Common Stock, the Board may exchange the Rights (except for Rights that have previously been voided as set forth above), in whole or in part, for Common Stock at an exchange ratio of one share of Common Stock per Right (subject to adjustment). In certain circumstances, the Company may elect to exchange the Rights for cash or other securities of the Company having a value approximately equal to one share of Common Stock.
Expiration of the Rights:	The Rights expire on the earliest of (1) 5:00 p.m., New York City time, on June 8, 2023 (unless such date is extended) or (2) the redemption or exchange of the Rights as described above.
Amendment of Terms of the Rights Agreement and Rights:	The terms of the Rights and the Rights Agreement may be amended in any respect without the consent of the holders of the Rights on or prior to the Distribution Date. Thereafter, the terms of the Rights and the Rights Agreement may be amended without the consent of the holders of Rights in order to (1) cure any ambiguities, (2) shorten or lengthen any time period pursuant to the Rights Agreement or (3) make changes that do not adversely affect the interests of holders of the Rights.
Voting Rights; Other Stockholder Rights:	The Rights will not have any voting rights. Until a Right is exercised, the holder thereof, as such, will have no separate rights as a stockholder of the Company.
Anti-Dilution Provisions:	The Board may adjust the Exercise Price, the number of shares of Series B Preferred Stock issuable and the number of outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split or a reclassification of the Series B Preferred Stock or Common Stock. With certain exceptions, no adjustments to the Exercise Price will be made until the cumulative adjustments amount to at least one percent of the Exercise Price. No fractional shares of Series B Preferred Stock will be issued and, in lieu thereof, an adjustment in cash will be made based on the current market price of the Series B Preferred Stock.
Taxes:	The distribution of Rights should not be taxable for federal income tax purposes. However, following an event that renders the Rights exercisable or upon redemption of the Rights, stockholders may recognize taxable income.

-6-

Options and Restricted Stock Units

As of ~~Mar~~ ~~March 4, 2024~~ ~~ch 3, 2023~~, the Company had outstanding options to purchase an aggregate of:

- ~~6,906,852~~ ~~7,656,552~~ shares of Common Stock, at a weighted average exercise price of ~~\$15.03~~ ~~\$12.56~~ USD per share; and
- ~~1,941,540~~ ~~1,393,015~~ shares of Common Stock, at a weighted average exercise price of ~~\$19.56~~ ~~\$20.10~~ CAD per share.

As of ~~March 3, 2023~~ ~~March 4, 2024~~, the Company had ~~1,038,922~~ ~~1,464,368~~ outstanding restricted stock units.

Pre-Funded Warrants

As of ~~March 3, 2023~~ ~~March 4, 2024~~, the Company had ~~2,079,224~~ ~~5,086,521~~ outstanding pre-funded warrants to purchase up to ~~2,079,224~~ ~~5,086,521~~ shares of Common Stock.

Exercisability

The pre-funded warrants are exercisable at any time after their original issuance. The pre-funded warrants will be exercisable, at the option of each holder, in whole or in part by delivering to the Company a duly executed exercise notice and by payment in full in immediately available funds for the number of shares of Common Stock purchased upon such exercise. As an alternative to payment in immediately available funds, the holder may, in its sole discretion, elect to exercise the warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of Common Stock determined according to the formula set forth in the pre-funded warrant. No fractional

Common Stock will be issued in connection with the exercise of a pre-funded warrant. In lieu of fractional shares, the Company will pay the holder an amount in cash equal to the fractional amount multiplied by the fair market value of any fractional shares.

Exercise Limitations

Under the terms of the pre-funded warrants, the Company may not effect the exercise of any pre-funded warrant, and a holder will not be entitled to exercise any portion of any pre-funded warrant, which, upon giving effect to such exercise, would cause (a) the aggregate number of shares of Common Stock beneficially owned by the holder (together with its affiliates) to exceed 9.99% 19.99% of the number of shares of Common Stock outstanding immediately after giving effect to the exercise, or (b) the combined voting power of the Company securities beneficially owned by the holder (together with its affiliates) to exceed 9.99% 19.99% of the combined voting power of all of the Company securities then outstanding immediately after giving effect to the exercise, as such percentage to any ownership is determined in accordance with the terms of the pre-funded warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 19.99% upon at least 61 days' prior notice from the holder to the Company.

Exercise Price

The exercise price per whole share of Common Stock purchasable upon the exercise of the pre-funded warrants is \$0.0001 per warrant share. The exercise price of the pre-funded warrants is subject to appropriate adjustment in the event of certain share dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's Common Stock.

Exchangeable Shares

Pursuant to the Redomicile Transactions, certain former shareholders of Zymeworks Canada were issued Exchangeable Shares in the capital of ExchangeCo., an indirect wholly owned subsidiary of the Company, together with certain contractual rights attached to the Exchangeable Shares. The Company has agreed to issue shares of Common Stock as consideration when, among other things, the holder of Exchangeable Shares calls for its Exchangeable Shares to be retracted in accordance with their terms.

As of March 3, 2023 March 4, 2024, there were 658,612 e were 646,423 Exchangeable Shares held by shareholders and exchangeable on a one-to-one basis, subject to adjustment, for up to 658,612 sha 646,423 shares of Comres of Common mon Stock.

-7-

Anti-Takeover Effects of Certain Provisions of Delaware Law, the Certificate of Incorporation and the Bylaws

Delaware Law

The Company will be governed by the provisions of Section 203 of the DGCL. Section 203 generally prohibits a publicly held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the business combination or transaction which resulted in the stockholder becoming an interested stockholder was approved by the Board prior to the time that the stockholder became an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date of the transaction, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a business combination to include:

- mergers or consolidations involving the corporation, or any direct or indirect majority-owned subsidiary of the corporation, and the interested stockholder or any other entity if the merger or consolidation is caused by the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation or any direct or indirect majority-owned subsidiary of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation, or any direct or indirect majority-owned subsidiary of the corporation, of any stock of the corporation or such subsidiary to the interested stockholder;

- any transaction involving the corporation, or any direct or indirect majority-owned subsidiary of the corporation, that has the effect of increasing the proportionate share of the stock or any class or series of the corporation or such subsidiary beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 of the DGCL defines an "interested stockholder" as an entity or person who, together with such person's affiliates and associates, beneficially owns, or is an affiliate or associate of the corporation and within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation. These provisions may have the effect of delaying, deferring or preventing changes in control of the Company, even though such a transaction may offer its stockholders the opportunity to sell their stock at a price above the prevailing market price.

Kenneth Galbraith

Mr. Galbraith is 61 years old and has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022. Mr. Galbraith was a Managing Director at Five Corners Capital, Inc., which he founded in 2013, from February 2021 until January 2022. He served as Executive in Residence at Syncona Limited from April 2021 until January 2022, and has served as an advisor to Syncona since May 2023. He served as Chief Executive Officer of Liminal BioSciences Inc. (formerly Prometic Life Sciences Inc.), a publicly held company, from April 2019 to November 2020, continuing as an advisor to that company from November 2020 to February 2021. He also served as Chief Executive Officer of Fairhaven Pharmaceuticals Inc. from June 2017 to April 2019. Mr. Galbraith has served as a director of several publicly held companies, including MacroGenics, Inc. from July 2008 until January 2022, Profound Medical Corp. from January 2017 to May 2023, and Celator Pharmaceuticals, Inc. from July 2008 to October 2013. He has also served as a director of several privately held companies. Previously, he joined Ventures West Capital in 2007 and founded Five Corners Capital Inc. in 2013 to manage the continued operations of the Ventures West Investment Funds. Mr. Galbraith has over 35 years of experience serving as an executive, director, investor and adviser to companies in the biotechnology, medical device, pharmaceutical and healthcare sectors. Mr. Galbraith received his B.Comm. from the University of British Columbia.

Based on Mr. Galbraith's depth of experience in the biotechnology industry, ranging from executive officer to director roles, the board of directors believes Mr. Galbraith has the appropriate set of skills to serve as a member of our board of directors.

Carlos Campoy

Mr. Campoy is 59 years old and has served as a member of our board of directors since June 2023. Mr. Campoy served as Chief Financial Officer of CytomX Therapeutics, Inc. from March 2020 through September 2022. Prior to CytomX Therapeutics, Mr. Campoy served as the Chief Financial Officer of Alder BioPharmaceuticals, Inc., a public biopharmaceutical company acquired in October 2019 by Lundbeck A/S, from December 2018 to November 2019. During his time at Alder BioPharmaceuticals, Mr. Campoy led the finance organization and readied the company for commercial launch of its lead program, eptinezumab. Prior to Alder BioPharmaceuticals, Mr. Campoy was a partner at Think Forwards, a boutique financial consulting firm, from September 2017 to December 2018. Prior to his position at Think Forwards, Mr. Campoy held the role of vice president of finance at Allergan plc from July 2014 to November 2016. Prior to joining Allergan, Mr. Campoy held senior financial leadership positions at Eli Lilly and Company from 1996 to 2014, including chief financial officer of Eli Lilly Japan K.K. Mr. Campoy holds a Certified Management Accountant (CMA) designation. Mr. Campoy received his M.B.A. in Finance and Decision Information Systems from Indiana University and his B.S. in Management from Faculdade de Ciências Contábeis e de Administração de Empresas de Tupã (FACCAT), in São Paulo, Brazil.

The board of directors believes that Mr. Campoy is qualified to serve on our board of directors because of his extensive strategic and financial leadership experience in the pharmaceutical and biotechnology sectors.

Alessandra Cesano

Dr. Cesano is 63 years old and has served as a member of our board of directors since February 2024. Dr. Cesano has served as the Chief Medical Officer of ESSA Pharma Inc., a pharmaceutical company developing therapies for the treatment of prostate cancer, since July 2019. Previously, Dr. Cesano was the Chief Medical Officer of NanoString Technologies, Inc., a biotechnology company that develops translational research tools, from July 2015 to July 2019, where she focused on development of translational and diagnostic multi-plexed assays for the characterization and measurement of mechanisms of immune response and resistance. Prior to NanoString, Dr. Cesano was Chief Medical Officer at Cleave Biosciences, Inc., a biopharmaceutical company focusing on protein therapies for the treatment of cancer and neurodegenerative diseases, and before that she served as Chief Medical Officer and Chief Operations Officer at Nodality, Inc., where she built and led the Research & Development group, while providing the overall clinical vision for the organization. Dr. Cesano has also held various management positions at Amgen Inc., Biogen Inc. (formerly Biogen Idec) and SmithKline Beecham Pharmaceuticals, where she helped to advance various oncology drugs through late-stage development and FDA approvals. She currently serves as associate editor for the Biomarker section of the Journal for ImmunoTherapy of Cancer and co-chair of the Society for Immunotherapy of Cancer (SITC) regulatory committee. She has been an author on more than 140 publications. Dr. Cesano has served as a director at Puma Biotechnology, Inc. since July 2022 and as a director of Summit Therapeutics Inc. since November 2022. Dr. Cesano received an M.D. summa cum laude, a board certification in oncology and a Ph.D. in Tumor Immunology from the University of Turin, Italy.

The board of directors believes that Dr. Cesano is qualified to serve on our board of directors because of her extensive experience in biotechnology research and development and oncology.

Troy M. Cox

Mr. Cox is 59 years old and has served as a member of our board of directors since June 2019. Mr. Cox served as Chief Executive Officer of Foundation Medicine, Inc. from February 2017 through February 2019, as a member of Foundation Medicine's board of directors from February 2017 until July 2018, and in the additional role of President of Foundation Medicine from February 2018 until July 2018. Prior to Foundation Medicine, Mr. Cox served as Senior Vice President, Sales & Marketing at Genentech, Inc. from February 2010 until February 2017. Before joining Genentech, Mr. Cox served as President at UCB S.A. Prior to UCB BioPharma, Mr. Cox held senior commercial leadership roles with Sanofi-Aventis and Schering-Plough. Mr. Cox served on the board of directors of SomaLogic, Inc. from September 2021 until January 2024 and as executive chair of the board of SomaLogic from October 2022 to March 2023. He has served on the board of directors of Standard BioTools Inc. since January 2024 and on the board of directors of SOPHiA GENETICS SA since July 2019. Mr. Cox received a B.B.A. in finance from the University of Kentucky and an M.B.A. from the University of Missouri.

The board of directors believes Mr. Cox's nearly three decades of proven leadership and expertise in the global, strategic and operational aspects of the biopharmaceutical industry qualifies him to serve on our board of directors.

Nancy Davidson

Dr. Davidson is 70 years old and has served as a member of our board of directors since December 2023. Dr. Davidson has served as the Executive Vice President, Clinical Affairs, since April 2022, and as the Raisbeck Chair for Collaborative Cancer Research, since July 2019, of Fred Hutchinson Cancer Center. In addition, Dr. Davidson has served as a Professor, since December 2016, and previously served as the Senior Vice President, since December 2016 to August 2023, of Fred Hutchinson Cancer Center Clinical Research Division. At the University of Washington School of Medicine, Dr. Davidson served as Head of the Division of Medical Oncology from December 2016 to August 2023 and as a Professor since December 2016. Previously, Dr. Davidson served as the President and Executive Director of the Seattle Cancer Care Alliance from December 2016 to April 2022. Dr. Davidson also held various positions at the University of Pittsburgh from February 2009 to December 2016, including as the Director of the University of Pittsburgh Cancer Institute. Dr. Davidson has served as Adjunct Professor of Oncology at The Johns Hopkins School of Medicine since February 2009. Dr. Davidson is also a member of the scientific advisory boards of many foundations and cancer centers and a member of various organizations, including the American Society of Clinical Oncology and the American Association for Cancer Research. She has received many awards, honors, and appointments, including the Brinker International Award for Breast Cancer Research, the Rosalind E. Franklin Award for Women in Science from the National Cancer Institute (2008), and election to the National Academy of Medicine (2011) and the American Academy of Arts and Sciences (2019). She has also been listed among Thomson Reuters Highly Cited Researchers (2014-2015). Dr. Davidson holds an M.D. from the Harvard Medical School and a B.A. in Molecular Biology from Wellesley College. She completed her residency in Internal Medicine at University of Pennsylvania and Johns Hopkins Hospital and a medical oncology fellowship at the National Cancer Institute.

The board of directors believes that Dr. Davidson is qualified to serve on our board of directors because of her extensive knowledge and experience in the field of oncology, and as an experienced researcher and clinician.

Susan Mahony

Dr. Mahony is 59 years old and has served as a member of our board of directors since June 2019 and as Lead Independent Director of our board of directors since December 2023. Dr. Mahony is an executive with over 30 years of experience in pharmaceutical and life sciences companies. Dr. Mahony served as Senior Vice President of Eli Lilly and Company and President of Lilly Oncology from February 2011 until August 2018. She joined Lilly in 2000, holding senior leadership positions in product development, marketing, human resources, and general management. Prior to joining Lilly, Dr. Mahony served in sales and marketing roles in Europe for over a decade for Schering-Plough, Amgen, and Bristol-Myers Squibb. Dr. Mahony has served on the board of directors of Assembly Biosciences, Inc. since December 2017 and on the board of directors of Axsome Therapeutics, Inc. since October 2023. She previously served on the board of directors of Horizon Therapeutics Public Limited Company from August 2019 to October 2023 (acquired by Amgen Inc.) and on the board of directors of Vifor Pharma from May 2019 until August 2022. Dr. Mahony received a B.Sc. and a Ph.D. from Aston University and an M.B.A. from London Business School.

Based on Dr. Mahony's extensive experience in management at public pharmaceutical companies, together with her experience serving on the board of directors of public and private companies, our board of directors concluded that she should serve as a director due to our business focus and strategy.

Derek J. Miller

Mr. Miller is 53 years old and has served as a member of our board of directors since April 2023. Mr. Miller has been a leader in the biotechnology and pharmaceutical sector for more than 25 years with experience in corporate development, business development and global commercial strategy. He is an independent commercial and business development consultant for pre-clinical and clinical-stage companies in oncology and rare diseases, and currently serves as Chief Executive Officer of a cell and gene therapy imaging startup venture, spun out from the University of Pennsylvania. From May 2018 to November 2019, he served as Chief Business Officer of Aro Biotherapeutics, a spinout of Janssen Pharmaceuticals, leading numerous strategic and operational initiatives including a transformative collaboration with Ionis with potential revenues of up to \$1.4 billion. Mr. Miller also previously served as Chief Business Officer of Celator Pharmaceuticals where he led the development of their pipeline and business development strategy, resulting in its acquisition by Jazz Pharmaceuticals in 2016 for cash proceeds of approximately \$1.5 billion. Prior to Celator Pharmaceuticals, Mr. Miller held a variety of marketing, sales and market access roles with Genentech, Centocor and GSK. Mr. Miller is a member of the Board of Trustees for the Eastern Pennsylvania Chapter of the Leukemia and Lymphoma Society and serves as a mentor for the Villanova School of Business. He received an M.B.A. from Villanova University and Bachelor of Arts and Science degree from the University of Delaware.

The board of directors believes that Mr. Miller is qualified to serve on our board of directors because of his extensive experience in the biotechnology and pharmaceutical sector, including experience in corporate development, business development and global commercial strategy.

Kelvin Neu

Dr. Neu is 50 years old and has served as a member of our board of directors since March 2020. Dr. Neu is Founder and Chief of Herringbone, a life sciences innovation practice established in January 2022. Dr. Neu is also Co-Founder and Chair of QDX Technologies Pte. Ltd., a computational chemistry company established in February 2023. Previously, Dr. Neu was a Partner at Baker Bros. Advisors LP, a registered investment adviser, where he worked from April 2004 until January 2021. Dr. Neu previously served on the board of directors of IGM Biosciences, Prelude Therapeutics, Idera Pharmaceuticals, Aquinox Pharmaceuticals and XOMA Corporation. Dr. Neu holds an M.D. from the Harvard Medical School-MIT Health Sciences and Technology program, and spent three years in the Immunology Ph.D. program at Stanford University as a Howard Hughes Medical Institute Fellow. Dr. Neu holds an A.B. (summa cum laude) from Princeton University, where he was awarded the Khoury Prize for graduating first in his department of Molecular Biology. Prior to attending Princeton, Dr. Neu served for two and a half years in the military of his native Singapore.

The board of directors believes that Dr. Neu is qualified to serve on our board of directors because of his extensive investment and leadership experience, knowledge of our industry, and educational background in biology and biotechnology.

Scott Platshon

Mr. Platshon is 32 years old and has served as a member of our board of directors since February 2024. Mr. Platshon has served as a Partner at EcoR1 Capital since December 2020. Mr. Platshon was also a Principal at EcoR1 Capital from December 2017 to December 2020, and has been with EcoR1 Capital since October 2015. Prior to joining EcoR1 Capital, Mr. Platshon served as an analyst at Aquilo Partners, a San Francisco life-sciences investment bank, from September 2014 to September 2015. Mr. Platshon has served on the board of directors of Terremoto Biosciences since October 2023, Kumquat Biosciences Inc. since February 2021 (prior to that he was a board observer since August 2019) and Ajax Therapeutics, Inc. since May 2021. Mr. Platshon received his B.S. in Bioengineering from Stanford University.

The board of directors believes that Mr. Platshon is qualified to serve on our board of directors because of his extensive investment and leadership experience, in addition to his knowledge of our industry.

Hollings C. Renton

Mr. Renton is 77 years old and has served as a member of our board of directors since February 2017. Mr. Renton served as Chief Executive Officer and President of Onyx Pharmaceuticals, Inc. from March 1993 to March 2008 and was the chair of the board of directors of Onyx from June 2000 to March 2008. Onyx was acquired by Amgen Inc. in 2013 for \$10.4 billion. Before joining Onyx, Mr. Renton was the President and Chief Operating Officer of Chiron Corporation, a pharmaceutical company, from December 1991 to December 1993. Mr. Renton served in a variety of executive roles at Cetus Corporation from 1983, including as President from 1990 to 1991, Chief Operating Officer from 1987 to 1990 and Chief Financial Officer from 1983 to 1987, prior to its acquisition by Chiron in 1991. Mr. Renton has served on the board of directors of AnaptysBio, Inc. since June 2015. Previously, Mr. Renton served on the boards of four other biopharmaceutical companies, Portola Pharmaceuticals Inc., where he had also been board chairman (March 2010 to July 2020), KYTHERA Biopharmaceuticals, Inc. (December 2014 to October 2015), Affymax, Inc. (June 2009 to November 2014) and Rigel Pharmaceuticals, Inc. (January 2004 to March 2014). Mr. Renton also previously served on the board of Cepheid Inc., a molecular diagnostics company, from March 2000 to November 2016. Mr. Renton received his M.B.A. from the University of Michigan and his B.S. in Mathematics from Colorado State University.

Because of Mr. Renton's extensive experience building successful biotechnology companies and commercializing drug products, the board of directors believes he is able to bring valuable insights to our board of directors.

Executive Officers

The following table sets forth the names, ages and positions of our executive officers as of February 29, 2024.

Name	Age	Position(s)
Kenneth Galbraith	61	Chief Executive Officer, President and Chair of Board of Directors
Christopher Astle, Ph.D.	44	Senior Vice President and Chief Financial Officer
Paul A. Moore, Ph.D.	57	Chief Scientific Officer
Jeffrey Smith, M.D.	64	Executive Vice President and Chief Medical Officer

There are no family relationships among any of the directors or executive officers.

The following is biographical information for our executive officers, other than Mr. Galbraith, whose biographical information is included above.

Christopher Astle

Dr. Astle joined Zymeworks in April 2021 and was promoted to Senior Vice President and Chief Financial Officer in February 2022. He previously served as our Executive Director, Corporate and Commercial Finance from April 2021 to February 2022. Prior to joining Zymeworks, Dr. Astle worked as a Chief Financial Officer at the CFO Centre in British Columbia, Canada from April 2020 to March 2021, and as Vice President, Finance at Alder BioPharmaceuticals Inc. in Seattle, USA from April 2019 to February 2020. From August 2017 to January 2020, he served as Chief Executive Officer and founder of Think Forwards, a boutique financial consulting firm in London, United Kingdom. Dr. Astle worked at Allergan from 2011 to 2017, including as the Associate Vice President Finance, International Division from July 2016 to July 2017, managing multiple product launches, M&A transactions and restructurings, with a team of 170 across 60 countries. He is a UK Chartered Accountant (ICAS), qualifying at PwC London, UK in Audit & Pharmaceutical

Performance Improvement Consulting with audit clients including GSK. He is a board member of Healome Therapeutics (2021-present), a private biotechnology company. During his time in the United Kingdom, he was the Chair of the 2018 CFO Agenda conference, guest lecturer at the Henley Business School, and judge at the British Accountancy Awards. Dr. Astle holds a PhD in Organic Chemistry from the University of Bristol (UK) and a MChem in Chemistry from the University of Liverpool (UK).

Paul A. Moore

Dr. Moore joined Zymeworks in July 2022 as our Chief Scientific Officer. Dr. Moore has more than 25 years of US-based experience in biologics drug discovery and development in biotechnology research. His career efforts have led to the discovery and development of a range of FDA-approved and clinical-stage biologics for patients with difficult-to-treat cancers and autoimmune conditions. Prior to joining Zymeworks, Dr. Moore served as Vice President, Cell Biology, and Immunology at MacroGenics from April 2008 to July 2022, leading a team of approximately 50 researchers engaged in the discovery, preclinical validation and clinical development of antibody-based therapeutics, including bispecific antibodies and antibody drug conjugates. Among the portfolio supported by Dr. Moore were FDA-approved Margenza (margetuximab-cmkb) for treatment of HER2+ breast cancer, Zynyz (retifanlimab-dlwr) for treatment of Merkel cell carcinoma and Tziel (teplizumab-mzwv) to delay onset of type I diabetes. Prior to joining MacroGenics, Dr. Moore was Director of Cell Biology at Celera from May 2005 to April 2008, where he oversaw research leveraging proteomic-based discoveries to validate novel cancer targets suitable for antibody-based therapeutics. Dr. Moore began his industrial career at Human Genome Sciences (HGS), holding several titles within research culminating in Director of Lead Product Development, where he managed various genomic-based target discovery programs including efforts that led to the discovery, development, approval, and commercialization of Benlysta (belimumab) for the treatment of systemic lupus erythematosus. Dr. Moore has an extensive research record co-authoring over 75 peer-reviewed manuscripts and is a named co-inventor on over 50 issued US patents. Dr. Moore holds a Ph.D. in Molecular Genetics from the University of Glasgow, performed post-doctoral work at the Roche Institute of Molecular Biology in Nutley, New Jersey, and also holds a degree in Biotechnology from the University of Strathclyde.

Jeffrey Smith

Dr. Smith joined Zymeworks in January 2023 as Senior Vice President, Early Stage Development and was promoted to Executive Vice President and Chief Medical Officer in January 2024. He is based at our European hub in Dublin, Ireland. Dr. Smith has held many senior positions within the pharmaceutical industry. Previously, Dr. Smith served as the Managing

Director of Alder Biopharmaceuticals Inc. in Dublin, Ireland from March 2017 to October 2019, and as Senior Vice President, Translational Medicine at Alder Biopharmaceuticals Inc. in Seattle, USA from 2012 to March 2017. Dr. Smith was responsible for the clinical development (phase I – III) of eptinezumab (anti-CGRP antibody for migraine) and clazakizumab (anti -IL-6 antibody for rheumatoid arthritis and cancer cachexia). Dr. Smith was also a founder of Alder Biopharmaceuticals Inc (founded 2004). Dr. Smith received his M.B. B.S. and M.D. from the University of London, UK and is a Fellow of the Royal College of Physicians in London.

Although we have not adopted specific targets for women and other diverse candidates in executive positions, the board of directors has always considered diversity as an important aspect of its decision making when recommending appointments for individuals to serve as executive officers.

Governance

Code of Conduct and Ethics

Our board of directors has adopted corporate governance guidelines that set forth expectations for directors, director independence standards, board committee structure and functions, and other policies for our governance. It also has adopted a Code of Business Conduct and Ethics (the "Code of Conduct") that applies to members of our board of directors, our executive officers and all of our employees. Several standing committees (audit, compensation, nominating and corporate governance, and research and development) assist our board of directors in carrying out its responsibilities. Each standing committee operates under a written charter adopted by our board of directors. The full text of our Code of Conduct is posted on our website at www.zymeworks.com. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendments to, or waiver from, a provision of the Code of Conduct by posting such information on the website address and location specified above. Paper copies of the Code of Conduct, as well as our governing documents (including our certificate of incorporation and bylaws) may be obtained upon request by writing to: Corporate Secretary, Zymeworks Inc., 108 Patriot Drive, Suite A, Middletown, Delaware 19709.

Audit Committee

Our audit committee currently consists of Mr. Campoy, Mr. Cox and Mr. Miller. Dr. Mahony and Ms. Lota Zoth, a former member of our board of directors, ceased serving on the audit committee in June 2023 and December 2023, respectively. Mr. Campoy serves as the chair of our audit committee. Our board of directors has determined that each of Mr. Campoy and Mr. Cox is an "audit committee financial expert" as that term is defined in the rules and regulations established by the SEC, and possesses financial sophistication, as defined under the rules of the Nasdaq Global Select Market. The members of our audit committee are "independent" for audit committee purposes, as that term is defined in the rules of the SEC and the applicable Nasdaq rules, and have sufficient knowledge in financial and auditing matters to serve on the audit committee.

The principal purposes of our audit committee are to:

- assist our board of directors in its oversight of:
 - the quality, audit and integrity of our financial statements and related information;
 - the independence, qualifications, appointment and performance of our external auditor;
 - our disclosure controls and procedures, internal control over financial reporting, and management's responsibility for assessing and reporting on the effectiveness of such controls;
 - the organization and performance of our internal audit function;
 - our compliance with applicable legal and regulatory requirements;

- our enterprise risk management processes; and
- prepare the report required by SEC rules to be included in our proxy statement for the annual meeting of stockholders, and for performing other duties and responsibilities as are enumerated in or consistent with the audit committee's charter.

Our board of directors has established a written charter setting forth the purpose, composition, authority and responsibility of our audit committee, consistent with the rules of Nasdaq and the SEC, a current copy of which is available on our website at www.zymeworks.com. Our audit committee has access to all of our books, records, facilities and personnel and may request any information about us as it may deem appropriate. It also has the authority in its sole discretion and at our expense to retain and set the compensation of outside legal, accounting or other advisors as necessary to assist in the performance of its duties and

responsibilities. Both our independent auditors and internal financial personnel regularly meet privately with the audit committee and have unrestricted access to this committee.

Our audit committee held four meetings during the year ended December 31, 2023.

Item 11. Executive Compensation

Discussion of Executive Compensation Practices

This section describes our executive compensation philosophy and how we implemented it through our 2023 compensation program for our named executive officers. The named executive officers for 2023 are:

- Kenneth Galbraith, Chief Executive Officer and Chair of the Board of Directors;
- Christopher Astle, Ph.D., Senior Vice President and Chief Financial Officer;
- Paul Moore, Ph.D., Chief Scientific Officer; and
- Neil Klompas, CPA, CA, our former President and Chief Operating Officer.

This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and projections regarding future compensation programs. Actual compensation programs adopted in the future may differ materially from the various planned programs summarized in this discussion.

In the paragraphs that follow, we provide an overview and analysis of our compensation program and policies, the material compensation decisions we have made under those programs and policies, and the material factors that we considered in making those decisions.

2023 Advisory Vote on Executive Compensation

At our 2023 annual general meeting, we conducted an advisory vote on named executive officer compensation. At that meeting, 74.71% of the votes cast on the advisory vote proposal were supportive of our named executive officer compensation program as disclosed in our 2023 proxy statement. Our next advisory vote on named executive officer compensation will be held at our 2024 annual general meeting.

The compensation committee reviewed the advisory vote results in the context of our overall compensation philosophy and programs, and based on the level of support, determined that no significant changes to our compensation policies and programs were necessary. The compensation committee will continue to consider the results from future stockholder advisory votes on named executive officer compensation and other relevant market developments affecting named executive officer compensation in order to determine whether any subsequent changes to our named executive officer compensation programs and policies would be warranted to reflect any stockholder concerns reflected in those advisory votes or to address market developments.

Overview of Compensation Program

Compensation Philosophy

The goal of our compensation program is to attract, retain and motivate our employees and executives, including our named executive officers. The compensation committee is responsible for setting our executive compensation and reviewing and approving, or recommending to the board of directors for approval, the Company's annual corporate performance objectives applicable to executive and other Company bonus programs. In considering executive compensation, the compensation committee strives to ensure that our total compensation is competitive within the industry in which we operate and supports our overall strategy and corporate objectives. The combination of base salary, annual incentives and long-term incentives that we provide our executives is designed to accomplish this.

Compensation Objectives

The objectives of our executive compensation program are to:

- attract and retain highly qualified executive officers who have a history of proven success;

- align the interests of executive officers with our stockholders' interests and with the execution of our business strategy;
- motivate and reward our executive officers through competitive pay practices and an appropriate mix of short- and long-term incentives;
- evaluate and reward executive performance on the basis of achievement of program development goals and key financial measurements which we believe closely correlate to long-term stockholder value; and
- tie compensation awards directly to program development goals and key financial measurements with evaluations based on achieving and overachieving predetermined objectives.

Role of the Compensation Committee

During 2023, the compensation committee's work included the following:

- **Competitive Compensation Review** – The compensation committee reviewed compensation practices and policies with respect to our executives against Zymeworks' peer group of companies (as further described below), in order to allow us to place our compensation practices for these positions in a market context. This reference exercise included a review of base salary, total cash compensation and total direct compensation.
- **Executive Compensation** – The compensation committee reviewed the corporate goals and objectives applicable to the compensation of the Company's executives and evaluated the executives' performance in light of those goals and objectives. Based on this review and evaluation, the compensation committee approved the 2023 compensation for the Company's executives, including each of the named executive officers. In addition, the compensation committee considered and approved the separation and transition arrangements related to Mr. Klompas.
- **Short- and Long-Term Incentive Plans** – The compensation committee administers the Company's incentive compensation plans and equity-based plans with respect to the Company's executives, including the named executive officers.
- **Succession Planning** – The compensation committee reviewed the succession plan for the Chief Executive Officer and other executive officers.

In reaching its decisions, the compensation committee may consider input from management and other factors that the compensation committee considers appropriate. Decisions made by the compensation committee are the responsibility of the compensation committee and may reflect factors and considerations other than the information and/or recommendations provided by management.

Independent Compensation Consultant

In 2023, the compensation committee retained the Human Capital Solutions practice at Aon plc, as an independent consultant to the compensation committee to conduct competitive reviews and assessments of Zymeworks' executive compensation program and recommend go-forward strategies. The compensation committee made the decision to retain Aon in its sole discretion and was directly responsible for the appointment, compensation and oversight of Aon's work. The compensation committee is involved in and approves the adoption of the following procedures during Aon's assessments:

- establishing the public company peer group used in the executive compensation assessment;
- reviewing the detailed assessment of Zymeworks' executive compensation program versus the market;
- reviewing and approving executive pay mix;
- reviewing the assessment of Zymeworks' board of directors compensation program versus the market; and
- reviewing and approving the non-executive equity compensation program.

The compensation committee utilizes these strategies when contemplating future executive compensation matters.

In 2023, Aon was retained to review the salaries, bonuses and equity plan levels and participation of executive employees, as well as equity plan levels and participation of employees below the executive level. Zymeworks' management did not make or recommend such engagements and all such other services were approved by the compensation committee. Except as discussed below, Aon did not perform other services to the Company other than as a compensation consultant. The compensation committee determined Aon to be independent after evaluating the factors required under the applicable listing standard.

Aon received \$244,996 in fees in 2023 for services related to determining or recommending the amount or form of executive and non-employee director compensation. Separately, management engaged Aon to perform unrelated broad-based compensation services and risk brokerage services (which included global risk in Canada and the United States), for which Aon was paid \$328,913. The compensation committee was informed about these services.

Peer Companies and Use of Market Data

We compare our executive compensation program to those of a group of peer companies (North American biotechnology companies of a similar size and stage of development). The first step in the process is that the compensation committee, with the support of Aon and management, reviews trends in biotechnology compensation practices and reviews and approves the list of peer companies used for benchmarking. As part of its analysis for 2023, Aon collected and analyzed compensation information from a comparative group of biotechnology companies, or peer group, approved by the compensation committee. The compensation committee evaluates the criteria used in establishing the peer group at least annually. The compensation committee seeks input from management in addition to Aon to ensure the peer group is consistent with our current business objectives and strategy.

The list of peer companies is approved based on various factors including industry classification, market capitalization, headcount and stage of development. In August 2022, with assistance from Aon, the compensation committee approved a peer group consisting of publicly traded, pre-commercial biopharmaceutical companies:

- with an emphasis on oncology companies and a focus on companies in Phase 2 and Phase 3 clinical trials;
- with market capitalizations generally between \$150 million and \$1.2 billion (based on the Company's then-current 30-day average market capitalization of approximately \$400 million);
- with generally between 100 and 900 employees;
- that are located in Canada and the United States, with a focus on companies headquartered in biotechnology hub markets; and
- preference for companies that have gone public in approximately the last five years (but continue to de-emphasize initial public offering date as a primary selection criteria).

Based on these criteria, in August 2022, the compensation committee approved the following peer group set forth below and used this peer group to inform compensation decisions for 2023:

Adaptimmune Therapeutics plc	IGM Biosciences, Inc.	Precision BioSciences, Inc.
Alector, Inc.	Jounce Therapeutics, Inc.	REGENXBIO Inc.
AnaptysBio, Inc.	Kura Oncology, Inc.	Repare Therapeutics Inc. ⁽¹⁾
Atara Biotherapeutics, Inc.	MacroGenics, Inc.	Replimune Group, Inc. ⁽¹⁾
C4 Therapeutics, Inc. ⁽¹⁾	Mersana Therapeutics, Inc.	Silverback Therapeutics, Inc.
CytomX Therapeutics, Inc.	NGM Biopharmaceuticals, Inc.	Sutro Biopharma, Inc. ⁽¹⁾
Gossamer Bio, Inc.	Poseida Therapeutics, Inc.	

(1) Added to the peer group in August 2022. The following companies were deleted from the peer group approved in August 2022: Allogene Therapeutics, Inc., Athira Pharma, Inc. and Harpoon Therapeutics, Inc.

Our compensation committee uses comparative data from our peer group as a reference when setting and adjusting executive compensation, but it does not target our overall program or any particular element of compensation to be at a particular percentile compared to our peers. Rather, our compensation committee uses a range of peer group data for each executive position for which data is available, along with an assessment of each executive's performance, criticality and tenure, to ensure that our executive compensation program and its constituent elements are and remain competitive in relation to our peers.

Components of Compensation Package

In 2023, our executive compensation program consisted of three major components:

- base salary;
- annual cash bonuses based on a comparison of corporate performance to pre-set goals and objectives; and
- long-term incentives, which in 2023, consisted of grants of stock options and restricted stock units.

In making 2023 compensation decisions, our compensation committee believed that each component of executive compensation must be evaluated and determined with reference to competitive market data, individual and Company-wide performance, our recruiting and retention goals, internal equity and consistency, and other information it deems relevant. As it evaluated executive compensation in 2023, the compensation committee believed that in the biopharmaceutical/biotechnology industry, long-term incentives such as stock options and restricted stock units are a primary motivator in attracting and retaining executives, in addition to salary and cash incentive bonuses.

The primary components of our 2023 executive compensation program are described in more detail below.

Base Salary Annual base salary is designed to provide a competitive fixed rate of pay recognizing different levels of responsibility and performance within Zymeworks. This compensation component helps us to attract and retain highly qualified executives who have a history of proven success. In determining whether to increase the base salary for a particular executive, our compensation committee in discussions with our Chief Executive Officer (for executives other than the Chief Executive Officer) considers a variety of factors, including performance, length of service and criticality of role. The determination of base salary affects the amount of an executive's cash bonus. The table below shows the base salaries of our named executive officers for 2023:

Name and Principal Position	2023 Base Salary (\$)
Kenneth Galbraith, <i>Chief Executive Officer, President and Chair of Board of Directors</i> ⁽¹⁾	625,000
Christopher Astle, <i>Senior Vice President and Chief Financial Officer</i>	410,000
Paul Moore, <i>Chief Scientific Officer</i>	465,000
Neil Klompas, <i>Former President and Chief Operating Officer</i> ⁽²⁾	500,000

(1) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022.

(2) Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023.

Cash Bonus

The cash bonus component is designed to provide our named executive officers with annual cash incentive awards based on achievement of certain goals and objectives. The awards represent pay at risk – they result in payment only if and to the extent certain goals and objectives are met – and do not affect decisions regarding other components of compensation. This compensation component motivates and rewards our named executive officers for outstanding performance.

Annual cash incentive compensation for our named executive officers is paid pursuant to the Company's Executive Incentive Compensation Plan, which provides the compensation committee discretion to make changes to performance targets and bonus targets, to decrease, increase or eliminate bonuses and to change other terms and conditions related to annual incentive compensation, in each case as the compensation committee deems appropriate to meet the overarching retention and incentive goals associated with our executive bonus program.

Named executive officers are eligible to receive an amount targeted at a pre-determined percentage of their base salary established at the beginning of each year. In January 2023, the compensation committee set annual target bonuses for each of our named executive officers as follows:

Name and Principal Position	2023 Target Bonus (% of Base Salary)
Kenneth Galbraith, <i>Chief Executive Officer, President and Chair of Board of Directors</i> ⁽¹⁾	60%
Christopher Astle, <i>Senior Vice President and Chief Financial Officer</i>	35%
Paul Moore, <i>Chief Scientific Officer</i>	45%
Neil Klompas, <i>Former President and Chief Operating Officer</i> ⁽²⁾	45%

(1) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022.

(2) The compensation committee assigned a target bonus percentage for Mr. Klompas in January 2023. However, Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023. Pursuant to the Klompas Separation Agreement, Mr. Klompas was not eligible for any annual performance bonus with respect to the Company's 2023 fiscal year. For more information regarding the Klompas Separation Agreement, see the section titled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control—Executive Employment Arrangements."

At the beginning of each year, the compensation committee approves, or recommends that the board of directors approve, performance targets that are tied to the level of achievement of corporate and/or individual goals, and the compensation committee approves the weighting assigned to each goal. For 2023, the corporate and individual weighting was 100% corporate and 0% individual for all named executive officers. Achievement of corporate goals was a precondition for payment of bonuses with respect to 2023. Our compensation committee believed that this mix was appropriate in order to incentivize our management team to achieve our key corporate objectives.

After the end of the year, the compensation committee determines the performance bonus payable to each named executive officer based on the results achieved as compared to the performance targets established for a particular year. Depending on level of achievement, named executive officers may earn up to 150% of their respective target bonuses. There is no minimum bonus payable.

2023 Company Corporate Goals and Achievement

In January 2023, the board of directors approved corporate goals that were grouped into six main categories: (i) zanidatamab via the Jazz Partnership, (ii) zanidatamab via the BelGene Partnership, (iii) zanidatamab zovodotin (ZW49), (iv) Early R&D (ZW171, ZW191 and emerging pipeline), (v) Platforms and Legacy Partnerships and (vi) Financial. In September 2023, the compensation committee updated certain of the corporate goals established at the beginning of the year related to zanidatamab zovodotin to align with our revised strategy with respect to zanidatamab zovodotin.

In January 2024, the compensation committee reviewed our performance against the corporate goals under the 2023 bonus plan, as revised in September 2023, and determined that these goals were achieved at the 87.25% level. Additional detail on these goals and the assessed achievement is set forth in the table below:

2023 Corporate Goal Category	Key Elements of Goal	Target Weight of Goal	Assessed Achievement
Zanidatamab via the Jazz Partnership	Advance clinical trials of zanidatamab, including: - enrollment of HERIZON-GEA-01; - finalize clinical study report for HERIZON-BTC-01; and - no material disruption to clinical drug supply of zanidatamab for any studies being conducted by us or Jazz. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Certain cost recoveries under our agreements with Jazz.	25% for base goals; an additional 12.5% for stretch goals	18.25%
Zanidatamab via the BeiGene Partnership	Advance clinical trials of zanidatamab, including: - enrollment of HERIZON-GEA-01; - finalize clinical study report for HERIZON-BTC-01; and - no material disruption to clinical drug supply of zanidatamab for any studies being conducted by BeiGene. Presentation of data. Support of BeiGene's interactions with regulatory authorities.	10% for base goals; an additional 5% for stretch goals	10.0%
Zanidatamab Zovodotin (ZW49)	Advance clinical trials of zanidatamab zovodotin, including: - advancement of Phase 2 NSCLC trial; and - no material disruption to clinical drug supply of zanidatamab zovodotin for clinical trials. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Negotiation of collaboration agreements.	10% for base goals; an additional 5% for stretch goals	7.0%
Early R&D (ZW171, ZW191 and emerging pipeline)	Complete IND enabling studies for ZW171 and ZW191. Complete GMP manufacturing of ZW171 and ZW191 to support clinical supplies requirements. Select second Topo1-based ADC IND molecule and fourth IND development candidate. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Revenue from upfront, research option and development payments.	40% for base goals; an additional 20% for stretch goals	45.0%
Platform & Legacy	Goals relating to our collaboration agreements.	5% for base goals; an additional 2.5% for stretch goals	0%
Financial	Improve Zymeworks' financial position, including securing additional financing, and a related stretch goal.	10% for base goals; an additional 5% for stretch goals	7.0%
Total		100% for base goals; bonuses capped at 150%	87.25%

Given the Company's strong performance against its 2023 corporate goals, the compensation committee determined that these goals were achieved at the 87.25% level and approved 2023 bonuses for our named executive officers as follows:

Name and Principal Position	2023 Bonus ⁽¹⁾
Kenneth Galbraith, Chief Executive Officer, President and Chair of Board of Directors	\$327,188
Christopher Astle, Senior Vice President and Chief Financial Officer	\$125,204
Paul Moore, Chief Scientific Officer	\$182,571
Neil Klompas, Former President and Chief Operating Officer ⁽²⁾	—

(1) Bonus amounts for all named executive officers are determined in U.S. dollars, and the table above reflects this determination in U.S. dollars. However, the 2023 bonuses for Dr. Astle and Dr. Moore were paid in Canadian dollars and the 2023 bonus for Mr. Galbraith was paid in British pounds, based on conversion rates in effect at the time of payment.

(2) Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023, and therefore did not receive a bonus with respect to 2023.

Long-Term Incentives

Our Amended and Restated Stock Option and Equity Compensation Plan (the "Equity Compensation Plan") authorizes us to make grants to eligible recipients of stock options, restricted stock, restricted stock units and other share-based awards, to attract, retain, motivate and reward qualified directors and employees and to enable and encourage such directors and employees to acquire shares of common stock as long-term investments.

In January 2023, the Company granted a mix of stock options and restricted stock units to our named executive officers. The compensation committee believes this approach aligns the interests of our executives (including those of our named executive officers) with our stockholders' interests by rewarding for improvements in stock price over a period of time. The Company issues stock options and restricted stock units to reward for future performance and appreciation. Because stock options only have value if our stock price increases relative to the stock option's exercise price, we consider them to be an important performance-based tool that encourages our named executive officers to focus on driving increases to stockholder value. Restricted stock units play an important role in our executive compensation program because they provide some value even during periods of stock price or market volatilities, provide retention incentives during the vesting period, and reinforce a culture of ownership. By granting restricted stock units, the Company can also reduce the dilutive effect of the equity incentive awards in the form of stock options, which benefits our stockholders over time. In addition, the vesting feature of our stock awards contributes to executive retention by providing an incentive to our executives to remain employed by us during the vesting period. For 2023, we determined that annual grants to our named executive officers in the form of a 50/50 value mix of stock options and restricted stock units was most appropriate to reflect the continued change in the market and the evolution of our compensation program away from an options-only approach. The compensation committee evaluates the long-term incentive programs for each year, and the appropriate mix of equity awards to grant to our executive officers for the applicable year. In future years, the compensation committee may approve a different mix of equity awards if it determines necessary or appropriate to achieve our compensation objectives.

The option exercise price may not be less than the closing price of our common stock on the date of grant. For the 2023 stock option grants to our named executive officers, 25% of the granted options is scheduled to vest on the first anniversary of grant date (subject to continued service and any applicable acceleration of vesting provisions in their employment agreements, as described below). On the last day of each month thereafter, a further 1/36th of the total number of remaining granted options is scheduled to vest.

Each restricted stock unit represents the right to receive one share of our common stock upon vesting of that unit, without the payment of an exercise price or other cash consideration for the issued shares of common stock. For the 2023 restricted stock unit grants to our named executive officers, 1/3rd of the restricted stock units are scheduled to vest on each anniversary of the grant date (subject to the named executive officer's continued service and subject to any applicable acceleration provisions in the Equity Compensation Plan or in the named executive officer's employment agreement).

The following table shows information regarding stock option and restricted stock unit grants to each of our named executive officers made during the year ended December 31, 2023:

Name	Grant Date	Restricted Stock Units	Stock Options Granted (#) ⁽²⁾	Exercise Price of Stock Options (\$/Sh) ⁽³⁾	Grant Date Fair Value of Stock and Option Awards (\$) ⁽⁴⁾
		Granted (#) ⁽¹⁾			
Kenneth Galbraith	1/5/2023	—	215,000	8.00	1,194,627
	1/5/2023	143,000	—	—	1,144,000
Christopher Astle	1/5/2023	—	47,000	8.00	257,602
	1/5/2023	31,500	—	—	252,000
Paul Moore	1/5/2023	—	77,500	8.00	397,571
	1/5/2023	51,500	—	—	412,000
Neil Klompas	1/5/2023	—	87,500	8.00	328,363
	1/5/2023	58,500	—	—	468,000

(1) Restricted stock units vest in three equal annual installments beginning on January 5, 2024, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(2) Options vest and become exercisable with respect to (i) 25% of the underlying shares one year after the grant date and (ii) the remainder of the underlying shares in 36 equal monthly installments following the first anniversary of the date of grant, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(3) The exercise price of the stock options is the closing price of the Company's stock on the Nasdaq on the grant date.

(4) The amounts set forth in this column reflect the grant date fair value for restricted stock unit awards and stock option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the "Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation" and Note 10(e) "Notes to Consolidated Financial Statements – Stockholders' Equity-Stock Based Compensation" included in this Annual Report on Form 10-K for our year ended December 31, 2023.

Previous grants are taken into account when considering new option and restricted stock unit grants, as well as other factors such as market data, retention and incentive considerations, internal equity, Company performance and prior and expected future individual contributions. Decisions regarding long-term incentives do not affect decisions regarding other components of compensation.

Benefits and Perquisites

Other compensation to our named executive officers primarily consists of participation in our broad-based employee benefit plans. Named executive officers are eligible to participate in all our employee benefit plans, in each case on the same basis as other employees in the entity in which they are employed, including a retirement savings plan for those employed in Canada, a 401(k) plan for those employed in the United States, and pension plans for those employed in Ireland and the United Kingdom. Our named executive officers also are eligible to participate in our employee stock purchase plan on the same terms as our other eligible employees.

Currently, we do not view perquisites or other personal benefits as a material component of our executive compensation program. However, we do provide certain perquisites to our named executive officers in situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make them more efficient and effective, and for recruitment and retention purposes.

In addition, consistent with our philosophy regarding personal benefits, and as further described in "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control," to encourage and facilitate Dr. Moore's relocation to Canada, we provide him with certain reimbursements for relocation expenses, as well as a gross-up to make sure such payments are tax neutral to him, tax equalization payments to neutralize any increase in his taxes as a result of his relocation, and tax preparation assistance for two years following his relocation. The compensation committee believes these benefits were appropriate to enable a smooth relocation for Dr. Moore and to allow him to keep his focus on the business rather than on the costs and burdens of the relocation.

Similarly, in November 2022, we amended Dr. Astle's employment agreement to provide certain corporate housing benefits based on need (as determined in the Company's discretion) in the Vancouver, British Columbia metropolitan area. In addition to the corporate housing benefits, we provided for a gross-up to Dr. Astle for the impact of any tax withholding related to the corporate housing benefits. The compensation committee believes that these corporate housing benefits were important to allow Dr. Astle to be on-site at our offices in Vancouver as needed, increase his ability to work efficiently, and focus his efforts on the business rather than travel and housing considerations.

We also provide certain personal benefits to Mr. Galbraith, which were negotiated as part of Mr. Galbraith's initial January 2022 employment agreement and subsequent amendments, including the most recent amendment in January 2024. These benefits were provided in order to induce him to initially join and later to remain with the Company and to increase his ability to work efficiently. These benefits include certain housing, travel, relocation, and certain tax equalization and gross-up benefits, as described in "Executive Compensation – Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." In late 2022 and again in January 2024, we amended Mr. Galbraith's employment agreement to extend the time period for certain benefits, as described in "Executive Compensation – Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." The compensation committee approved the extension of these benefits as it believed that doing so would assist Mr. Galbraith in the continued performance of his duties and continue to aid in his efficiency.

In the future, we may continue to provide perquisites or other personal benefits in circumstances where we believe it is appropriate to assist an individual named executive officer in the performance of his or her duties, to make him or her more efficient and effective, and for recruitment, motivation or retention purposes.

Anti-Hedging Policy and Clawback Policy

Under the terms of our Insider Trading Policy, all directors, officers, employees, as well as any other personnel that we determine should be subject to our Insider Trading Policy (such as contractors and consultants), any person or entity an insider controls, exercises substantial influence over, serves as a trustee or in a similar fiduciary capacity of or is otherwise involved with, in connection with securities trading or investment decisions and an insider's spouse, partner, parents, children, dependents and other family members or roommates, are prohibited from purchasing financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) designed to hedge or offset a decrease in the market value of our securities.

In November 2023, we adopted a clawback policy in accordance with the SEC and Nasdaq requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act. This policy provides for the non-discretionary recovery of excess incentive-based compensation from current and former executive officers in the event of an accounting restatement, whether or not the executive officer was at fault for the restatement, in accordance with the SEC and Nasdaq requirements.

In addition, as a public company subject to Section 304 of the Sarbanes-Oxley Act of 2002, if we are required to prepare an accounting restatement due to our material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws, our chief executive officer and chief financial officer may be legally required to reimburse us for any bonus or incentive-based or equity-based compensation they received from us during the 12-month period following the first public issuance or filing with the SEC of the financial document incorporating such financial reporting requirement, as well as profits realized from the sale of securities during that 12-month period.

Potential Payments upon Termination or Change in Control

Certain of our executives, including each of our named executive officers who remain current employees, are parties to employment agreements with us which set forth conditions of employment and the payments that will be made upon termination of their employment. Additional discussion of the employment agreements with our named executive officers is set forth below under "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." We believe that these protections are necessary to provide our valuable named executive officers with incentives to forego other employment opportunities and to maintain continued focus and dedication to their responsibilities to maximize stockholder value, including if there is a potential transaction that could involve a change in control, without undue concern that the officer will be terminated and lose his or her income and benefits. We believe the level of severance and change in control benefits provided is appropriate and is necessary to attract and retain key employees.

In May 2023, in connection with Mr. Klompas' cessation of employment with Zymeworks, we and Mr. Klompas entered into a separation agreement that provided for certain severance payments and benefits to Mr. Klompas in consideration for a release of

claims in favor of us, effective June 2023. We believe that this separation arrangement was appropriate in light of Mr. Klompas' past (and expected future) contributions to Zymeworks, and generally believe it is favorable to us to obtain a release of claims even in the event of a mutual agreement to separate from employment. We also entered into a consulting service agreement with Mr. Klompas pursuant to which he assists us with certain transitional matters. We entered into the consulting service agreement in order to provide a smooth transition of Mr. Klompas' duties and responsibilities and to allow us to benefit from his ongoing input and expertise on certain matters. Additional discussion of these arrangements is set forth below under "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

Summary Compensation Table

The following table presents the compensation awarded to, earned by or paid to each of our named executive officers for the years ended December 31, 2023 and December 31, 2022. We do not have non-qualified deferred compensation.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽¹⁾⁽³⁾	All Other Compensation (\$) ⁽¹⁾	Total (\$)
Kenneth Galbraith, <i>Chair, President & CEO</i> ⁽⁴⁾	2023	625,452	1,144,000	1,194,627	321,651	89,146 ⁽⁵⁾	3,374,876
	2022	582,481	879,000	5,044,999	537,728	81,249 ⁽⁶⁾	7,125,457
Christopher Astle, <i>SVP & CFO</i> ⁽⁷⁾	2023	410,093	252,000	257,602	124,895	147,230 ⁽⁸⁾	1,191,820
	2022	358,749	—	593,772	203,048	159,436 ⁽⁹⁾	1,315,005
Paul Moore, <i>CSO</i> ⁽¹⁰⁾	2023	465,784	412,000	397,571	182,120	224,762 ⁽¹¹⁾	1,682,237
Neil Klompas, <i>Former President & COO</i> ⁽¹²⁾	2023	321,568 ⁽¹³⁾	468,000	328,363	—	1,007,801 ⁽¹⁴⁾	2,125,732
	2022	503,795 ⁽¹⁵⁾	—	950,036	330,699	23,878 ⁽¹⁶⁾	1,808,408

(1) Salary, non-equity incentive plan compensation (bonuses) and amounts in the "All Other Compensation" column for all named executive officers are determined in U.S. dollars. However, 2023 and 2022 cash compensation amounts for Mr. Klompas and Dr. Astle, and a portion of 2023 cash compensation amounts for Dr. Moore, were paid in Canadian dollars and have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022, the U.S. dollar per Canadian dollar exchange rates used for such conversions were 0.7410 and 0.7685, which were the average annual Bank of Canada exchange rates for 2023 and 2022, respectively. Cash compensation amounts for Mr. Galbraith were paid in British pounds and have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022 the U.S. dollar per British pound exchange rate used for such conversion were 1.2437 and 1.2354, which were the average annual Bank of Canada exchange rate for 2023 and 2022, respectively.

(2) The amounts set forth in these columns reflect the aggregate grant date fair value for restricted stock unit awards and option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the "Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation" and Note 10(e) "Notes to Consolidated Financial Statements – Shareholders' Equity – Stock Based Compensation" included in this Annual Report on Form 10-K for our year ended December 31, 2023.

(3) The amounts reflect the dollar value of incentive bonuses paid in 2024 and 2023 for performance during 2023 and 2022, respectively, as discussed further above under "Executive Compensation – Components of Compensation Package – Cash Bonus."

(4) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022.

(5) Of the total amount for 2023, (i) \$53,260 represents accommodation benefits, (ii) \$6,547 represents Company contributions to a defined contribution pension plan, (iii) \$746 represents life insurance premiums through our group extended benefit plan, (iv) \$17,593 represents airfare for immediate family members in accordance with the terms of Mr. Galbraith's employment agreement, and (v) \$11,000 represents an estimated tax equalization payment (which includes \$6,000 for estimated tax gross-up) in connection with taxation attributable to the performance of work outside the United Kingdom.

(6) Of the total amount for 2022, (i) \$45,724 represents accommodation benefits, (ii) \$20,263 represents Company contributions to a defined contribution pension plan, (iii) \$2,158 represents life insurance premiums through our group extended benefit plan, and (iv) \$13,104 represents airfare for immediate family members in accordance with the terms of Mr. Galbraith's employment agreement.

(7) Dr. Astle joined Zymeworks in April 2021 as Executive Director, Corporate and Commercial Finance and was promoted to Senior Vice President and Chief Financial Officer in February 2022.

(8) Of the total amount for 2023, (i) \$131,229 represents accommodation benefits (which includes \$61,021 for tax gross-up), (ii) \$13,289 represents Company contributions to our registered retirement savings plan, and (iii) \$2,712 represents life insurance premiums through our group extended benefit plan.

(9) Of the total amount for 2022, (i) \$136,960 represents accommodation benefits (which includes \$63,686 for tax gross-up), (ii) \$21,525 represents Company contributions to our registered retirement savings plan, and (iii) \$951 represents life insurance premiums through our group extended benefit plan.

(10) Dr. Moore has served as our Chief Scientific Officer since July 2022. Dr. Moore was not a named executive officer in 2022. As such, Dr. Moore's compensation for 2022 is not included in the table above.

(11) Of the total amount for 2023, (i) \$41,496 represents accommodation benefits, (ii) \$163,115 represents relocation expenses (which includes \$77,334 for tax gross-up), (iii) \$19,800 represents Company contributions to our 401(k) plan, and (iv) \$351 represents life insurance premiums through our group extended benefit plan.

(12) Mr. Klompas served as our Chief Operating Officer and Chief Financial Officer until February 2022, as our Chief Operating Officer from February 2022 until August 2022, and as our President and Chief Operating Officer from August 2022 to June 2023.

(13) Included in the total amount for 2023 is \$54,942 which represents payment of accrued vacation.

(14) Of the total amount for 2023, (i) \$990,970 represents severance payments and benefits under a separation agreement, (ii) \$15,998 represents Company contributions to our registered retirement savings plan and, (iii) \$833 represents life insurance premiums through our group extended benefit plan.

(15) Included in the total amount for 2022 is \$47,624 which represents payment of accrued vacation.

(16) Of the total amount for 2022, (i) \$23,004 represents Company contributions to our registered retirement savings plan and (ii) \$874 represents life insurance premiums through our group extended benefit plan.

Outstanding Equity Awards at 2023 Year End

The following table lists all outstanding equity awards granted in Canadian dollars under our Second Amended and Restated Stock Option Plan, as amended (the "Original Plan") and equity awards granted in U.S. dollars under the Equity Compensation Plan and our Inducement Stock Option and Equity Compensation Plan (the "Inducement Plan") held by our named executive officers as of December 31, 2023:

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) ⁽²⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽²⁾⁽³⁾
		Exercisable ⁽¹⁾	Unexercisable ⁽¹⁾				
Kenneth Galbraith	1/15/2022	250,000	250,000	14.97	1/14/2023	—	—
	1/5/2023	—	215,000	8.00	1/4/2033	—	—
	12/22/2022	—	—	—	—	100,000 ⁽⁴⁾	1,039,000
	1/5/2023	—	—	—	—	143,000	1,485,770
Christopher Astle	5/17/2021	11,500	5,750	26.68 ⁽⁵⁾	5/16/2031	—	—
	3/10/2022	57,292	67,708	7.00	3/9/2022	—	—
	1/5/2023	—	47,000	8.00	1/4/2033	—	—
	1/5/2023	—	—	—	—	31,500	327,285
Paul Moore	7/18/2022	75,000	125,000	5.82	7/17/2032	—	—
	1/5/2023	—	77,500	8.00	1/4/2033	—	—
	1/5/2023	—	—	0.00	—	51,500	535,085
Neil Klompas	1/1/2015	23,464	—	10.70	1/1/2025	—	—
	1/29/2016	125,700	—	8.97	1/29/2026	—	—
	2/3/2017	35,615	—	16.75	2/3/2027	—	—
	6/12/2017	85,000	—	9.82	6/12/2027	—	—
	3/19/2018	75,000	—	11.84	3/18/2028	—	—
	1/8/2019	90,000	—	15.53	1/7/2029	—	—
	3/27/2019	15,000	—	15.23	3/26/2029	—	—
	3/10/2020	43,125	1,875	35.20	3/9/2030	—	—
	3/10/2021	34,531	14,219	34.82	3/9/2031	—	—
	3/10/2022	91,667	108,333	7.00	3/9/2032	—	—
	1/5/2023	—	87,500	8.00	1/4/2033	—	—
	3/10/2021	—	—	—	—	2,709	28,147
	1/5/2023	—	—	—	—	58,500	607,815

(1) Options vest and become exercisable with respect to (i) 25% of the underlying shares one year after the grant date and (ii) the remainder of the underlying shares in 36 equal monthly installments following the first anniversary of the date of grant, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(2) Unless otherwise noted, restricted stock units vest in three equal annual installments on each of the first, second, and third anniversaries of the date of grant, subject to the holder's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(3) Market value of restricted stock units that have not vested is based on the closing price of the Company's common shares on Nasdaq on December 29, 2023, which was \$10.39 per share.

(4) These restricted stock units vest on the third anniversary of the date of grant, subject to the holder's continued service. Pursuant to the terms of Mr. Galbraith's grant agreement with respect to these restricted stock units, (i) if Mr. Galbraith's employment is terminated by the Company without cause, 100% of the restricted stock units will fully vest, and (ii) if on or within twelve months following a change of control (as defined in Mr. Galbraith's employment agreement) or within three months prior to a change of control, Mr. Galbraith's employment with the Company terminates due to his resignation for good reason, 100% of the restricted stock units will fully vest, in each case of (i) and (ii) subject to Mr. Galbraith having entered into a valid and enforceable settlement agreement with the Company on terms satisfactory to the

Company. These restricted stock units also are subject to the applicable acceleration of vesting provisions described for Mr. Galbraith under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(5) These options were granted with exercise prices denominated in Canadian dollars. The U.S. dollar per Canadian dollar exchange rate used to convert option exercise price to U.S. dollars was 0.7410, which was the average annual Bank of Canada exchange rate for 2023.

Pension Benefits

We do not have any qualified or non-qualified defined benefit pension plans.

Non-qualified Deferred Compensation

We do not have any non-qualified defined contribution plans or other deferred compensation plans.

Executive Employment Arrangements and Potential Payments upon Termination or Change in Control

Executive Employment Arrangements

Key provisions of the employment agreements that were in effect as of December 31, 2023, for our named executive officers are described below.

Kenneth Galbraith. In connection with Mr. Galbraith's appointment as President and Chief Executive Officer in January 2022, Mr. Galbraith entered into an employment agreement with us (the "Original Agreement"), on December 30, 2022 Zymeworks BC and Zymeworks Management Inc., our subsidiaries, and Mr. Galbraith entered into an amendment to the Original Agreement (the "First Amendment"), and on January 3, 2024, Zymeworks BC and Mr. Galbraith entered into a second amendment (the "Second Amendment" and the Original Agreement, as amended by the First Amendment and the Second Amendment, the "Galbraith Employment Agreement"). The Galbraith Employment Agreement does not have a specific term. The Second Amendment established Mr. Galbraith's principal place of employment as the United Kingdom, or another location as agreed upon between the parties, which removes the requirement for Mr. Galbraith to relocate to Vancouver, British Columbia or Seattle, Washington, and incorporated certain extensions of compensation and benefit provisions, as described below.

Pursuant to the Galbraith Employment Agreement, Mr. Galbraith is entitled to the following compensation and benefits:

- An annual base salary of \$600,000, with eligibility to earn an annual discretionary bonus of up to 60% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Mr. Galbraith's current annual base salary is \$655,000 and his target annual discretionary bonus remains at 60% of his annual base salary;
- Options, which were granted to Mr. Galbraith in 2022, to purchase 500,000 of our common shares at an exercise price per share equal to the fair market value on the date of grant (the "Inducement Options"). 25% of the Inducement Options vest and become exercisable on the one-year anniversary of the date of grant, and thereafter 1/36th of the remaining Inducement Options will vest on the last day of each month, until all of the Inducement Options have vested, subject to Mr. Galbraith's continued service;
- Eligibility to participate in our employee benefit plans, policies and arrangements that, in the aggregate, are reasonably consistent with other executive officers generally, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- Enrollment in a qualifying pension scheme under the UK Pensions Act 2008;
- Prior to the Second Amendment, the Galbraith Employment Agreement provided for reimbursement of relocation expenses up to a maximum gross amount of \$300,000, grossed up for the impact of any tax withholding, for reasonable moving expenses incurred by Mr. Galbraith and his immediate family during relocation from Mr. Galbraith's primary residence to Vancouver, British Columbia or Seattle, Washington if he relocated on or before July 15, 2024 (under the Original Agreement, this related to a relocation within the first eighteen months of employment), with the total amount reimbursed under this provision required to be repaid if Mr. Galbraith's employment had terminated within three years (two years under the Original Agreement) following the effective date of employment. The Second Amendment removed the requirement to relocate, and deleted this provision regarding relocation expenses;
- Temporary housing for Mr. Galbraith in Vancouver, British Columbia, grossed up for the impact of any tax withholding. The First Amendment had provided for this benefit through the earlier of Mr. Galbraith's relocation or July 15, 2024, and under the Original Agreement, this was through the earlier of Mr. Galbraith's relocation or the date that is 18 months following the effective date of employment;
- Reimbursement of reasonable travel and living expenses when traveling from his home to Vancouver, British Columbia or Seattle, Washington for his employment duties, as well as reimbursement or Company payment for reasonable airfare and lodging expenses for Mr. Galbraith and his immediate family for one trip per calendar year to Vancouver, British Columbia or Seattle, Washington, as applicable (under the Original Agreement, this related to trips that occurred prior to the end of 2023 under the Original Agreement, and under the First Amendment, to trips that occurred prior to the end of 2024);
- A tax equalization payment if Mr. Galbraith is subject to income taxation or other taxation outside of the United Kingdom during the period of his employment, grossed up for the impact of any tax withholding, and tax preparation services;

- If we terminate Mr. Galbraith's employment during his first three years of employment, then Mr. Galbraith will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Mr. Galbraith's employment, Mr. Galbraith will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service, up to a total maximum of eighteen months. Mr. Galbraith will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan;
- In the event of termination on death or disability, as defined in our long-term disability plan or policy then in effect with respect to him, Mr. Galbraith, or his estate, will receive (x) a lump sum payment equal to the difference between (1) eighteen months of base salary plus target annual cash bonus as of the date of death or disability and (2) the amount that Mr. Galbraith or his estate will receive as a result of death or disability under our applicable insurance policies in effect as of the date of termination, (y) group extended health and dental benefits continuation for his surviving family members for eighteen months (or lump sum payment for the premium costs of such benefits in lieu thereof), and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants made to Mr. Galbraith as of the date of death or disability;
- If Mr. Galbraith's employment is terminated by us without cause on or within twelve months following, or within three months prior to, a change of control (as defined in the Galbraith Employment Agreement), Mr. Galbraith will be eligible to receive (x) a lump sum payment of eighteen months of base salary and 100% of target annual cash bonus as of the date of termination, (y) group extended health and dental benefits continuation as of the date of termination for eighteen months (or lump sum payment for the premium costs of such benefit plans in lieu thereof) and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Mr. Galbraith entering into a valid settlement agreement with us; and
- In addition, the Galbraith Employment Agreement requires Mr. Galbraith, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Galbraith Employment Agreement also requires Mr. Galbraith not to solicit our employees or consultants to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

On August 4, 2022, Mr. Galbraith ceased to serve in the role of our President, which role was then assumed by Mr. Klompas, and Mr. Galbraith continued in the role of Chair of the Board of Directors and Chief Executive Officer. Effective upon Mr. Klompas' departure in June 2023, Mr. Galbraith was re-appointed as our President. The compensatory and other material terms of Mr. Galbraith's employment with us were unchanged in connection with his re-appointment as our President.

Neil Klompas. On August 4, 2022, the board of directors appointed Mr. Klompas as our President, effective August 4, 2022. Mr. Klompas continued in the role of Chief Operating Officer following his appointment our President. The compensatory and other material terms of Mr. Klompas' employment with us, described below, were unchanged in connection with his appointment as President. Effective June 30, 2023, Mr. Klompas stepped down as our President and Chief Operating Officer and separated from employment. In May 2023, in anticipation of Mr. Klompas' departure, Zymeworks BC and Mr. Klompas entered into a separation agreement and release (the "Klompas Separation Agreement") providing for certain benefits, including:

- A lump sum payment of \$1,000,000, equivalent to twenty-four (24) months of his then-current base salary, which payment was subject to Mr. Klompas not being terminated for cause prior to the June 30, 2023 (Mr. Klompas was not terminated for cause prior to such date and therefore became entitled to this payment). Mr. Klompas was not eligible for any annual performance bonus with respect to our 2023 fiscal year;
- Eligibility for Mr. Klompas and his spouse to participate in our employee benefit plans for the lesser of (a) twenty-four (24) months following June 30, 2023 and (b) the date of enrollment in the benefit plans of a new employer;
- Payments of \$7,500 for professional development and continuing educational courses and \$2,500 for legal fees incurred in the review of the Klompas Separation Agreement, and reimbursement for laptop and provision of related peripherals;
- Entry into a consulting services agreement (the "Klompas Consulting Agreement"), whereby Mr. Klompas will assist with certain transitional matters at the request and direction of Zymeworks BC on an as needed basis. The Klompas Consulting Agreement became effective on June 30, 2023 and is scheduled to expire on June 30, 2025. Mr. Klompas will be entitled to continued vesting and exercise benefits for outstanding stock options and restricted stock units under our equity incentive plans for the duration of the Klompas Consulting Agreement as well as certain cash payments at a rate of \$300/hour for any services provided in excess of five hours per week. If a change of control (as such term is defined in the Equity Compensation Plan) had occurred prior to the expiration or earlier termination of the Klompas Consulting Agreement, any unvested options and restricted stock units held by Mr. Klompas immediately prior to such change of control that would have vested on or prior to June 30, 2025 had Mr. Klompas remained as a service provider through such date, would have been accelerated such that they would have been vested as of immediately prior to and contingent upon such change of control. Following the termination of the Klompas Consulting Agreement, and provided that Mr. Klompas (i) had not been terminated for cause prior to June 30, 2023 (Mr. Klompas was not terminated for cause prior to such date) and (ii) timely executed a supplemental release agreement, Mr. Klompas will have the period from the termination of the Klompas Consulting Agreement to June 30, 2026 to exercise any vested Company stock options, subject to any such options' earlier expiration during such period; and
- Reimbursement for all reasonable and documented business expenses actually and properly incurred in relation to Zymeworks BC's and our business up to June 30, 2023.

In addition to providing a release of claims in favor of the Company, the Klompas Separation Agreement reaffirmed Mr. Klompas' agreement to be bound by the confidentiality provisions and the restrictive covenants of his employment agreement, which include a requirement that Mr. Klompas not solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us, and a requirement, modified by the Klompas Separation Agreement, that he will not compete with us, while employed by us and for up to six months following the termination of his employment, either directly or indirectly, with respect to certain aspects of our business with which he was materially involved in the last 12 months of his employment with us.

Prior to Mr. Klompas' separation from employment with us, Mr. Klompas was subject to an employment agreement with us, which had been entered into with him on January 25, 2007 and amended from time to time, as well as to the later Klompas Promotion Letter, described below.

The 2007 employment agreement with Mr. Klompas had set forth the initial terms and conditions of his employment and had provided for his initial base salary and initial equity award, and which included, among other things, provisions regarding confidentiality, ownership of developments, non-competition and non-solicitation, as well as eligibility for our incentive plans, reimbursements for certain professional association memberships and professional development fees and costs, and the ability to participate in generally available benefits. This agreement was amended on October 23, 2007, and January 1, 2014. On January 17, 2017, we entered into an amended and restated employment agreement with Mr. Klompas that superseded and replaced the January 2007 agreement, as amended, and set forth revised termination and change of control provisions. Under the revised not-for-cause termination severance provisions, during the first three years of employment, Mr. Klompas was entitled to 12 months of written notice or payment in lieu of notice equal to 12 months of his base salary and continuation of benefits for 12 months, or any combination thereof. Commencing in the fourth year of employment, Mr. Klompas was entitled to an additional one month's notice, or the equivalent base salary and continuation of benefits, or any combination thereof, for each additional completed year of service, up to a total maximum of 18 months. If Mr. Klompas were terminated without cause within 12 months following a change of control, he would have received severance equal to 18 months of his base salary, continuation of benefits for 18 months and full vesting acceleration of all unvested stock options or other equity grants made as at that date. Any severance payments payable under the agreement in excess of any minimum required by certain applicable laws were conditional upon Mr. Klompas' release of claims against us.

In connection with Mr. Klompas' appointment as Chief Operating Officer in January 2022, we provided Mr. Klompas with a promotion letter (the "Klompas Promotion Letter"), which reflected increases to his then-current base salary and annual bonus opportunity. In January 2023, Mr. Klompas' base salary was increased to \$500,000, which increase was given retroactive effect to August 4, 2022 in connection with his appointment as President, and his annual target bonus remained at 45% of his base salary.

Christopher Astle. In connection with Dr. Christopher Astle's appointment as Senior Vice President and Chief Financial Officer, we entered into an amended and restated employment agreement with Dr. Astle effective as of February 24, 2022 (the "Astle Employment Agreement"). The Astle Employment Agreement does not have a specific term.

Pursuant to the Astle Employment Agreement, Dr. Astle is entitled to the following compensation and benefits:

- An annual base salary of \$375,000, with eligibility to earn an annual discretionary bonus of up to 35% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Dr. Astle's current annual base salary is \$425,000 and his target annual discretionary bonus for 2024 has been set at 40% of his annual base salary;
- Options, which were granted to Dr. Astle in 2022, to purchase 125,000 of our common shares at an exercise price per share equal to the fair market value on the date of grant. The options were granted under the Equity Compensation Plan. 25% of the options will vest and become exercisable on the one-year anniversary of the date of grant, and thereafter 1/36th of the remaining options will vest on the last day of each month, until all of the options have vested, subject to Dr. Astle's continued service;
- Eligibility to participate in our employee benefit plans, policies and arrangements, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- If we terminate Dr. Astle's employment without cause prior to April 1, 2024, then Dr. Astle will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Dr. Astle's employment without cause, Dr. Astle will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service after April 1, 2024, up to a total maximum of eighteen months. Dr. Astle will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan. Such payments will be subject to Dr. Astle entering into a valid settlement agreement with us;
- If Dr. Astle's employment is terminated by us without cause on or within twelve months following a change of control (as defined in the Astle Employment Agreement), Dr. Astle will be eligible to receive (x) eighteen months of base salary, (y) group extended health and dental benefits continuation as of the date of termination for eighteen months and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Dr. Astle entering into a valid settlement agreement with us; and
- In addition, the Astle Employment Agreement requires Dr. Astle, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Astle Employment Agreement also requires Dr. Astle not to solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

On November 17, 2022, we entered into an amendment with Dr. Astle to the Astle Employment Agreement. The amendment amends the Astle Employment Agreement to provide to Dr. Astle certain corporate housing benefits based on need (as determined in our discretion) in the Vancouver, British Columbia metropolitan area. In addition to the corporate housing benefits, the amendment provides for a gross-up to Dr. Astle for the impact of any tax withholding related to the corporate housing benefits.

Paul Moore. On July 18, 2022, the Company and Zymeworks Biopharmaceuticals Inc., a subsidiary of the Company, entered into an employment agreement with Dr. Moore setting forth the terms and conditions of his employment as Chief Scientific Officer of the Company (the "Initial Employment Agreement"). In connection with Dr. Moore's planned relocation from the United States to Canada, the Company and our subsidiary Zymeworks BC entered into an amended and restated employment agreement with Dr. Moore (the "Moore Employment Agreement") that supersedes and replaces the Initial Employment Agreement. The Moore Employment Agreement does not have a stated term.

Pursuant to the Moore Employment Agreement, Dr. Moore is entitled to the following compensation and benefits:

- An annual base salary of \$465,000, with eligibility to earn an annual discretionary bonus of up to 45% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Dr. Moore's current annual base salary is \$495,000 and his target annual discretionary bonus remains at 45% of his

annual base salary;

- Eligibility to participate in our employee benefit plans, policies and arrangements, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- Reimbursement of relocation expenses up to a maximum of \$200,000, grossed-up to offset the impact of any taxes on such payment, for reasonable and customary moving expenses that Dr. Moore incurs within eighteen months of his July 18, 2022 start date in connection with his relocation to the Vancouver, British Columbia metropolitan area, as contemplated in the Initial Employment Agreement.
- A tax equalization payment if Dr. Moore is subject to income taxation in Canada in a given year equal to the difference between (i) the sum of total Canadian taxes plus any U.S. federal, state and local income taxes, that Dr. Moore is or would be obligated to pay for an applicable tax year, and (ii) the amount of U.S. federal, state and local tax liability had Dr. Moore worked in the United States for the entire tax year. Any tax equalization payment will be grossed-up to offset the impact of taxes on such payment.
- Provision of tax preparation support or reimbursement of up to \$5,000 per year for additional tax preparation expenses of Dr. Moore for a period of two years from his July 18, 2022 start date.
- If we terminate Dr. Moore's employment without cause during his first three years of employment, then Dr. Moore will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Dr. Moore's employment without cause, Dr. Moore will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service, up to a total maximum of eighteen months. Dr. Moore will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan; Such payments will be subject to Dr. Moore entering into a valid separation and release agreement with us;
- If Dr. Moore's employment is terminated by us without cause on or within twelve months following a change of control (as defined in the Moore Employment Agreement), Dr. Moore will be eligible to receive as severance (x) eighteen months continued base salary following termination, (y) group extended health and dental benefits as of the date of termination for eighteen months, and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Dr. Moore entering into a valid separation and release agreement with us; and
- In addition, the Moore Employment Agreement requires Dr. Moore, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Moore Employment Agreement also requires Dr. Moore not to solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

Equity Compensation Plan Information

Under our Original Plan, upon a transaction in which equity securities representing more than 66 2/3% of our common stock are sold (a "substantial sale"), if the purchaser offers to buy out options, the options must be sold to the purchaser at a purchase price equal to (x) the price per share in the transaction (calculated in accordance with the terms of the Original Plan) minus the exercise price per share, multiplied by (y) the number of shares then exercisable under the option. If the option holders do not sell their options to the purchaser, such options will terminate upon completion of the substantial sale.

Under our Equity Compensation Plan and our Inducement Plan, in connection with a change of control (as defined in the applicable plan), our board of directors or the committee to which our board of directors has delegated authority to administer the applicable plan (either, the "Administrator") has the right to provide for the conversion or exchange of any outstanding awards into or for options, rights or other securities in any entity participating in or resulting from a change of control, cash or other property. If we enter into an agreement for a transaction that, if completed, would result in a change of control, or otherwise becomes aware of a pending change of control, we will give written notice to the award holders regarding the potential change of control and a description of the effect of the change of control on outstanding awards at least seven (7) days prior to the closing of change of control.

Under our Equity Compensation Plan and Inducement Plan, the Administrator may, in its discretion, accelerate the vesting and/or expiration date of any or all outstanding awards in connection with the change of control to provide that such designated awards shall be fully vested and any options not exercised within the specified period will be terminated after the completion of the change of control. If the change of control would also result in a capital reorganization, arrangement, amalgamation or reclassification of our share capital (and if the vesting and expiration of the awards has not been accelerated as contemplated by the prior sentence), upon completion of the change of control, the number and kind of shares subject to outstanding awards and, if applicable, the exercise price per share of options shall be appropriately adjusted (including by substituting the awards for awards with respect to securities in any successor entity to us) in such manner as the Administrator considers equitable to prevent substantial dilution or enlargement of the rights granted to Award holders. The Administrator also may make changes to the terms of the awards or the Equity Compensation Plan or Inducement Plan to the extent necessary or desirable to comply with any rules, regulations or policies of any stock exchange on which any of our securities may be listed, provided that the value of previously granted awards and the rights of award holders are not materially adversely affected by any such changes. In addition, in the event of a potential change of control, the Administrator may, in its sole discretion, modify the terms of the plan and/or the awards to assist the participants to tender into a take-over bid or other transaction leading to a change of control, including the authority to allow participants to conditionally exercise options.

Director Compensation Table

The following table presents the compensation awarded to, earned by or paid to our directors (other than Mr. Galbraith, whose compensation is provided in the Summary Compensation Table above) for the year ended December 31, 2023. Dr. Cesano and Mr. Platshon are not included in the table below as they did not join the board of directors until 2024. We do not currently have director compensation in the form of share-based awards (other than stock options), non-equity incentive plan compensation or non-qualified deferred compensation.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) ⁽¹⁾⁽²⁾	All Other Compensation	Total (\$)
Carlos Campoy	25,875	483,094	—	508,969
Troy M. Cox	51,077	212,754	—	263,831

Nancy Davidson	4,333 ⁽³⁾	436,683	—	441,016
Kenneth Hillan	53,788	212,754	—	266,542
Susan Mahony	49,072	212,754	—	261,826
Derek J. Miller	29,480	504,121	21,545 ⁽⁴⁾	555,146
Kelvin Neu ⁽⁴⁾	49,703	212,754	—	262,457
Hollings C. Renton	51,245	212,754	—	263,999
Natalie Sacks	29,391	—	—	29,391
Lota S. Zoth	84,845	—	—	84,845

(1) The amounts set forth in this column reflect the aggregate grant date fair value for option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the “Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation” and Note 10(e) “Notes to Consolidated Financial Statements – Stockholders’ Equity Stock- Based Compensation” included in this Annual Report on Form 10-K for our year ended December 31, 2023.

(2) As of December 31, 2023, directors held the following number of options to purchase Company common shares: (i) Mr. Campoy, 87,000; (ii) Mr. Cox, 110,000; (iii) Dr. Davidson, 74,000; (iv) Dr. Hillan, 121,425; (v) Dr. Mahony, 110,000; (vi) Mr. Miller, 87,000; (vii) Dr. Neu, 71,000; (viii) Mr. Renton, 121,425; (ix) Dr. Sacks, 78,140; and (x) Ms. Zoth, 86,117.

(3) In 2023, cash compensation for non-employee directors was paid in advance for directors serving on the board of directors at the beginning of each of the first, second, third and fourth quarters of 2023. In the fourth quarter of 2023, the board of directors changed the cash compensation approach such that, going forward, cash compensation would be payable quarterly in arrears. As a result of this change, the amount included in this column for Dr. Davidson reflects the pro-rated cash compensation earned during the fiscal year ended December 31, 2023 by Dr. Davidson.

(4) Mr. Miller provided consulting services to us pursuant to the Consulting Agreement (as defined below) the Company entered into with Derek J Miller Consulting LLC, a limited liability company owned by Derek Miller in May 2022. The amounts set forth above reflect consulting fees paid to Mr. Miller for the year ended December 31, 2023. In total, we have paid Mr. Miller an aggregate of approximately \$36,000 for such consulting services, of which (i) approximately \$22,000 was paid for services rendered prior to Mr. Miller’s appointment to the board of directors and (ii) approximately \$14,000 was paid for services rendered since Mr. Miller joined the board of directors. In October

2023, we entered into a Termination of Consulting Agreement and Further Amended and Restated Statement of Work #1 with Derek J Miller Consulting LLC, which provided for, among other things, the termination of the Consulting Agreement effective as of November 30, 2023.

(5) Dr. Neu joined the Company’s board of directors in March 2020. Dr. Neu was an employee of Baker Bros. Advisors LP until January 2021. Pursuant to the terms of Dr. Neu’s employment by Baker Brothers Advisors LP, the options granted to him in 2020 were, and will continue to be, beneficially owned by Baker Bros. Advisors LP.

Director Compensation

The written charter of our compensation committee provides that the compensation committee will review compensation for members of our board of directors on at least an annual basis, taking into account their responsibilities and time commitment and information regarding the compensation paid at peer companies. The compensation committee will make recommendations to our board of directors with respect to changes to our approach to director compensation as it considers appropriate.

In November 2022, the compensation committee worked with Aon to update prior competitive assessments of our board of director compensation program. Based on these findings, in November 2022, the compensation committee recommended, and the board of directors approved, the following changes to the cash and equity compensation of non-employee directors:

- The cash component for board of directors and committee membership was maintained at the 2022 levels, with the exception that the cash retainer fee for service as chair of the compensation committee was increased from \$10,000 to \$12,000, the cash retainer fee for service as a member of the compensation committee was increased from \$5,000 to \$6,000, the cash retainer fee for service as chair of the nominating and corporate governance committee increased from \$7,500 to \$8,500, and the cash retainer fee for service as a member of the nominating and corporate governance committee was increased from \$3,750 to \$4,250 (in each case effective January 2023);
- The initial option grant for new directors, to be granted on or about the time of the director joining the board of directors, was changed from 40,000 to 50,000 options, with the vesting schedule remaining as 1/36th of the options vesting on each monthly anniversary of the grant date, subject to the director’s continued service (effective November 2022); and
- The annual equity grant to directors, to be granted at or about the time of our annual meeting of stockholders, was changed from 20,000 options to 25,000 options, with the vesting schedule remaining 100% of the options vesting on the date of the next year’s annual meeting of stockholders, subject to the director’s continued service through such date (effective November 2022).

In May 2023, the board of directors approved, with input from the compensation committee and nominating and corporate governance committee, certain amendments to our board of directors compensation program to provide for: (i) full acceleration of vesting of options granted as annual equity awards in connection with our 2022 annual meeting of stockholders for directors departing on or after the restatement of the policy on May 24, 2023 and at or prior to the 2023 annual meeting of stockholders, (ii) pro rata acceleration of vesting of options granted as annual equity awards in connection with the 2023 annual meeting of stockholders for directors departing after the 2023 annual meeting of stockholders but at or before our 2024 annual meeting of stockholders, with the pro rata acceleration determined based on the number of full or partial months served as a non-employee director on and after the 2023 annual meeting of stockholders date, and (iii) extension of the post-termination exercise period for vested options held by departing directors to three years following the director’s cessation of service (or, if earlier, upon the expiration of the option).

In November 2023, the compensation committees worked with Aon to again update prior competitive assessments of our board of director compensation program. Based on these findings, in November 2023, the compensation committee recommended certain changes to the non-employee director compensation program.

In December 2023, the board of directors approved, following its annual assessment of the director compensation program and including its consideration of the input and recommendations from the compensation committee, the following changes to the cash and equity compensation of non-employee directors (as amended, the "Amended and Restated Director Compensation Policy"), which changes adjust the director compensation program to more closely align with the non-employee director compensation practices of the Company's peer group:

- Beginning January 1, 2024, the annual cash retainer fee for service as chair of the audit committee will be increased from \$15,000 to \$20,000, the annual cash retainer fee for service as a member of the audit committee will be increased from \$7,500 to \$10,000, the annual cash retainer fee for service as chair of the compensation committee will be increased from \$12,000 to \$15,000, the annual cash retainer fee for service as a member of the compensation committee will be increased from \$6,000 to \$7,500, the annual cash retainer fee for service as chair of the nominating

and corporate governance committee will be increased from \$8,500 to \$10,000, the annual cash retainer fee for service as a member of the nominating and corporate governance committee will be increased from \$4,250 to \$5,000;

- Effective immediately, the initial option grants for new non-employee directors, to be granted on or about the time of the director joining the board of directors, were changed from options to purchase 50,000 shares of Company common stock to options to purchase 74,000 shares of Company common stock, with the vesting schedule remaining as 1/36th of the shares subject to the option vesting on each monthly anniversary of the grant date, subject to the director's continued service; and
- Effective immediately, the annual equity grant to continuing non-employee directors, to be granted at or about the time of our annual meeting of stockholders, was changed from options to purchase 25,000 shares of Company common stock to 37,000 shares, with the vesting schedule remaining 100% of the shares subject to the option vesting on the date of the next year's annual meeting of stockholders, subject to the optionee's continued service through such date.

Following the recommendation of the compensation committee, the board of directors also determined to not implement stock ownership guidelines at this time. No other changes to board of director compensation were made for 2023.

Cash Compensation for Directors

In 2023, we provided the below annual cash retainer fees for service on our board of directors and committees. The fees for service on committees are in addition to the annual retainer fees for service on the board of directors.

	Effective January 1, 2023	Effective January 1, 2024
	Amount (\$)	Amount (\$)
Board of Directors:		
Member	40,000	40,000
Lead Independent Director	65,000	65,000
Audit Committee:		
Member	7,500	10,000
Chair	15,000	20,000
Compensation Committee:		
Member	6,000	7,500
Chair	12,000	15,000
Nominating and Corporate Governance Committee:		
Member	4,250	5,000
Chair	8,500	10,000
Research and Development Committee:		
Member	6,000	6,000
Chair	15,000	15,000

Cash retainer fees were amended in December 2023 as discussed above.

Equity Compensation for Directors

Beginning from December 2023, new non-employee directors will be granted an initial option grant to purchase 74,000 shares of common stock, to be granted on or about the time such director joins the board of directors, with a vesting schedule of 1/36th of the options vesting on each monthly anniversary of the grant date, subject to the optionee's continued service through such date.

In addition, non-employee directors will be granted an annual option grant to purchase 37,000 shares of common stock, to be granted at or about the time of the Company's annual meeting of stockholders, with a vesting schedule of 100% of the options vesting on the date of the next year's annual meeting of stockholders, subject to the optionee's continued service through such date.

Upon cessation of a non-employee director's continued service, each outstanding stock option held by such director is subject to (i) full acceleration of vesting of options granted as annual equity awards in connection with our 2022 annual meeting of stockholders for directors departing on or after May 24, 2023 and at or prior to the 2023 annual meeting of stockholders held on December 7, 2023 and (ii) pro rata acceleration of vesting of options granted as annual equity awards in connection with the 2023 annual meeting of stockholders for directors departing after the 2023 annual meeting of stockholders, but at or before our 2024 annual meeting of stockholders, with the pro rata acceleration determined based on the number of full or partial months served as a non-employee director on and after the 2023 annual meeting of stockholders date.

In addition, the post-termination exercise period for vested options held by departing directors is extended to three years following the director's cessation of service (or, if earlier, upon the expiration of the option).

Expense Reimbursement

Each member of our board of directors is also entitled to reimbursement for reasonable travel and other expenses incurred in connection with attending board meetings and meetings for any committee on which he or she serves. These amounts are not included in the table above.

Risk Management

As part of its normal practice, the compensation committee evaluates the risk-taking incentives created by our compensation programs, policies and practices and has concluded that such programs, policies and practices are not reasonably likely to have a material adverse effect on the Company.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table sets forth summary information relating to our Equity Compensation Plan, employee share purchase plan, as amended (the "ESPP"), the Original Plan and the Inducement Plan as of December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted average exercise price of outstanding options, warrants, and rights ⁽²⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders			
Equity Compensation Plan	7,136,255 ⁽³⁾	\$12.99 ⁽⁴⁾	4,594,639
ESPP	—	—	2,029,328
Original Plan	493,878	\$17.07 ⁽⁵⁾	\$12.65
Equity compensation plans not approved by security holders			
Inducement Plan	700,000	\$12.36	50,000

(1) Includes restricted stock units.

(2) Does not include restricted stock units, which do not have an exercise price.

(3) The original maximum number of common shares reserved for issuance under the Equity Compensation Plan as of June 7, 2018, was 5,686,097. Beginning in 2019 and ending in 2028, this maximum number may be increased on the first day of each calendar year by up to 4.0% of the number of outstanding shares on the last day of the immediately preceding calendar year.

(4) Stock options granted under the Equity Compensation Plan are granted with exercise prices in both Canadian dollars and U.S. dollars. As of December 31, 2023, there were 6,364,842 outstanding stock options under the Equity Compensation Plan, consisting of 995,600 stock options with a weighted average exercise price of C\$17.98 (\$13.32 based on the U.S. dollar per Canadian dollar exchange rate of 0.7409, which was the average annual Bank of Canada exchange rate for 2023) and 5,369,242 stock options with a weighted average exercise price of \$12.45.

(5) Stock options granted under the Original Plan were granted with exercise prices in Canadian dollars. As of December 31, 2023, there were 493,878 outstanding stock options under the Original Plan, with a weighted average exercise price of C\$17.07 (\$12.65 based on the U.S. dollar per Canadian dollar exchange rate of 0.7409, which was the average annual Bank of Canada exchange rate for 2023).

Inducement Plan

Our Inducement Plan was adopted by our board of directors in January 2022, and was amended and restated in October 2022. The Inducement Plan was adopted without stockholder approval pursuant to the NYSE listing rules related to inducement plans, which are substantially similar to the Nasdaq rules related inducement plans. The Inducement Plan allows for the grant of options, grant restricted stock, restricted stock units and other share-based awards. The terms of the Inducement Plan are substantially similar to those of the Equity Compensation Plan, including with respect to treatment of awards in connection with a change of control, as described above. However, in accordance with the exemption requirements under NYSE and Nasdaq rules, awards under the Inducement Plan may only be made to employees of our Company or our subsidiaries to whom the grant of the award is a material inducement to the individual's entering into employment with us in accordance with such rules.

Share Ownership

The table below indicates information as of February 29, 2024, regarding the beneficial ownership of our common stock for:

- each person who is known by us to beneficially own more than 5% of our common stock;
- each named executive officer;
- each of our directors; and
- all executive officers and directors as a group.

In accordance with SEC rules, for the purposes of calculating percent ownership, as of February 29, 2024, (i) 70,532,213 shares of common stock were issued and outstanding, and, (ii) for any individual who beneficially owned shares represented by exchangeable shares, warrants, options, or restricted stock units that were exercisable or scheduled to vest within sixty days of February 29, 2024, those shares were treated as if outstanding for that person, but not for any other person. Unless otherwise indicated in the footnotes to the table, and subject to community property laws where applicable, the following persons have sole voting and investment control with respect to the shares beneficially owned by them. To our knowledge, except as noted in the table below, no person or entity was the beneficial owner of more than 5% of the voting power of our common stock as of February 29, 2024.

Except as otherwise indicated, the address of each of the persons in this table is 108 Patriot Drive, Suite A, Middletown, Delaware 19709.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned	Percentage of Shares Beneficially Owned	Total Voting Percentage †
5% and Greater Stockholders:			
EcoR1 Capital, LLC	14,262,473 ⁽¹⁾	19.99% ⁽²⁾	19.81% ⁽²⁾
BVF Partners L.P.	5,870,000 ⁽³⁾	8.32%	8.25%
Redmile Group, LLC	5,790,230 ⁽⁴⁾	8.21%	8.13%
Morgan Stanley	4,842,464 ⁽⁵⁾	6.87%	6.80%
BlackRock, Inc.	3,923,328 ⁽⁶⁾	5.56%	5.51%
Directors and Named Executive Officers:			
Christopher Astle	98,872 ⁽⁷⁾	*	*
Carlos Campoy	12,500 ⁽⁸⁾	*	*
Alessandra Cesano	4,111 ⁽⁹⁾	*	*
Troy M. Cox	80,500 ⁽¹⁰⁾	*	*
Nancy Davidson	8,222 ⁽¹¹⁾	*	*
Kenneth Galbraith	372,199 ⁽¹²⁾	*	*
Neil Klompas	681,600 ⁽¹³⁾	*	*
Susan Mahony	73,000 ⁽¹⁴⁾	*	*
Derek J. Miller	16,666 ⁽¹⁵⁾	*	*
Paul Moore	119,086 ⁽¹⁶⁾	*	*
Kelvin Neu	34,000 ⁽¹⁷⁾	*	*
Scott Platshon	—	—	—
Hollings C. Renton	84,425 ⁽¹⁸⁾	*	*
All Directors, Executive Officers:			
All current executive officers and directors as a group (13 persons) ⁽¹⁹⁾	962,331	1.35%	1.33%

*Less than one percent

†Percentage of total voting power represents voting power with respect to all shares of our common stock and the voting rights of the exchangeable shares exercised via the share of our special voting preferred stock, as a single class. Each holder of our common stock is entitled to one vote per share, and each holder of an exchangeable share is entitled to voting rights equivalent to one vote per exchangeable share on all matters submitted to our stockholders for a vote. The common stock and the special voting preferred stock (exercising the voting rights of the exchangeable shares) vote together as a single class on all matters submitted to a vote of our stockholders, except as may otherwise be required by our certificate of incorporation or bylaws.

(1) Consists of (i) 12,658,224 shares of common stock held by EcoR1 Capital Fund Qualified, L.P. ("Qualified Fund") and (ii) 781,523 shares of common stock issuable upon the exercise of pre-funded warrants held by Qualified Fund, (iii) 779,249 shares of common stock held by EcoR1 Capital Fund, L.P. ("Capital Fund"), and (iv) 43,477 shares of common stock issuable upon the exercise of pre-funded warrants held by Capital Fund. Qualified Fund, Capital Fund and other private investment funds managed by EcoR1 Capital, LLC (collectively, "EcoR1") are prohibited from exercising such pre-funded warrants, if as a result of such exercise, EcoR1 would beneficially own more than 19.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise. EcoR1 is managed by EcoR1 Capital, LLC ("EcoR1 LLC"). Oleg Nodelman, the manager of EcoR1 LLC, has shared voting control and investment discretion over the securities reported herein that are held by EcoR1. As a result, Mr. Nodelman may be deemed to have beneficial ownership of the securities that are held by EcoR1. The address of these entities and this individual is 357 Tehama Street #3, San Francisco, California 94103. Scott Platshon, a Partner of EcoR1, is a member of the board of directors of the Company.

(2) In December 2023, the Company entered into a securities purchase agreement with funds affiliated with EcoR1 for the sale of an aggregate of 5,086,521 pre-funded warrants to purchase 5,086,521 shares of common stock, \$0.00001 par value per share, in a private placement. Each pre-funded warrant will be exercisable at an exercise price equal to \$0.0001 per share, subject to adjustments as provided under the terms of the pre-funded warrant and will be exercisable at any time on or after the closing date, subject to a post-exercise beneficial ownership limitation of 19.99% ("Maximum Percentage"). For purposes of calculating the Percentage of Shares Beneficially Owned and the Total Voting Percentage, the calculations only include 825,000 shares of common stock issuable upon the exercise of 825,000 pre-funded warrants pursuant to the Maximum Percentage, and do not include the remaining 4,261,521 pre-funded warrants to purchase 4,261,521 shares of our common stock.

(3) Based on a Schedule 13G filed January 3, 2023, consists of 3,146,377 shares of common stock held by Biotechnology Value Fund, L.P. ("BVF"), 2,370,712 shares of common stock held by Biotechnology Value Fund II, L.P. ("BVF2"), 267,526 shares of common stock held by Biotechnology Value Trading Fund OS LP ("Trading Fund OS"), and 85,385 shares of common stock held in a certain BVF Partners L.P. managed account, each as of December 22, 2022. BVF Partners L.P., as the investment manager of BVF, BVF2 and Trading Fund OS, and the sole member of BVF Partners OS Ltd., the general partner of Trading Fund OS, may be deemed to beneficially own the 5,870,000 shares of common stock as of December 22, 2022. The address for this entity is 44 Montgomery Street, 40th Floor, San Francisco, CA 941014.

(4) Based on a Schedule 13G/A filed February 14, 2024, consists of 5,790,230 shares of common stock held as of December 31, 2023 by certain private investment vehicles and/or sub-advised accounts managed by Redmile Group, LLC ("Redmile") and may be deemed beneficially owned by Redmile as investment manager of such private investment vehicles and/or sub-advised accounts, and by Jeremy C. Green as the principal of Redmile. The address for this entity and individual is One Letterman Drive Building D, Suite D3-300, San Francisco, CA 94129 and c/o Redmile Group LLC, 45 W. 27th Street, Floor 11, New York, NY 10001, respectively.

(5) Based on a Schedule 13G/A filed February 9, 2024, consists of 4,842,464 shares of common stock held by Morgan Stanley as of December 31, 2023. The address for this entity is 1585 Broadway, New York, NY, 10036.

(6) Based on a Schedule 13G filed January 29, 2024, consists of 3,923,328 shares of common stock held by BlackRock, Inc., as of December 31, 2023. The address for this entity is 50 Hudson Yards, New York, NY 10001.

(7) Consists of 6,503 shares of common stock and 92,369 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(8) Consists of 12,500 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(9) Consists of 4,111 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(10) Consists of 7,500 shares of common stock and 73,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(11) Consists of 8,222 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(12) Consists of 23,762 shares of common stock and 348,437 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(13) Consists of 17,032 shares held personally and 700 shares held by S. Jennifer Heine, and 663,868 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(14) Consists of 73,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(15) Consists of 16,666 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(16) Consists of 7,367 shares of common stock and 111,719 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(17) Consists of 34,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024. Dr. Neu was an employee of Baker Bros. Advisors LP until January 2021. Pursuant to the terms of Dr. Neu's employment by Baker Brothers Advisors LP, options granted to him in 2020 were, and will continue to be, beneficially owned by Baker Bros. Advisors LP.

(18) Consists of 84,425 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(19) Although Mr. Klompas was one of our named executive officers in 2023, he is no longer with the Company and thus his ownership is not included in the total of shares beneficially owned by the current executive officers and directors as a group. Dr. Smith is not a named executive officer, but he is a current executive officer as a result of his promotion to Executive Vice President and Chief Medical Officer in January 2024. Therefore, Dr. Smith's ownership is reflected in the total shares beneficially owned by the current executive officers and directors as a group.

Item 13. Certain Relationships and Related Transactions and Director Independence

Certain Relationships and Related Transactions

Other than as discussed below and the compensation arrangements discussed under "Executive Compensation—Discussion of Executive Compensation Practices," since January 1, 2022, there have not been any transactions to which we are a party, nor are there any proposed transactions to which we would be a party, with related parties and which we are required to disclose pursuant to the rules of the SEC.

On March 16, 2020, we entered into a registration rights agreement with Baker Brothers Life Sciences, L.P. and 667, L.P., requiring us, upon request delivered by such persons and subject to certain terms and conditions, to register the resale of the shares of our common stock held by them. Dr. Neu, who joined our board of directors in March 2020, served as an employee of Baker Bros. Advisors L.P., which serves as an investment adviser to Baker Brothers Life Sciences, L.P. and 667, L.P., until January 2021.

On January 31, 2022, we announced the closing of our underwritten public offering which consisted of the issuance of 11,035,000 common shares, including the exercise in full of the underwriters' over-allotment option to purchase 1,875,000 additional common shares, and, in lieu of shares, to certain investors, pre-funded warrants to purchase up to 3,340,000 common shares. The common shares were sold at a price to the public of \$8.00 per common share and the pre-funded warrants were sold at a price of \$7.9999 per pre-funded warrant, for aggregate gross proceeds to the Company of \$115.0 million, before deducting underwriting discounts and commissions and estimated offering expenses. Entities affiliated with Armistice Capital, LLC and

Perceptive Advisors LLC purchased 2,285,000 and 1,100,000 common shares, respectively, and Armistice Capital Master Fund Ltd, Baker Brothers Life Sciences, L.P. and 667, L.P. purchased 2,715,000, 577,293 and 47,707 pre-funded warrants, respectively. These entities beneficially owned more than 5% of our common shares prior to or as a result of this offering.

On June 16, 2023, EcoR1 purchased an aggregate of 3,350,000 shares of common stock at \$8.12 per share under our at-the-market sales agreement, dated as of November 9, 2022, with Cantor Fitzgerald & Co. We received gross proceeds of \$27.2 million and net cash proceeds of \$26.2 million, after underwriting commissions and offering expenses. EcoR1 beneficially owned more than 5% of our shares of common stock prior to this purchase.

On December 28, 2023, EcoR1 purchased an aggregate of 5,086,521 pre-funded warrants to purchase 5,086,521 shares of our common stock in a private placement. The per share purchase price for the pre-funded warrants is \$9.8299, for an aggregate purchase price of approximately \$50 million. In connection with the private placement, we entered into a registration rights agreement with EcoR1 requiring us to register the resale of the shares of our common stock issuable upon exercise of the pre-funded warrants. In addition, we agreed that EcoR1 will have the right to nominate one of its partners as a member of our board of directors, subject to specified conditions. On February 22, 2024, our board of directors appointed Mr. Scott Platshon as a member of our board of directors. EcoR1 beneficially owned more than 5% of our shares of common stock prior to this purchase. Under the registration rights agreement, we agreed to file a registration statement covering the resale by EcoR1 of their registrable securities upon the earlier of March 15, 2024 and the first business day following the date that we file this Annual Report on Form 10-K for the fiscal year ended December 31, 2023. We agreed to use commercially reasonable efforts to cause such registration statement or final prospectus, as applicable, to be declared effective as soon as practicable, but no later than the later of April 29, 2024 and the 123rd calendar day following the closing date, and to keep such registration statement effective for a period that will terminate upon the earliest of (i) the date that all registrable securities covered by such registration statement or final prospectus, as applicable, have been sold, (ii) the date that all registrable securities covered by such registration statement or final prospectus, as applicable, may be sold without the requirement for us to be in compliance with the current public information required under Rule 144 as to such registrable securities and without volume or manner-of-sale restrictions and (iii) two (2) years after the date of the securities purchase agreement.

Indebtedness of Directors, Executive Officers and Employees

None of our directors, executive officers, employees, former directors, former executive officers or former employees, and none of their associates, is indebted to us or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by us.

Policy Regarding Related Party Transactions

We have adopted a formal, written policy regarding related person transactions. This written policy regarding related person transactions provides that a related person transaction is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships), in which we are a participant and in which a related person has, had or will have a direct or indirect material interest and in which the aggregate amount involved exceeds \$120,000. For purposes of this policy, a related person means any of our executive officers and directors (including director nominees), in each case at any time since the beginning of our last fiscal year, or holders of more than 5% of any class of our voting securities and any member of the immediate family of, or person sharing the household with, any of the foregoing persons.

Our audit committee has the primary responsibility for reviewing and approving, ratifying or disapproving related person transactions. In determining whether to approve, ratify or disapprove any such transaction, our audit committee will consider, among other factors, (1) whether the transaction is fair to us and on terms no less favorable than terms generally available to unaffiliated third parties under the same or similar circumstances, (2) the extent of the related person's interest in the transaction, (3) whether there are business reasons for us to enter into such transaction, (4) whether the transaction would impair the independence of any of our outside directors and (5) whether the transaction would present an improper conflict of interest for any of our directors or executive officers.

The policy grants standing pre-approval of certain transactions, including (1) certain compensation arrangements for our directors or executive officers, (2) transactions with another company, other than an acquisition by us of that company, at which a related person's only relationship is as a non-executive employee, director or beneficial owner of less than 10% of that company's shares, provided that the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of such company's total annual revenues and the transaction is on terms no less favorable than terms generally available to unaffiliated third parties under the same or similar circumstances, (3) charitable contributions by us to a charitable organization, foundation or university at which a related person's only relationship is as a non-executive employee or director, provided that the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of such organization's total annual receipts, (4) transactions where a related person's interest arises solely from the ownership of our common stock and all holders of our common stock received the same benefit on a pro rata basis and (5) any indemnification or advancement of expenses made pursuant to our organizational documents or any agreement. In addition to our policy, our audit committee charter provides that our audit committee shall review and approve or disapprove any related person transactions.

Interests of Management and Others in Material Transactions

Other than as described elsewhere in this Annual Report on Form 10-K, there are no material interests, direct or indirect, of any of our directors or executive officers, any stockholder that beneficially owns, or controls or directs (directly or indirectly), more than 5% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction since January 1, 2022 that has materially affected or is reasonably expected to materially affect us or our subsidiaries.

Director Independence

Under the Nasdaq listing rules, independent directors must comprise a majority of a listed company's board of directors. In addition, the listing standards of Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the Nasdaq listing rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the additional independence criteria set forth in Rule 10A-3 under the Exchange Act, and the Nasdaq listing rules. Compensation committee members must also satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act.

The board of directors has determined that all directors, except Mr. Galbraith, meet the independence requirements under the Nasdaq listing standards, and qualify as "independent directors" under the Nasdaq listing standards. Mr. Galbraith is not considered independent by virtue of being our Chief Executive Officer. The board of directors also determined that Mr. Campoy, Mr. Cox and Mr. Miller, who comprise our audit committee, and Dr. Mahony, Mr. Renton and Dr. Davidson, who comprise our compensation committee, each satisfy the independence standards for those committees established by applicable SEC rules and the Nasdaq listing standards, and that Mr. Campoy, Mr. Miller, and Dr. Cesano, who comprise our nominating and corporate governance committee, are independent. In making these determinations, the board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining their

independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them, including those described in the section titled “—Certain Relationships and Related Transactions.”

As part of the board of directors' determination that Mr. Miller satisfied the independence requirements under the Nasdaq listing standards and qualifies as an independent director, the board of directors considered the consulting agreement (the "Consulting Agreement") we entered into in May 2022 with Derek J Miller Consulting LLC, a limited liability company owned by Mr. Miller. Pursuant to the Consulting Agreement, Mr. Miller has provided certain consulting services to us, including but not limited to providing advice regarding development of corporate strategy, including corporate messaging, pipeline and technology platform strategies, business development, licensing, investor activities and related matters. In October 2023, we entered into a Termination of Consulting Agreement and Further Amended and Restated Statement of Work #1 with Derek J Miller Consulting LLC, which provides for, among other things, the termination of the Consulting Agreement effective as of November 30, 2023. In total, we have paid Mr. Miller an aggregate of approximately \$36,000 for such consulting services, of which (i) approximately \$22,000 was paid for services rendered prior to Mr. Miller's appointment to the board of directors and (ii) approximately \$14,000 was paid for services rendered after Mr. Miller joined the board of directors.

There are no family relationships among any of our directors, director nominees or executive officers.

Item 14. Principal Accounting Fees and Services

Principal Independent Accountant Fees and Services

KPMG LLP ("KPMG") has served as our independent registered public accounting firm since June 24, 2015.

Aggregate fees billed by our independent auditors, KPMG, for the years ended December 31, 2023 and December 31, 2022, are detailed in the table below:

	2023	2022
	(\$) ⁽⁵⁾	(\$) ⁽⁵⁾
Audit Fees ⁽¹⁾	\$ 775,096	\$ 752,300
Audit Related Fees ⁽²⁾	—	—
Tax Fees ⁽³⁾	507,300	385,600
All Other Fees ⁽⁴⁾	—	—
Total Fees Paid	\$ 1,282,396	\$ 1,137,900

- (1) Fees for audit service on an accrued basis.
- (2) Fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit of the financial statements.
- (3) Fees for professional services rendered for tax compliance, tax advice and tax planning, which include fees of \$126,486 for tax compliance in 2023 (2022: \$160,622).
- (4) All other fees billed by the auditor for products and services not included in the foregoing categories.
- (5) Canadian dollar amounts have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022, the U.S. dollar per Canadian dollar exchange rates used for such conversions were 0.7410 and 0.7685, which were the average annual Bank of Canada exchange rates for 2023 and 2022, respectively.

Pre-approval Policies and Procedures

Our audit committee has established a policy of reviewing, in advance, and either approving or not approving, all audit, audit-related, tax and other non-audit services that our independent registered public accounting firm provides to us. This policy requires that all services received from independent registered public accounting firms be approved in advance by the audit committee or a delegate of the audit committee. The audit committee has delegated pre-approval responsibility to the chair of the audit committee with respect to audit and permissible non-audit services and any associated fees. All services that KPMG provided to us in 2023 and 2022 have been pre-approved by our audit committee.

Our audit committee has determined that the provision of the services as set out above is compatible with the maintaining of KPMG's independence in the conduct of their auditing functions.

PART IV

Item 15. Exhibits, Financial Statement Schedules

- (a)(1) Financial Statements—The financial statements included in Item 8 are filed as part of this Annual Report on Form 10-K.
- (a)(2) Financial Statement Schedules—All schedules have been omitted because they are not applicable or required, or the information required to be set forth therein is included in the consolidated Financial Statements or notes thereto included in Item 8 of this Annual Report on Form 10-K.
- (a)(3) Exhibits—The exhibits required by Item 601 of Regulation S-K are listed in paragraph (b) below.

(b) Exhibits—The exhibits listed on the Exhibit Index below are filed herewith or are incorporated by reference to exhibits previously filed with the SEC.

EXHIBITS INDEX

Exhibit No.	Description
2.1	Restated and Amended Transaction Agreement, dated August 18, 2022, by and among Zymeworks BC Inc., the Company, Zymeworks Calco ULC and Zymeworks ExchangeCo Ltd., (incorporated by reference to Exhibit 2.1 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
2.2	Plan of Arrangement (incorporated by reference to Exhibit 2.2 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
2.3	Exchangeable Share Support Agreement, dated as of October 13, 2022, by and between the Company, Zymeworks CalCo ULC, and Zymeworks ExchangeCo Ltd., (incorporated by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
2.4	Voting and Exchange Trust Agreement, dated as of October 13, 2022, by and between the Company, Zymeworks Calco ULC, Zymeworks ExchangeCo Ltd. and the Share Trustee (incorporated by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on March 15, 2023).
3.3	Certificate of Elimination of Series B Participating Preferred Stock of Zymeworks Inc., (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on June 12, 2023).
4.1	Description of Capital Stock.
4.2	Specimen common stock certificate of the Company (incorporated by reference to Exhibit 4.1 to Amendment No.1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
4.3	Registration Rights Agreement, dated December 23, 2023, by and among the Company and the Purchasers (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on December 26, 2023).
4.4	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on December 26, 2023).
10.1#	Amended and Restated Employment Agreement, dated January 17, 2017, by and between Zymeworks BC Inc. and Neil Klompas (incorporated by reference to Exhibit 10.4 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).
10.2#	Promotion Letter from Zymeworks BC Inc. to Neil Klompas, dated January 5, 2022 (incorporated by reference to Exhibit 10.3 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on January 5, 2022).
10.3#	Separation Agreement and Release by and between Zymeworks BC Inc. and Neil Klompas, dated May 17, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 18, 2023).
10.4†	Collaboration Agreement, effective as of December 23, 2014, by and among Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 10.22 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).

Exhibit No.	Description
10.5†	First Amendment to Collaboration Agreement, effective as of May 29, 2017, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to a Report of Foreign Private Issuer on Form 6-K furnished to the SEC on July 18, 2017 and deemed filed under the Exchange Act).
10.6*	Second Amendment to Collaboration Agreement, effective as of March 31, 2020, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.7*	Third Amendment to Collaboration Agreement, dated June 22, 2020, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 5, 2020).
10.8*	Letter Agreement, effective April 20, 2021, by and between Zymeworks BC Inc. and Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.4 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.9*	Fourth Amendment to Collaboration Agreement, dated August 4, 2021, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021).
10.10†	Collaboration and License Agreement, effective as of December 1, 2015, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 10.23 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).
10.11†	Side Letter Agreement effective as of January 11, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).
10.12*	First Amendment to Collaboration and License Agreement, effective as of April 30, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.4 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.13*	Side Letter Agreement effective as of September 30, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.5 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.14	Side Letter Agreement effective as of February 20, 2020, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.6 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.15*	Fifth Amendment to Collaboration and License Agreement, effective as of March 30, 2020, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.11 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on February 24, 2021).
10.16†	Platform Technology Transfer and License Agreement, effective as of April 21, 2016, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 10.24 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).
10.17*	First Amendment to Platform Technology Transfer and License Agreement between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited, dated May 14, 2019 (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on May 17, 2019).
10.18*	Letter Agreement, effective June 4, 2021, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.7 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.19†	Collaboration and License Agreement, effective as of November 13, 2017, by and between Zymeworks BC Inc. and Janssen Biotech, Inc., (incorporated by reference to Exhibit 99.1 to a Report of Foreign Private Issuer on Form 6-K furnished to the SEC on November 24, 2017 and deemed filed under the Exchange Act).
10.20†	First Amendment to the Collaboration and License Agreement, effective as of January 14, 2019, by and between Zymeworks BC Inc. and Janssen Biotech, Inc. (incorporated by reference to Exhibit 99.3 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).

Exhibit No.	Description
10.21†	License Agreement, effective as of May 14, 2018, by and between Zymeworks BC Inc. and Daiichi Sankyo Company, Limited (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on May 18, 2018).
10.22*	Termination and License Agreement by and between Zymeworks BC Inc. and Daiichi Sankyo Co., Ltd., effective as of February 28, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 8, 2023).
10.23†	License and Collaboration Agreement, effective as of November 26, 2018, by and between Zymeworks BC Inc. and BeiGene Ltd. (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on December 6, 2018).
10.24*	First Amendment to Collaboration Agreement, effective March 29, 2021, by and between Zymeworks BC Inc. and BeiGene, Ltd. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 5, 2021).
10.25*	Second Amendment to License and Collaboration Agreement, dated August 10, 2021, by and between Zymeworks BC Inc. and BeiGene Ltd. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021).
10.26*	Third Amendment License and Collaboration Agreement by and between Zymeworks BC Inc. and BeiGene, Ltd., dated September 18, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2023).
10.27*	Letter Agreement, effective October 7, 2020, by and between Zymeworks BC Inc. and BeiGene, Ltd. (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.28	Termination Agreement by and between Zymeworks BC Inc. and BeiGene, Ltd., dated September 18, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2023).
10.29	Indenture of Lease dated as of January 25, 2019, by and between 5th & Main Partnership and Zymeworks BC Inc. (incorporated by reference to Exhibit 10.29 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).
10.30	Notice and Acknowledgement of Exercise of Expansion Option under Lease, dated as of June 27, 2019, by and between 5th & Main Partnership and Zymeworks BC Inc. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.31	Lease Expansion and Modification Agreement, dated as of April 16, 2020, by and between 5th & Main Partnership and Zymeworks BC Inc. (incorporated by reference to Exhibit 99.3 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.32	Third Lease Modification Agreement, dated February 17, 2021, by and between Zymeworks BC Inc. and 5th & Main Partnership (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 5, 2021).
10.33	Fourth Lease Modification Agreement, dated May 7, 2021, by and between Zymeworks BC Inc. and 5th and Main Partnership (incorporated by reference to Exhibit 99.5 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.34	Lease Amending Agreement, dated April 1, 2022, by and between Zymeworks BC Inc. and 130 E 4th Partnership (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2022).
10.35	Notice of Assignment of Lease, dated January 1, 2022 from 5th & Main Partnership, 2000 Main Holdings Inc. and Mount Pixel Projects Limited Partnership to Zymeworks BC Inc. (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2022).
10.36#	Separation and Release Agreement by and between Zymeworks Biopharmaceuticals Inc. and Neil Josephson, dated March 3, 2023 (incorporated by reference to Exhibit 10.59 to the Company's Annual Report on Form 10-K filed with the SEC on March 7, 2023).
10.37#	Employment Agreement by and between Zymeworks BC Inc. and Kenneth Galbraith, dated January 5, 2022 (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on January 5, 2022).

Exhibit No.	Description
10.38#	Amendment to Employment Agreement, dated as of December 30, 2022, by and among Kenneth Galbraith, Zymeworks BC Inc. and Zymeworks Management Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 30, 2022).
10.39#	Amendment #2 to Employment Agreement, dated as of January 3, 2024, by and among Kenneth Galbraith and Zymeworks BC Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 5, 2024).
10.40#	Amended and Restated Employment Agreement by and between Zymeworks BC Inc. and Christopher Astle, dated February 24, 2022 (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on February 25, 2022).
10.41#	Amendment to Amended and Restated Employment Agreement by and between Christopher Astle and Zymeworks BC Inc., dated November 17, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 18, 2022).
10.42 #	Employment Agreement by and between Zymeworks Pharmaceuticals Limited and Jeffrey Smith, dated January 3, 2023.
10.43 #	Letter, dated January 5, 2024, from Zymeworks Inc. to Jeffrey Smith.
10.44#	Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.64 to the Company's Annual Report on Form 10-K filed with the SEC on March 7, 2023).
10.45#	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.73 to the Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.46#	Amended and Restated Employment Agreement by and between Zymeworks BC Inc., the Company and Paul Moore, dated July 14, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2023).
10.47	Notice of Articles of ExchangeCo (incorporated by reference to Exhibit 10.79 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.48	Articles of ExchangeCo (incorporated by reference to Exhibit 10.80 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.49#	Inducement Stock Option and Equity Compensation Plan of the Company (and forms of agreements thereunder).
10.50#	Amended and Restated Stock Option and Equity Compensation Plan of the Company (and forms of agreements thereunder) and UK Sub-Plan to the Amended and Restated Stock Option and Equity Compensation Plan of the Company (and forms of agreements thereunder).
10.51#	Second Amended and Restated Employee Stock Option Plan of the Company (and forms of agreements thereunder) (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
10.52#	Amended and Restated Employee Stock Purchase Plan of the Company (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
10.53	Sales Agreement, dated November 9, 2022, by and between the Company and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on November 9, 2022).
10.54*	Amended and Restated License and Collaboration Agreement, dated May 15, 2023, by and between Zymeworks BC Inc. and Jazz Pharmaceuticals Ireland Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2023).
10.55*, +	Stock and Asset Purchase Agreement, dated April 25, 2023, by and between Zymeworks BC Inc., Zymeworks Biopharmaceuticals Inc., Zymeworks Zanidatamab Inc., and Jazz Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2023).
10.56*, +	Amendment No. 1 to Stock and Asset Purchase Agreement, dated May 15, 2023, by and between Zymeworks BC Inc., Zymeworks Biopharmaceuticals Inc., Zymeworks Zanidatamab Inc., and Jazz Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2023).

Exhibit No.	Description
10.57	Securities Purchase Agreement, dated December 23, 2023, by and among the Company and the Purchasers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 26, 2023).
21.1	Subsidiaries of the Company.
23.1	Consent of KPMG LLP, an Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Compensation Recovery Policy.
101	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as at December 31, 2023 and 2022, (ii) Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the years ended December 31, 2023, 2022 and 2021, (iii) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2023, 2022 and 2021, (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021 and (v) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

† The Company has omitted portions of the referenced exhibit pursuant to a request for confidential treatment under Rule 24b-2 promulgated under the Exchange Act.

* Certain portions of this exhibit (indicated by "[...***...]") have been omitted in accordance with Item 601(b)(10) of Regulation S-K because the omitted information is not material and the Company customarily and actually treats such omitted information as private or confidential.

Indicates management contract or compensatory plan.

+ Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K, but a copy will be furnished supplementally to the SEC upon request.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 6, 2024

ZYMEWORKS INC.

By: /s/ Kenneth Galbraith

Name: Kenneth Galbraith

Title: Chair of the Board of Directors and Chief Executive Officer (Principal Executive Officer)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Kenneth Galbraith, and Christopher Astle, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with Exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Kenneth Galbraith	Chair of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)	March 6, 2024
Kenneth Galbraith		
/s/ Christopher Astle	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 6, 2024
Christopher Astle		
/s/ Troy M. Cox	Director	March 6, 2024
Troy M. Cox		
/s/ Alessandra Cesano	Director	March 6, 2024
Alessandra Cesano		
/s/ Susan Mahony	Director	March 6, 2024
Susan Mahony		
/s/ Kelvin Neu	Director	March 6, 2024
Kelvin Neu		
/s/ Hollings C. Renton	Director	March 6, 2024
Hollings C. Renton		
/s/ Carlos Campoy	Director	March 6, 2024
Carlos Campoy		
/s/ Derek Miller	Director	March 6, 2024
Derek Miller		
/s/ Nancy Davidson	Director	March 6, 2024
Nancy Davidson		
/s/ Scott Platshon	Director	March 6, 2024
Scott Platshon		

186

Exhibit 4.1

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the material terms of the capital stock of Zymeworks Inc., a Delaware corporation (the "Company"). This summary does not purport to be complete and is subject to, and qualified in its entirety by express reference to, the provisions of the Company's amended and restated certificate of incorporation (the "Certificate of Incorporation"), the Company's amended and restated bylaws (the "Bylaws"), and the Company's Certificate of Designations of Special Voting Preferred Stock (the "Special Voting Certificate of Designations"), each of which is included as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2023, and each of which may be amended from time to time, and the laws of the state of Delaware. You are encouraged to read the Company's Certificate of Incorporation, Bylaws, and Bylaws Provisions

Provisions Special Voting Certificate of Designations, and the applicable provisions of the Certificate of Incorporation and Bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control General Corporation Law of the Board or management. Among other things, the Certificate State of Incorporation and Bylaws: Delaware (the "DGCL"), for additional information.

-8-

The Company's authorized capital stock consists of 1,000,000,000 shares of capital stock, \$0.00001 par value per share, of which:

- permit the Board 900,000,000 shares are designated as "Common Stock"; and
- 100,000,000 shares are designated as preferred stock, of which one share is designated as "Special Voting Preferred Stock".

As of March 4, 2024, there are 70,568,222 shares of Common Stock outstanding, held by approximately 82 stockholders of record, and there is one share of Special Voting Preferred Stock outstanding, held by one stockholder of record.

Common Stock

Dividend Rights

Subject to issue preferences that may apply to any shares of preferred stock with any powers, rights, preferences and privileges as they may designate:

- provide that outstanding at the authorized number time, the holders of Common Stock are entitled to receive dividends out of funds legally available if the board of directors may be changed only by resolution of the Board; provided Company (the "Board"), in its discretion, determines to issue dividends and then only at the times and in the amounts that the size of the Board may be increased by no more than 1/3 determine.

No Preemptive or Similar Rights

The Company's Common Stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Voting Rights

Holders of Common Stock are entitled to one vote for each share held as of the number of directors in office at the conclusion applicable record date on all matters submitted to a vote of the most recent annual meeting Company stockholders.

The Company stockholders do not have the ability to cumulate votes for the election of stockholders prior to directors. As a result, the next annual meeting of stockholders:

- provide that all vacancies and newly created directorships, may, except as otherwise required by law, the Company's governing documents or resolution of the Board, and subject to the rights of holders of the Company's preferred stock, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum, or by a sole remaining director;
- provide that members of the Board will serve one of three staggered three-year terms;
- subject to the rights of holders of preferred stock, provide that a director may only be removed from the Board by the stockholders with the affirmative vote of at least 66 2/3% plurality of the voting power of the shares cast on such proposal;
- require that any action to be taken present in person or represented by proxy at the Company's stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also meet specific requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a plurality of the shares of Common Stock entitled to vote in any on the election of directors to can elect all of the directors standing for election, if they should so choose);
- provide that special meetings choose. With respect to matters other than the election of the Company's stockholders may be called only by the Board, the chairperson of the Board, the Company's chief executive officer or president or the secretary directors, at any meeting of the Company upon request from stockholders at which a quorum is present or represented, the affirmative vote of a majority of the voting power of the shares cast for or against a proposal shall be the act of the stockholders and broker non-votes and abstentions will be considered for purposes of establishing a quorum, but will not be considered as votes cast for or against a proposal, except as otherwise provided by law, the Company's governing documents or the rules of the stock exchange on which the Company's securities are listed. The holders of no less than 20% of the Company's outstanding voting stock, subject to the limitations and requirements set forth in the Bylaws; and
- provide that stockholders are permitted to amend certain provisions of the Certificate of Incorporation and Bylaws only upon receiving at least 66 2/3 33 1/3% of the voting power of the then capital stock issued and outstanding voting securities, voting together and entitled to vote as of the applicable record date, present in person or represented by proxy, shall constitute a single class.

Exclusive Forum quorum for the transaction of business at all meetings of the stockholders.

The Certificate of Incorporation and the Bylaws provide that unless the Company consents in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on the Company's behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any members of the Company's Board will be elected to one of three staggered three-year terms. Only the directors stockholders, officers or other employees to the Company or serving one term will be elected at each annual meeting of its stockholders, (3) any action arising pursuant to any provision of the DGCL or the Certificate of Incorporation or Bylaws or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware), except for, as to each of (1) through (4) above, any claim as to which such court determines that there is an

indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction. The Bylaws also provide that, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States is the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act against any person in connection with any offering of the Company's securities (including without limitation and for the avoidance of doubt, any underwriter, auditor, expert, control person or other defendant). Any person or entity purchasing or otherwise acquiring any interest in any of the Company's

-9-

securities shall stockholders, with the directors serving under the remaining two terms continuing for the remainder of their respective three-year terms.

Liquidation Rights

If the Company becomes subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to the Company's stockholders would be deemed distributable ratably among the holders of Common Stock and any participating preferred stock outstanding at that time, subject to have notice prior satisfaction of all outstanding debt and liabilities and the preferential rights of and consented to the foregoing bylaw provisions. This provision would not apply to payment of liquidation preferences, if any, action brought to enforce a duty or liability created by the U.S. Exchange Act on any outstanding shares of preferred stock.

Fully Paid and the rules and regulations thereunder. The Company's stockholders will not be deemed to have waived the Company's compliance with the federal securities laws and the rules and regulations thereunder as a result of the Company's exclusive forum provisions. Nonassessable

Transfer Agent and Registrar

The transfer agent and registrar for the All outstanding shares of Common Stock are fully paid and non-assessable.

Preferred Stock

The Board has the authority, subject to limitations prescribed by Delaware law, to issue shares of authorized but unissued preferred stock in one or more series, and to fix the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, in each case without further vote or action by the Company's stockholders. These powers, rights, preferences and rights could include dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price(s) and liquidation preferences, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of the Common Stock. The issuance of preferred stock could adversely affect the voting power of holders of Common Stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control or other corporate action. Except for the single share of Special Voting Preferred Stock described below, there are no outstanding shares of preferred stock.

Special Voting Preferred Stock

On October 13, 2022, the Company (formerly known as Zymeworks Delaware Inc.) became the ultimate parent company of Zymeworks Inc., a corporation existing under the laws of the Province of British Columbia and renamed as Zymeworks BC Inc. ("Zymeworks Canada"), pursuant to a statutory plan of arrangement under the Business Corporations Act (British Columbia) as part of a series of transactions, including the corporate redomicile of Zymeworks Canada (the "Redomicile Transactions"). Pursuant to the Redomicile Transactions, certain eligible shareholders of Zymeworks Canada, at their election, were issued exchangeable shares (the "Exchangeable Shares") in the capital of Zymeworks ExchangeCo Ltd., a company existing under the laws of the Province of British Columbia and an indirect wholly owned subsidiary of the Company ("ExchangeCo"), on a one-for-one basis in exchange for some or all of their common shares of Zymeworks Canada, together with certain contractual rights attached to such Exchangeable Shares. The Company has agreed to issue shares of Common Stock as consideration when, among other things, the holder of Exchangeable Shares is Computershare. The transfer agent calls for its Exchangeable Shares to be retracted in accordance with their terms.

On October 13, 2022, one share of Special Voting Preferred Stock was issued to Computershare Trust Company of Canada (the "Share Trustee"), as trustee for and registrar's address is 150 Royall Street, Canton, Massachusetts 02021.

Listing

The Company's Common Stock is listed on The Nasdaq Stock Market LLC under the symbol "ZYME".

Indemnification of Directors and Officers

The Certificate of Incorporation contains provisions that limit the liability of the Company's directors and officers for monetary damages to the fullest extent permitted by the DGCL. In addition, if the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of the Company's directors will be further limited to the greatest extent permitted by the DGCL.

The Bylaws provide that the Company will indemnify its directors and officers, and may indemnify its employees, agents and any other persons, to the fullest extent permitted by the DGCL. The Bylaws also provide that it must advance expenses incurred by or on behalf of a director or officer in advance the holders of the final disposition of any action or

proceeding, subject to limited exceptions.

Further, Exchangeable Shares (other than the Company and any affiliated entities of the Company). The holder of the Special Voting Preferred Stock will vote together with the holders of the Common Stock, as a single class (except as otherwise required under applicable law), with respect to all meetings of stockholders of the Company at which the holders of the Common Stock are entitled to vote. The Special Voting Preferred Stock entitles the holder of record to that number of votes equal to the number of Exchangeable Shares outstanding at such time (other than those owned by the Company or any affiliated entity of the Company) multiplied by the Exchangeable Share Exchange Ratio (which ratio is initially one), and in respect of each beneficial owner of the Special Voting Preferred Stock, rounded down to the nearest whole vote (and for which the Share Trustee has entered into received voting instructions from such holders of Exchangeable Shares in accordance with the Voting and Exchange Trust Agreement, dated October 13, 2022, among the Company, Zymeworks ExchangeCo Ltd., Zymeworks CallCo ULC and the Share Trustee).

The holder of the Special Voting Preferred Stock is not entitled to receive any dividends declared and paid by the Company and, upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, shall rank senior to the Common Stock, and junior to all other or series of preferred stock of the Company, and is entitled to receive, prior to the holders of the Common Stock, an amount equal to US\$1.00.

At such time as the share of Special Voting Preferred Stock has no votes attached to it, the Special Voting Preferred Stock shall be automatically cancelled for no consideration.

Options and Restricted Stock Units

As of March 4, 2024, the Company had outstanding options to purchase an aggregate of:

- 7,656,552 shares of Common Stock, at a weighted average exercise price of \$12.56 USD per share; and
- 1,393,015 shares of Common Stock, at a weighted average exercise price of \$20.10 CAD per share.

As of March 4, 2024, the Company had 1,464,368 outstanding restricted stock units.

Pre-Funded Warrants

As of March 4, 2024, the Company had 5,086,521 outstanding pre-funded warrants to purchase up to 5,086,521 shares of Common Stock.

Exercisability

The pre-funded warrants are exercisable at any time after their original issuance. The pre-funded warrants will enter into indemnification agreements with be exercisable, at the option of each holder, in whole or in part by delivering to the Company a duly executed exercise notice and by payment in full in immediately available funds for the number of shares of Common Stock purchased upon such exercise. As an alternative to payment in immediately available funds, the holder may, in its directors and executive officers that may be broader than sole discretion, elect to exercise the specific indemnification provisions contained warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of Common Stock determined according to the formula set forth in the DGCL. These indemnification agreements require the Company, among other things, to indemnify its directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require the Company to advance all expenses reasonably and actually incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. The Company believes that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The Company also expects to obtain and maintain insurance policies under which its directors and officers are insured, within the limits and subject to the limitations of those policies, against certain expenses pre-funded warrant. No fractional Common Stock will be issued in connection with the defense exercise of and certain liabilities which might be imposed as a result pre-funded warrant. In lieu of actions, suits, or proceedings to which they are parties by reason of being or having been the Company's directors or officers. The coverage provided by these policies may apply whether or not the Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") is made by and between Neil Josephson ("Employee") and Zymeworks Biopharmaceuticals Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party").

WHEREAS, Employee was employed at-will by the Company pursuant to that certain April 29, 2019 Employment Agreement between Employee and the Company (the "Employment Agreement");

WHEREAS, Employee separated from employment with the Company effective January 3rd, 2023 (the "Separation Date"); and

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

COVENANTS

1. **Consideration.** In consideration of Employee's execution of this Agreement and Employee's fulfillment of all of its terms and conditions, and provided that Employee does not revoke the Agreement under Section 6 below, the Company agrees as follows:

a. **Salary Continuation.** For the twelve (12) month period immediately following the Separation Date (the "Severance Period"), fractional shares, the Company will pay Employee the equivalent of Employee's base salary in effect as of the Separation Date (i.e., US\$40,000 per month), which will be paid, less applicable withholdings, on each of the Company's regular payroll dates during the Severance Period, subject to the payment timing provisions in Section 9 below.

b. **COBRA Reimbursement.** The Company shall directly pay the premiums, or shall reimburse Employee for the payments Employee makes, for COBRA coverage for a period of up to the first twelve (12) full calendar months that occur after the Separation Date, or until Employee has secured health insurance coverage through another employer, whichever occurs first, provided Employee timely elects and pays for continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), within the time period prescribed pursuant to COBRA. COBRA reimbursements shall be made by the Company to Employee consistent with the Company's normal expense reimbursement policy, provided that Employee submits documentation to the Company substantiating Employee's payments for COBRA coverage. Notwithstanding the preceding, if the Company determines in its sole discretion that it cannot provide COBRA direct pay or reimbursement benefits without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will instead provide the Employee a taxable payment in holder an amount in cash equal to the monthly COBRA premium that fractional amount multiplied by the Employee would be required to pay to continue fair market value of any fractional shares.

Exercise Limitations

Under the Employee's group health coverage in effect on the date of termination of employment (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether the Employee elects COBRA continuation coverage and will commence in the month following the month terms of the Separation Date pre-funded warrants, the Company may not effect the exercise of any pre-funded warrant, and continue for the period of months indicated in this paragraph.

c. **General.** Employee acknowledges that without this Agreement, Employee is otherwise a holder will not entitled to the consideration listed in this Section 1. Employee acknowledges that the consideration listed in this Section 1 constitutes the severance payments and benefits described in Section 4.2 of the Employment Agreement, and that Employee shall be entitled to no further severance payments and benefits, whether under exercise any portion of any pre-funded warrant, which, upon giving effect to such exercise, would cause (a) the Employment Agreement or otherwise.

2. **Offices and Positions.** Employee acknowledges and agrees that, effective as aggregate number of shares of Common Stock beneficially owned by the holder (together with its affiliates) to exceed 19.99% of the Separation Date, Employee is deemed number of shares of Common Stock outstanding immediately after giving effect to no longer hold any positions and offices as an employee and officer the exercise, or (b) the combined voting power of the Company and securities beneficially owned by the holder (together with its affiliates. Employee also agrees affiliates) to execute any necessary documents or other forms necessary to effectuate or document exceed 19.99% of the foregoing as a matter of local, state, federal, or international law.

3. **Release of Claims.** Employee agrees that the foregoing consideration represents settlement in full combined voting power of all outstanding obligations owed to Employee by of the Company each securities then outstanding immediately after giving effect to the exercise, as such percentage to any ownership is determined in accordance with the terms of the pre-funded warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 19.99% upon at least 61 days' prior notice from the holder to the Company.

Exercise Price

The exercise price per whole share of Common Stock purchasable upon the exercise of the pre-funded warrants is \$0.0001 per warrant share. The exercise price of the pre-funded warrants is subject to appropriate adjustment in the event of certain share dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's Common Stock.

Exchangeable Shares

Pursuant to the Redomicile Transactions, certain former shareholders of Zymeworks Canada were issued Exchangeable Shares in the capital of ExchangeCo., an indirect wholly owned subsidiary of the Company, together with certain contractual rights attached to the Exchangeable Shares. The Company has agreed to issue shares of Common Stock as consideration when, among other things, the holder of Exchangeable Shares calls for its parent Exchangeable Shares to be retracted in accordance with their terms.

As of March 4, 2024, there were 646,423 Exchangeable Shares held by shareholders and subsidiary exchangeable on a one-to-one basis, subject to adjustment, for up to 646,423 shares of Common Stock.

corporations,

Anti-Takeover Effects of Certain Provisions of Delaware Law, the Certificate of Incorporation and its and their respective current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, predecessor and successor corporations and assigns, each in their capacities as such (collectively, the "Releasees"). Employee, on Employee's own behalf and on behalf Bylaws

Delaware Law

The Company will be governed by the provisions of Employee's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any Section 203 of the Releasees arising DGCL. Section 203 generally prohibits a publicly held Delaware corporation from engaging in a "business combination" with any omissions, acts, facts, or damages that have occurred up until and including "interested stockholder" for a period of three years after the date Employee signs this Agreement, including, without limitation: of the transaction in which the person became an interested stockholder, unless:

a. any and all claims relating to the business combination or transaction which resulted in the stockholder becoming an interested stockholder was approved by the Board prior to or arising from Employee's employment relationship with the Company and time that the termination stockholder became an interested stockholder;

• upon consummation of that relationship;

b. any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of shares of the voting stock of the Company, including, without limitation, corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

• on or subsequent to the date of the transaction, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a business combination to include:

• mergers or consolidations involving the corporation, or any claims for fraud, misrepresentation, breach direct or indirect majority-owned subsidiary of fiduciary duty, breach the corporation, and the interested stockholder or any other entity if the merger or consolidation is caused by the interested stockholder;

• any sale, transfer, pledge or other disposition involving the interested stockholder of duty under applicable state corporate law, and securities fraud under 10% or more of the assets of the corporation or any state direct or federal law; indirect majority-owned subsidiary of the corporation;

c. subject to exceptions, any and all claims under transaction that results in the law issuance or transfer by the corporation, or any direct or indirect majority-owned subsidiary of the corporation, of any jurisdiction, including, but not limited stock of the corporation or such subsidiary to wrongful discharge the interested stockholder;

• any transaction involving the corporation, or any direct or indirect majority-owned subsidiary of employment; constructive discharge from employment; termination in violation the corporation, that has the effect of public policy; discrimination; harassment; retaliation; breach increasing the proportionate share of contract, both express the stock or any class or series of the corporation or such subsidiary beneficially owned by the interested stockholder; and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with

contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

- d. any and all claims for violation of the receipt by the interested stockholder of the benefit of any federal, state, loans, advances, guarantees, pledges or municipal statute, including, but not limited other financial benefits provided by or through the corporation.

In general, Section 203 of the DGCL defines an "interested stockholder" as an entity or person who, together with such person's affiliates and associates, beneficially owns, or is an affiliate or associate of the corporation and within three years prior to the following, each as may be amended, and except as prohibited by law: Title VII time of determination of interested stockholder status did own, 15% or more of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Uniformed Services Employment and Reemployment Rights Act; the Immigration Reform and Control Act; the National Labor Relations Act; the Washington Law Against Discrimination (RCW ch. 49.60); other Washington sex and age discrimination laws (e.g., RCW 49.12.200, 49.44.090); Washington laws regarding prohibited employment practices (RCW ch. 49.44); the Washington Equal Pay Opportunity Act (RCW ch. 49.58); Washington whistleblower protection laws (e.g., RCW 49.60.210, 49.12.005, and 49.12.130); the Washington Family Care Act (RCW 49.12.265 to 49.12.295); the Washington Family Leave Act (RCW ch. 49.78); the Washington Military Family Leave Act (RCW ch. 49.77); the Washington Paid Family and Medical Leave Act (RCW ch. 50A.04); the Washington Minimum Wage Act (RCW ch. 49.46); the Washington law regarding non-competition agreements (RCW ch. 49.62); Washington wage, hour, and working conditions laws, and all other provisions outstanding voting stock of the Washington Industrial Welfare Act (RCW ch. 49.12); corporation. These provisions may have the Washington Wage Payment Act (RCW ch. 49.48); and the Washington Wage Rebate Act (RCW ch. 49.52);

- e. any and all claims for violation effect of delaying, deferring or preventing changes in control of the federal or any state constitution;

- f. any and all claims arising out of any other laws and regulations relating Company, even though such a transaction may offer its stockholders the opportunity to employment or employment discrimination;

- g. any claim for any loss, cost, damage, or expense arising out of any dispute over sell their stock at a price above the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and h. any and all claims for attorneys' fees and costs, prevailing market price.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release claims that cannot be released as a matter of law, including any Protected Activity (as defined below). Any and all disputed wage claims that are released herein shall be subject to binding arbitration in accordance with Article 9 of the Employment Agreement, except as required by applicable law. This release does not extend to any right Employee may have to unemployment compensation benefits or workers' compensation benefits.

4. **Acknowledgment of Waiver of Claims under ADEA.** Employee understands and acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date Employee signs this Agreement. Employee understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further understands and acknowledges that Employee has been advised by this writing that: (a) Employee should consult with an attorney prior to executing this Agreement; (b) Employee has twenty-one (21) days within which to consider this Agreement; (c) Employee has seven (7) days following Employee's execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges that Employee has knowingly and voluntarily chosen to waive the time period allotted for considering this Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company's behalf that is received prior to the Effective Date.

5. **Unknown Claims.** Employee acknowledges that Employee has been advised to consult with legal counsel and that Employee is familiar with the principle that a general release does not extend to claims that the releaser does not know or suspect to exist in Employee's favor at the time of executing the release, which, if known by Employee, must have materially affected Employee's settlement with the Releasees. Employee, being aware of said principle, agrees to expressly waive any rights Employee may have to that effect, as well as under any other statute or common law principles of similar effect.

6. **Authority.** The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

7. **Protected Activity Not Prohibited.** Employee understands that nothing in this Agreement shall in any way limit or prohibit Employee from engaging in any Protected Activity. For purposes of this Agreement, "Protected Activity" shall mean (i) disclosing or discussing conduct, or the existence (but not the amount) of a settlement involving conduct, that Employee reasonably believes under Washington state, federal, or common law to be illegal discrimination, illegal harassment, illegal retaliation, a wage and hour violation, or sexual assault, or that is recognized as against a clear mandate of public policy (any of the foregoing, "Permitted Disclosures"); and/or (ii) filing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"). Employee understands that in connection with such Protected Activity, Employee is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, Employee agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any Company confidential information to any parties other than the Government Agencies, unless such information relates solely to the subject matter of Permitted Disclosures.

3

in which case its permissible disclosure is not limited to the Government Agencies. Employee further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications or attorney work product. Any language in the Confidentiality Agreement regarding Employee's right to engage in Protected Activity that conflicts with, or is contrary to, this paragraph is superseded by this Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, Employee is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Finally, nothing in this Agreement constitutes a waiver of any rights Employee may have under the Sarbanes-Oxley Act or Section 7 of the National Labor Relations Act.

8. **No Representations.** Employee represents that Employee has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

9. **Section 409A.**

a. It is intended that this Agreement comply with, or be exempt from, Code Section 409A and the final regulations and official guidance thereunder ("Section 409A") and any ambiguities herein will be interpreted to so comply and/or be exempt from Section 409A. Each payment and benefit to be paid or provided under this Agreement is intended to constitute a series of separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company and Employee will work together in good faith to consider either (i) amendments to this Agreement; or (ii) revisions to this Agreement with respect to the payment of any awards, which are necessary or appropriate to avoid imposition of any additional tax or income recognition prior to the actual payment to Employee under Section 409A. In no event will the Releasees have any liability or obligation to reimburse, indemnify or hold harmless Employee for any taxes or costs that may be imposed on or incurred by Employee as a result of Section 409A. The Parties acknowledge and agree that Employee has experienced a "separation from service" within the meaning of Section 409A on the Separation Date.

b. It is intended that none of the payments under this Agreement will constitute deferred compensation under Section 409A, but rather will be exempt from Section 409A as a payment that would fall within the "short-term deferral period" as described in Section 409A or as separation pay resulting from an involuntary separation from service as described in Section 409A. No portion of the severance payments and benefits due to Employee will be paid or provided prior to the date this Agreement becomes effective. Except as required by subsection (c) below, any installment payments that would have been made to Employee during the period immediately following the Separation Date through the effective date of this Agreement but for the preceding sentence will be paid to Employee on the Company's first regular payroll date that occurs after the effective date of this Agreement or, if later, the Company's first regular payroll date that occurs in calendar year 2023, and the remaining payments shall be made as provided in Section 1. In no event will Employee have discretion to determine the taxable year of payment for any payments in Section 1.

c. Notwithstanding anything to the contrary in this Agreement, if Employee is a "specified employee" within the meaning of Section 409A as of the Separation Date, then any severance payments or benefits under this Agreement and any other severance payments or separation benefits to be paid or provided to Employee, that in each case, when considered together, that would be considered deferred compensation under Section 409A ("Deferred Payments") that are payable within the first six (6) months following the Separation Date will become payable on the first date on or after the date six (6) months and one (1) day following the Separation Date. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit.

10. **Severability.** In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or

4

arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

11. **Entire Agreement.** This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, with the exception of (a) as provided in Section 4.7 of the Employment Agreement, and (b) the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan and the related restricted stock unit award agreements and stock option award agreements regarding awards to Employee.

12. **No Oral Modification.** This Agreement may only be amended in a writing signed by Employee and the Company's Chief Executive Officer.

13. **Governing Law.** This Agreement shall be governed by the laws of the State of Washington, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of Washington.

14. **Effective Date.** This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it has been signed by the Parties and has not been revoked by Employee before that date (the "Effective Date").

15. **Counterparts.** This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

[The remainder of this page is intentionally left blank; signature page follows]

5

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

NEIL JOSEPHSON, an individual

Dated: March 3, 2023/s/ Neil Josephson

Neil Josephson

ZYMEWORKS BIOPHARMACEUTICALS INC.

Dated: March 3, 2023 By: /s/ Kenneth Galbraith

Kenneth Galbraith

Mr. Galbraith is 61 years old and has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022. Mr. Galbraith was a Managing Director at Five Corners Capital, Inc., which he founded in 2013, from February 2021 until January 2022. He served as Executive in Residence at Syncona Limited from April 2021 until January 2022, and has served as an advisor to Syncona since May 2023. He served as Chief Executive Officer of Liminal BioSciences Inc. (formerly Prometic Life Sciences Inc.), a publicly held company, from April 2019 to November 2020, continuing as an advisor to that company from November 2020 to February 2021. He also served as Chief Executive Officer of Fairhaven Pharmaceuticals Inc. from June 2017 to April 2019. Mr. Galbraith has served as a director of several publicly held companies, including MacroGenics, Inc. from July 2008 until January 2022, Profound Medical Corp. from January 2017 to May 2023, and Celator Pharmaceuticals, Inc. from July 2008 to October 2013. He has also served as a director of several privately held companies. Previously, he joined Ventures West Capital in 2007 and founded Five Corners Capital Inc. in 2013 to manage the continued operations of the Ventures West Investment Funds. Mr. Galbraith has over 35 years of experience serving as an executive, director, investor and adviser to companies in the biotechnology, medical device, pharmaceutical and healthcare sectors. Mr. Galbraith received his B.Comm. from the University of British Columbia.

Based on Mr. Galbraith's depth of experience in the biotechnology industry, ranging from executive officer to director roles, the board of directors believes Mr. Galbraith has the appropriate set of skills to serve as a member of our board of directors.

Carlos Campoy

Mr. Campoy is 59 years old and has served as a member of our board of directors since June 2023. Mr. Campoy served as Chief Financial Officer of CytomX Therapeutics, Inc. from March 2020 through September 2022. Prior to CytomX Therapeutics, Mr. Campoy served as the Chief Financial Officer of Alder BioPharmaceuticals, Inc., a public biopharmaceutical company acquired in October 2019 by Lundbeck A/S, from December 2018 to November 2019. During his time at Alder BioPharmaceuticals, Mr. Campoy led the finance organization and readied the company for commercial launch of its lead program, eptinezumab. Prior to Alder BioPharmaceuticals, Mr. Campoy was a partner at Think Forwards, a boutique financial consulting firm, from September 2017 to December 2018. Prior to his position at Think Forwards, Mr. Campoy held the role of vice president of finance at Allergan plc from July 2014 to November 2016. Prior to joining Allergan, Mr. Campoy held senior financial leadership positions at Eli Lilly and Company from 1996 to 2014, including chief financial officer of Eli Lilly Japan K.K. Mr. Campoy holds a Certified Management Accountant (CMA) designation. Mr. Campoy received his M.B.A. in Finance and Decision Information Systems from Indiana University and his B.S. in Management from Faculdade de Ciências Contábeis e de Administração de Empresas de Tupã (FACCAT), in São Paulo, Brazil.

The board of directors believes that Mr. Campoy is qualified to serve on our board of directors because of his extensive strategic and financial leadership experience in the pharmaceutical and biotechnology sectors.

Alessandra Cesano

Dr. Cesano is 63 years old and has served as a member of our board of directors since February 2024. Dr. Cesano has served as the Chief Medical Officer of ESSA Pharma Inc., a pharmaceutical company developing therapies for the treatment of prostate cancer, since July 2019. Previously, Dr. Cesano was the Chief Medical Officer of NanoString Technologies, Inc., a biotechnology company that develops translational research tools, from July 2015 to July 2019, where she focused on development of translational and diagnostic multi-plexed assays for the characterization and measurement of mechanisms of immune response and resistance. Prior to NanoString, Dr. Cesano was Chief Medical Officer at Cleave Biosciences, Inc., a biopharmaceutical company focusing on protein therapies for the treatment of cancer and neurodegenerative diseases, and before that she served as Chief Medical Officer and Chief Operations Officer at Nodality, Inc., where she built and led the Research & Development group, while providing the overall clinical vision for the organization. Dr. Cesano has also held various management positions at Amgen Inc., Biogen Inc. (formerly Biogen Idec) and SmithKline Beecham Pharmaceuticals, where she helped to advance various oncology drugs through late-stage development and FDA approvals. She currently serves as associate editor for the Biomarker section of the Journal for ImmunoTherapy of Cancer and co-chair of the Society for Immunotherapy of Cancer (SITC) regulatory committee. She has been an author on more than 140 publications. Dr. Cesano has served as a director at Puma Biotechnology, Inc. since July 2022 and as a director of Summit Therapeutics Inc. since November 2022. Dr. Cesano received an M.D. summa cum laude, a board certification in oncology and a Ph.D. in Tumor Immunology from the University of Turin, Italy.

The board of directors believes that Dr. Cesano is qualified to serve on our board of directors because of her extensive experience in biotechnology research and development and oncology.

Troy M. Cox

Mr. Cox is 59 years old and has served as a member of our board of directors since June 2019. Mr. Cox served as Chief Executive Officer of Foundation Medicine, Inc. from February 2017 through February 2019, as a member of Foundation Medicine's board of directors from February 2017 until July 2018, and in the additional role of President of Foundation Medicine from February 2018 until July 2018. Prior to Foundation Medicine, Mr. Cox served as Senior Vice President, Sales & Marketing at Genentech, Inc. from February 2010 until February 2017. Before joining Genentech, Mr. Cox served as President at UCB S.A. Prior to UCB BioPharma, Mr. Cox held senior commercial leadership roles with Sanofi-Aventis and Schering-Plough. Mr. Cox served on the board of directors of SomaLogic, Inc. from September 2021 until January 2024 and as executive chair of the board of SomaLogic from October 2022 to March 2023. He has served on the board of directors of Standard BioTools Inc. since January 2024 and on the board of directors of SOPHiA GENETICS SA since July 2019. Mr. Cox received a B.B.A. in finance from the University of Kentucky and an M.B.A. from the University of Missouri.

The board of directors believes Mr. Cox's nearly three decades of proven leadership and expertise in the global, strategic and operational aspects of the biopharmaceutical industry qualifies him to serve on our board of directors.

Nancy Davidson

Exhibit 10.64 Dr. Davidson is 70 years old and has served as a member of our board of directors since December 2023. Dr. Davidson has served as the Executive Vice President, Clinical Affairs, since April 2022, and as the Raisbeck Chair for Collaborative Cancer Research, since July 2019, of Fred Hutchinson Cancer Center. In addition, Dr. Davidson has served as a Professor, since December 2016, and previously served as the Senior Vice President, since December 2016 to August 2023, of Fred Hutchinson Cancer Center Clinical Research Division. At the University of Washington School of Medicine, Dr. Davidson served as Head of the Division of Medical Oncology from December 2016 to August 2023 and as a Professor since December 2016. Previously, Dr. Davidson served as the President and Executive Director of the Seattle Cancer Care Alliance from December 2016 to April 2022. Dr. Davidson also held various positions at the University of Pittsburgh from February 2009 to December 2016, including as the Director of the University of Pittsburgh Cancer Institute. Dr. Davidson has served as Adjunct Professor of Oncology at The Johns Hopkins School of Medicine since February 2009. Dr. Davidson is also a member of the scientific advisory boards of many foundations and cancer centers and a member of various organizations, including the American Society of Clinical Oncology and the American Association for Cancer Research. She has received many awards, honors, and appointments, including the Brinker International Award for Breast Cancer Research, the Rosalind E. Franklin Award for Women in Science from the National Cancer Institute (2008), and election to the National Academy of Medicine (2011) and the American Academy of Arts and Sciences (2019). She has also been listed among Thomson Reuters Highly Cited Researchers (2014-2015). Dr. Davidson holds an M.D. from the Harvard Medical School and a B.A. in Molecular Biology from Wellesley College. She completed her residency in Internal Medicine at University of Pennsylvania and Johns Hopkins Hospital and a medical oncology fellowship at the National Cancer Institute.

The board of directors believes that Dr. Davidson is qualified to serve on our board of directors because of her extensive knowledge and experience in the field of oncology, and as an experienced researcher and clinician.

Susan Mahony

Dr. Mahony is 59 years old and has served as a member of our board of directors since June 2019 and as Lead Independent Director of our board of directors since December 2023. Dr. Mahony is an executive with over 30 years of experience in pharmaceutical and life sciences companies. Dr. Mahony served as Senior Vice President of Eli Lilly and Company and President of Lilly Oncology from February 2011 until August 2018. She joined Lilly in 2000, holding senior leadership positions in product development, marketing, human resources, and general management. Prior to joining Lilly, Dr. Mahony served in sales and marketing roles in Europe for over a decade for Schering-Plough, Amgen, and Bristol-Myers Squibb. Dr. Mahony has served on the board of directors of Assembly Biosciences, Inc. since December 2017 and on the board of directors of Axsome Therapeutics, Inc. since October 2023. She previously served on the board of directors of Horizon Therapeutics Public Limited Company from August 2019 to October 2023 (acquired by Amgen Inc.) and on the board of directors of Vifor Pharma from May 2019 until August 2022. Dr. Mahony received a B.Sc. and a Ph.D. from Aston University and an M.B.A. from London Business School.

Based on Dr. Mahony's extensive experience in management at public pharmaceutical companies, together with her experience serving on the board of directors of public and private companies, our board of directors concluded that she should serve as a director due to our business focus and strategy.

Derek J. Miller

Mr. Miller is 53 years old and has served as a member of our board of directors since April 2023. Mr. Miller has been a leader in the biotechnology and pharmaceutical sector for more than 25 years with experience in corporate development, business development and global commercial strategy. He is an independent commercial and business development consultant for pre-clinical and clinical-stage companies in oncology and rare diseases, and currently serves as Chief Executive Officer of a cell and gene therapy imaging startup venture, spun out from the University of Pennsylvania. From May 2018 to November 2019, he served as Chief Business Officer of Aro Biotherapeutics, a spinout of Janssen Pharmaceuticals, leading numerous strategic and operational initiatives including a transformative collaboration with Ionis with potential revenues of up to \$1.4 billion. Mr. Miller also previously served as Chief Business Officer of Celator Pharmaceuticals where he led the development of their pipeline and business development strategy, resulting in its acquisition by Jazz Pharmaceuticals in 2016 for cash proceeds of approximately \$1.5 billion. Prior to Celator Pharmaceuticals, Mr. Miller held a variety of marketing, sales and market access roles with Genentech, Centocor and GSK. Mr. Miller is a member of the Board of Trustees for the Eastern Pennsylvania Chapter of the Leukemia and Lymphoma Society and serves as a mentor for the Villanova School of Business. He received an M.B.A. from Villanova University and Bachelor of Arts and Science degree from the University of Delaware.

ZYMEWORKS INC. The board of directors believes that Mr. Miller is qualified to serve on our board of directors because of his extensive experience in the biotechnology and pharmaceutical sector, including experience in corporate development, business development and global commercial strategy.

EXECUTIVE INCENTIVE COMPENSATION PLAN Kelvin Neu

1. Purposes Dr. Neu is 50 years old and has served as a member of our board of directors since March 2020. Dr. Neu is Founder and Chief of Herringbone, a life sciences innovation practice established in January 2022. Dr. Neu is also Co-Founder and Chair of QDX Technologies Pte. Ltd., a computational chemistry company established in February 2023. Previously, Dr. Neu was a Partner at Baker Bros. Advisors LP, a registered investment adviser, where he worked from April 2004 until January 2021. Dr. Neu previously served on the board of directors of IGM Biosciences, Prelude Therapeutics, Idera Pharmaceuticals, Aquinox Pharmaceuticals and XOMA Corporation. Dr. Neu holds an M.D. from the Harvard Medical School-MIT Health Sciences and Technology program, and spent three years in the Immunology Ph.D. program at Stanford University as a Howard Hughes Medical Institute Fellow. Dr. Neu holds an A.B. (summa cum laude) from Princeton University, where he was awarded the Khoury Prize for graduating first in his department of Molecular Biology. Prior to attending Princeton, Dr. Neu served for two and a half years in the military of his native Singapore.

The board of directors believes that Dr. Neu is qualified to serve on our board of directors because of his extensive investment and leadership experience, knowledge of our industry, and educational background in biology and biotechnology.

Scott Platshon

Mr. Platshon is 32 years old and has served as a member of our board of directors since February 2024. Mr. Platshon has served as a Partner at EcoR1 Capital since December 2020. Mr. Platshon was also a Principal at EcoR1 Capital from December 2017 to December 2020, and has been with EcoR1 Capital since October 2015. Prior to joining EcoR1 Capital, Mr. Platshon served as an analyst at Aquilo Partners, a San Francisco life-sciences investment bank, from September 2014 to September 2015. Mr. Platshon has served on the board of directors of Terremoto Biosciences since October 2023, Kumquat Biosciences Inc. since February 2021 (prior to that he was a board observer since August 2019) and Ajax Therapeutics, Inc. since May 2021. Mr. Platshon received his B.S. in Bioengineering from Stanford University.

The board of directors believes that Mr. Platshon is qualified to serve on our board of directors because of his extensive investment and leadership experience, in addition to his knowledge of our industry.

Hollings C. Renton

Mr. Renton is 77 years old and has served as a member of our board of directors since February 2017. Mr. Renton served as Chief Executive Officer and President of Onyx Pharmaceuticals, Inc. from March 1993 to March 2008 and was the chair of the Planboard of directors of Onyx from June 2000 to March 2008. Onyx was acquired by Amgen Inc. in 2013 for \$10.4 billion. Before joining Onyx, Mr. Renton was the President and Chief Operating Officer of Chiron Corporation, a pharmaceutical company, from December 1991 to December 1993. Mr. Renton served in a variety of executive roles at Cetus Corporation from 1983, including as President from 1990 to 1991, Chief Operating Officer from 1987 to 1990 and Chief Financial Officer from 1983 to 1987, prior to its acquisition by Chiron in 1991. Mr. Renton has served on the board of directors of AnaptysBio, Inc. since June 2015. Previously, Mr. Renton served on the boards of four other biopharmaceutical companies, Portola Pharmaceuticals Inc., where he had also been board chairman (March 2010 to July 2020), KYTHERA Biopharmaceuticals, Inc. (December 2014 to October 2015), Affymax, Inc. (June 2009 to November 2014) and Rigel Pharmaceuticals, Inc. (January 2004 to March 2014). Mr. Renton also previously served on the board of Cepheid Inc., a molecular diagnostics company, from March 2000 to November 2016. Mr. Renton received his M.B.A. from the University of Michigan and his B.S. in Mathematics from Colorado State University.

Because of Mr. Renton's extensive experience building successful biotechnology companies and commercializing drug products, the board of directors believes he is able to bring valuable insights to our board of directors.

Executive Officers

The following table sets forth the names, ages and positions of our executive officers as of February 29, 2024.

Name	Age	Position(s)
Kenneth Galbraith	61	Chief Executive Officer, President and Chair of Board of Directors
Christopher Astle, Ph.D.	44	Senior Vice President and Chief Financial Officer
Paul A. Moore, Ph.D.	57	Chief Scientific Officer
Jeffrey Smith, M.D.	64	Executive Vice President and Chief Medical Officer

There are no family relationships among any of the directors or executive officers.

The following is biographical information for our executive officers, other than Mr. Galbraith, whose biographical information is included above.

Christopher Astle

Dr. Astle joined Zymeworks in April 2021 and was promoted to Senior Vice President and Chief Financial Officer in February 2022. He previously served as our Executive Director, Corporate and Commercial Finance from April 2021 to February 2022. Prior to joining Zymeworks, Dr. Astle worked as a Chief Financial Officer at the CFO Centre in British Columbia, Canada from April 2020 to March 2021, and as Vice President, Finance at Alder BioPharmaceuticals Inc. in Seattle, USA from April 2019 to February 2020. From August 2017 to January 2020, he served as Chief Executive Officer and founder of Think Forwards, a boutique financial consulting firm in London, United Kingdom. Dr. Astle worked at Allergan from 2011 to 2017, including as the Associate Vice President Finance, International Division from July 2016 to July 2017, managing multiple product launches, M&A transactions and restructurings, with a team of 170 across 60 countries. He is a UK Chartered Accountant (ICAS), qualifying at PwC London, UK in Audit & Pharmaceutical Performance Improvement Consulting with audit clients including GSK. He is a board member of Healome Therapeutics (2021-present), a private biotechnology company. During his time in the United Kingdom, he was the Chair of the 2018 CFO Agenda conference,

guest lecturer at the Henley Business School, and judge at the British Accountancy Awards. Dr. Astle holds a PhD in Organic Chemistry from the University of Bristol (UK) and a MChem in Chemistry from the University of Liverpool (UK).

Paul A. Moore

Dr. Moore joined Zymeworks in July 2022 as our Chief Scientific Officer. Dr. Moore has more than 25 years of US-based experience in biologics drug discovery and development in biotechnology research. His career efforts have led to the discovery and development of a range of FDA-approved and clinical-stage biologics for patients with difficult-to-treat cancers and autoimmune conditions. Prior to joining Zymeworks, Dr. Moore served as Vice President, Cell Biology, and Immunology at MacroGenics from April 2008 to July 2022, leading a team of approximately 50 researchers engaged in the discovery, preclinical validation and clinical development of antibody-based therapeutics, including bispecific antibodies and antibody drug conjugates. Among the portfolio supported by Dr. Moore were FDA-approved Margenza (margetuximab-cmkb) for treatment of HER2+ breast cancer, Zynyz (retifanlimab-dlwr) for treatment of Merkel cell carcinoma and Tzield (teplizumab-mzwv) to delay onset of type I diabetes. Prior to joining MacroGenics, Dr. Moore was Director of Cell Biology at Celera from May 2005 to April 2008, where he oversaw research leveraging proteomic-based discoveries to validate novel cancer targets suitable for antibody-based therapeutics. Dr. Moore began his industrial career at Human Genome Sciences (HGS), holding several titles within research culminating in Director of Lead Product Development, where he managed various genomic-based target discovery programs including efforts that led to the discovery, development, approval, and commercialization of Benlysta (belimumab) for the treatment of systemic lupus erythematosus. Dr. Moore has an extensive research record co-authoring over 75 peer-reviewed manuscripts and is a named co-inventor on over 50 issued US patents. Dr. Moore holds a Ph.D. in Molecular Genetics from the University of Glasgow, performed post-doctoral work at the Roche Institute of Molecular Biology in Nutley, New Jersey, and also holds a degree in Biotechnology from the University of Strathclyde.

Jeffrey Smith

Dr. Smith joined Zymeworks in January 2023 as Senior Vice President, Early Stage Development and was promoted to Executive Vice President and Chief Medical Officer in January 2024. He is based at our European hub in Dublin, Ireland. Dr. Smith has held many senior positions within the pharmaceutical industry. Previously, Dr. Smith served as the Managing

Director of Alder Biopharmaceuticals Inc. in Dublin, Ireland from March 2017 to October 2019, and as Senior Vice President, Translational Medicine at Alder Biopharmaceuticals Inc. in Seattle, USA from 2012 to March 2017. Dr. Smith was responsible for the clinical development (phase I – III) of eptinezumab (anti-CGRP antibody for migraine) and clazakizumab (anti -IL-6 antibody for rheumatoid arthritis and cancer cachexia). Dr. Smith was also a founder of Alder Biopharmaceuticals Inc (founded 2004). Dr. Smith received his M.B. B.S. and M.D. from the University of London, UK and is a Fellow of the Royal College of Physicians in London.

Although we have not adopted specific targets for women and other diverse candidates in executive positions, the board of directors has always considered diversity as an important aspect of its decision making when recommending appointments for individuals to serve as executive officers.

Governance

Code of Conduct and Ethics

Our board of directors has adopted corporate governance guidelines that set forth expectations for directors, director independence standards, board committee structure and functions, and other policies for our governance. It also has adopted a Code of Business Conduct and Ethics (the “Code of Conduct”) that applies to members of our board of directors, our executive officers and all of our employees. Several standing committees (audit, compensation, nominating and corporate governance, and research and development) assist our board of directors in carrying out its responsibilities. Each standing committee operates under a written charter adopted by our board of directors. The full text of our Code of Conduct is posted on our website at www.zymeworks.com. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendments to, or waiver from, a provision of the Code of Conduct by posting such information on the website address and location specified above. Paper copies of the Code of Conduct, as well as our governing documents (including our certificate of incorporation and bylaws) may be obtained upon request by writing to: Corporate Secretary, Zymeworks Inc., 108 Patriot Drive, Suite A, Middletown, Delaware 19709.

Audit Committee

Our audit committee currently consists of Mr. Campoy, Mr. Cox and Mr. Miller. Dr. Mahony and Ms. Lota Zoth, a former member of our board of directors, ceased serving on the audit committee in June 2023 and December 2023, respectively. Mr. Campoy serves as the chair of our audit committee. Our board of directors has determined that each of Mr. Campoy and Mr. Cox is an “audit committee financial expert” as that term is defined in the rules and regulations established by the SEC, and possesses financial sophistication, as defined under the rules of the Nasdaq Global Select Market. The members of our audit committee are “independent” for audit committee purposes, as that term is defined in the rules of the SEC and the applicable Nasdaq rules, and have sufficient knowledge in financial and auditing matters to serve on the audit committee.

The principal purposes of our audit committee are to:

- assist our board of directors in its oversight of:
 - the quality, audit and integrity of our financial statements and related information;
 - the independence, qualifications, appointment and performance of our external auditor;
 - our disclosure controls and procedures, internal control over financial reporting, and management's responsibility for assessing and reporting on the effectiveness of such controls;
 - the organization and performance of our internal audit function;
 - our compliance with applicable legal and regulatory requirements;
 - our enterprise risk management processes; and
- prepare the report required by SEC rules to be included in our proxy statement for the annual meeting of stockholders, and for performing other duties and responsibilities as are enumerated in or consistent with the audit committee's charter.

Our board of directors has established a written charter setting forth the purpose, composition, authority and responsibility of our audit committee, consistent with the rules of Nasdaq and the SEC, a current copy of which is available on our website at www.zymeworks.com. Our audit committee has access to all of our books, records, facilities and personnel and may request any information about us as it may deem appropriate. It also has the authority in its sole discretion and at our expense to retain and set the compensation of outside legal, accounting or other advisors as necessary to assist in the performance of its duties and

responsibilities. Both our independent auditors and internal financial personnel regularly meet privately with the audit committee and have unrestricted access to this committee.

Our audit committee held four meetings during the year ended December 31, 2023.

Item 11. Executive Compensation

Discussion of Executive Compensation Practices

This section describes our executive compensation philosophy and how we implemented it through our 2023 compensation program for our named executive officers. The named executive officers for 2023 are:

- Kenneth Galbraith, Chief Executive Officer and Chair of the Board of Directors;
- Christopher Astle, Ph.D., Senior Vice President and Chief Financial Officer;
- Paul Moore, Ph.D., Chief Scientific Officer; and
- Neil Klompas, CPA, CA, our former President and Chief Operating Officer.

This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and projections regarding future compensation programs. Actual compensation programs adopted in the future may differ materially from the various planned programs summarized in this discussion.

In the paragraphs that follow, we provide an overview and analysis of our compensation program and policies, the material compensation decisions we have made under those programs and policies, and the material factors that we considered in making those decisions.

2023 Advisory Vote on Executive Compensation

At our 2023 annual general meeting, we conducted an advisory vote on named executive officer compensation. At that meeting, 74.71% of the votes cast on the advisory vote proposal were supportive of our named executive officer compensation program as disclosed in our 2023 proxy statement. Our next advisory vote on named executive officer compensation will be held at our 2024 annual general meeting.

The compensation committee reviewed the advisory vote results in the context of our overall compensation philosophy and programs, and based on the level of support, determined that no significant changes to our compensation policies and programs were necessary. The compensation committee will continue to consider the results from future stockholder advisory votes on named executive officer compensation and other relevant market developments affecting named executive officer compensation in order to determine whether any subsequent changes to our named executive officer

compensation programs and policies would be warranted to reflect any stockholder concerns reflected in those advisory votes or to address market developments.

Overview of Compensation Program

Compensation Philosophy

The goal of our compensation program is to attract, retain and motivate our employees and executives, including our named executive officers. The compensation committee is responsible for setting our executive compensation and reviewing and approving, or recommending to the board of directors for approval, the Company's annual corporate performance objectives applicable to executive and other Company bonus programs. In considering executive compensation, the compensation committee strives to ensure that our total compensation is competitive within the industry in which we operate and supports our overall strategy and corporate objectives. The combination of base salary, annual incentives and long-term incentives that we provide our executives is designed to accomplish this.

Compensation Objectives

The objectives of our executive compensation program are to:

- attract and retain highly qualified executive officers who have a history of proven success;
- align the interests of executive officers with our stockholders' interests and with the execution of our business strategy;
- motivate and reward our executive officers through competitive pay practices and an appropriate mix of short- and long-term incentives;
- evaluate and reward executive performance on the basis of achievement of program development goals and key financial measurements which we believe closely correlate to long-term stockholder value; and
- tie compensation awards directly to program development goals and key financial measurements with evaluations based on achieving and overachieving predetermined objectives.

Role of the Compensation Committee

During 2023, the compensation committee's work included the following:

- **Competitive Compensation Review** – The compensation committee reviewed compensation practices and policies with respect to our executives against Zymeworks' peer group of companies (as further described below), in order to allow us to place our compensation practices for these positions in a market context. This reference exercise included a review of base salary, total cash compensation and total direct compensation.
- **Executive Compensation** – The compensation committee reviewed the corporate goals and objectives applicable to the compensation of the Company's executives and evaluated the executives' performance in light of those goals and objectives. Based on this review and evaluation, the compensation committee approved the 2023 compensation for the Company's executives, including each of the named executive officers. In addition, the compensation committee considered and approved the separation and transition arrangements related to Mr. Klompas.
- **Short- and Long-Term Incentive Plans** – The compensation committee administers the Company's incentive compensation plans and equity-based plans with respect to the Company's executives, including the named executive officers.
- **Succession Planning** – The compensation committee reviewed the succession plan for the Chief Executive Officer and other executive officers.

In reaching its decisions, the compensation committee may consider input from management and other factors that the compensation committee considers appropriate. Decisions made by the compensation committee are the responsibility of the compensation committee and may reflect factors and considerations other than the information and/or recommendations provided by management.

Independent Compensation Consultant

In 2023, the compensation committee retained the Human Capital Solutions practice at Aon plc, as an independent consultant to the compensation committee to conduct competitive reviews and assessments of Zymeworks' executive compensation program and recommend go-forward strategies. The compensation committee made the decision to retain Aon in its sole discretion and was directly responsible for the appointment, compensation and oversight of Aon's work. The compensation committee is involved in and approves the adoption of the following procedures during Aon's assessments:

- establishing the public company peer group used in the executive compensation assessment;

- reviewing the detailed assessment of Zymeworks' executive compensation program versus the market;
- reviewing and approving executive pay mix;
- reviewing the assessment of Zymeworks' board of directors compensation program versus the market; and
- reviewing and approving the non-executive equity compensation program.

The compensation committee utilizes these strategies when contemplating future executive compensation matters.

In 2023, Aon was retained to review the salaries, bonuses and equity plan levels and participation of executive employees, as well as equity plan levels and participation of employees below the executive level. Zymeworks' management did not make or recommend such engagements and all such other services were approved by the compensation committee. Except as discussed below, Aon did not perform other services to the Company other than as a compensation consultant. The compensation committee determined Aon to be independent after evaluating the factors required under the applicable listing standard.

Aon received \$244,996 in fees in 2023 for services related to determining or recommending the amount or form of executive and non-employee director compensation. Separately, management engaged Aon to perform unrelated broad-based compensation services and risk brokerage services (which included global risk in Canada and the United States), for which Aon was paid \$328,913. The compensation committee was informed about these services.

Peer Companies and Use of Market Data

We compare our executive compensation program to those of a group of peer companies (North American biotechnology companies of a similar size and stage of development). The Plan first step in the process is intended that the compensation committee, with the support of Aon and management, reviews trends in biotechnology compensation practices and reviews and approves the list of peer companies used for benchmarking. As part of its analysis for 2023, Aon collected and analyzed compensation information from a comparative group of biotechnology companies, or peer group, approved by the compensation committee. The compensation committee evaluates the criteria used in establishing the peer group at least annually. The compensation committee seeks input from management in addition to Aon to ensure the peer group is consistent with our current business objectives and strategy.

The list of peer companies is approved based on various factors including industry classification, market capitalization, headcount and stage of development. In August 2022, with assistance from Aon, the compensation committee approved a peer group consisting of publicly traded, pre-commercial biopharmaceutical companies:

- with an emphasis on oncology companies and a focus on companies in Phase 2 and Phase 3 clinical trials;
- with market capitalizations generally between \$150 million and \$1.2 billion (based on the Company's then-current 30-day average market capitalization of approximately \$400 million);
- with generally between 100 and 900 employees;
- that are located in Canada and the United States, with a focus on companies headquartered in biotechnology hub markets; and
- preference for companies that have gone public in approximately the last five years (but continue to de-emphasize initial public offering date as a primary selection criteria).

Based on these criteria, in August 2022, the compensation committee approved the following peer group set forth below and used this peer group to inform compensation decisions for 2023:

Adaptimmune Therapeutics plc	IGM Biosciences, Inc.	Precision BioSciences, Inc.
Alector, Inc.	Jounce Therapeutics, Inc.	REGENXBIO Inc.
AnaptysBio, Inc.	Kura Oncology, Inc.	Repare Therapeutics Inc. ⁽¹⁾
Atara Biotherapeutics, Inc.	MacroGenics, Inc.	Replimune Group, Inc. ⁽¹⁾
C4 Therapeutics, Inc. ⁽¹⁾	Mersana Therapeutics, Inc.	Silverback Therapeutics, Inc.
CytomX Therapeutics, Inc.	NGM Biopharmaceuticals, Inc.	Sutro Biopharma, Inc. ⁽¹⁾
Gossamer Bio, Inc.	Poseida Therapeutics, Inc.	

(1) Added to the peer group in August 2022. The following companies were deleted from the peer group approved in August 2022: Allogene Therapeutics, Inc., Athira Pharma, Inc. and Harpoon Therapeutics, Inc.

Our compensation committee uses comparative data from our peer group as a reference when setting and adjusting executive compensation, but it does not target our overall program or any particular element of compensation to be at a particular percentile compared to our peers. Rather, our compensation committee uses a range of peer group data for each executive position for which data is available, along with an assessment of each executive's performance, criticality and tenure, to ensure that our executive compensation program and its constituent elements are and remain competitive in relation to our peers.

Components of Compensation Package

In 2023, our executive compensation program consisted of three major components:

- base salary;
- annual cash bonuses based on a comparison of corporate performance to pre-set goals and objectives; and
- long-term incentives, which in 2023, consisted of grants of stock options and restricted stock units.

In making 2023 compensation decisions, our compensation committee believed that each component of executive compensation must be evaluated and determined with reference to competitive market data, individual and Company-wide performance, our recruiting and retention goals, internal equity and consistency, and other information it deems relevant. As it evaluated executive compensation in 2023, the compensation committee believed that in the biopharmaceutical/biotechnology industry, long-term incentives such as stock options and restricted stock units are a primary motivator in attracting and retaining executives, in addition to salary and cash incentive bonuses.

The primary components of our 2023 executive compensation program are described in more detail below.

Base Salary Annual base salary is designed to provide a competitive fixed rate of pay recognizing different levels of responsibility and performance within Zymeworks. This compensation component helps us to attract and retain highly qualified executives who have a history of proven success. In determining whether to increase stockholder value the base salary for a particular executive, our compensation committee in discussions with our Chief Executive Officer (for executives other than the Chief Executive Officer) considers a variety of factors, including performance, length of service and criticality of role. The determination of base salary affects the amount of an executive's cash bonus. The table below shows the base salaries of our named executive officers for 2023:

Name and Principal Position	2023 Base Salary (\$)
Kenneth Galbraith, Chief Executive Officer, President and Chair of Board of Directors ⁽¹⁾	625,000
Christopher Astle, Senior Vice President and Chief Financial Officer	410,000
Paul Moore, Chief Scientific Officer	465,000
Neil Klompas, Former President and Chief Operating Officer ⁽²⁾	500,000

(1) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022.

(2) Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023.

Cash Bonus

The cash bonus component is designed to provide our named executive officers with annual cash incentive awards based on achievement of certain goals and objectives. The awards represent pay at risk – they result in payment only if and to the extent certain goals and objectives are met – and do not affect decisions regarding other components of compensation. This compensation component motivates and rewards our named executive officers for outstanding performance.

Annual cash incentive compensation for our named executive officers is paid pursuant to the Company's Executive Incentive Compensation Plan, which provides the compensation committee discretion to make changes to performance targets and bonus targets, to decrease, increase or eliminate bonuses and to change other terms and conditions related to annual incentive compensation, in each case as the compensation committee deems appropriate to meet the overarching retention and incentive goals associated with our executive bonus program.

Named executive officers are eligible to receive an amount targeted at a pre-determined percentage of their base salary established at the beginning of each year. In January 2023, the compensation committee set annual target bonuses for each of our named executive officers as follows:

Name and Principal Position	2023 Target Bonus (% of Base Salary)
Kenneth Galbraith, <i>Chief Executive Officer, President and Chair of Board of Directors</i> ⁽¹⁾	60%
Christopher Astle, <i>Senior Vice President and Chief Financial Officer</i>	35%
Paul Moore, <i>Chief Scientific Officer</i>	45%
Neil Klompas, <i>Former President and Chief Operating Officer</i> ⁽²⁾	45%

(1) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022.

(2) The compensation committee assigned a target bonus percentage for Mr. Klompas in January 2023. However, Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023. Pursuant to the Klompas Separation Agreement, Mr. Klompas was not eligible for any annual performance bonus with respect to the Company's 2023 fiscal year. For more information regarding the Klompas Separation Agreement, see the section titled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control—Executive Employment Arrangements."

At the beginning of each year, the compensation committee approves, or recommends that the board of directors approve, performance targets that are tied to the level of achievement of corporate and/or individual goals, and the **success** compensation committee approves the weighting assigned to each goal. For 2023, the corporate and individual weighting was 100% corporate and 0% individual for all named executive officers. Achievement of corporate goals was a precondition for payment of bonuses with respect to 2023. Our compensation committee believed that this mix was appropriate in order to incentivize our management team to achieve our key corporate objectives.

After the end of the **Company by motivating Employees** year, the compensation committee determines the performance bonus payable to **(a) perform** each named executive officer based on the results achieved as compared to the **best** performance targets established for a particular year. Depending on level of achievement, named executive officers may earn up to 150% of their **abilities** respective target bonuses. There is no minimum bonus payable.

2023 Company Corporate Goals and **(b) achieve** Achievement

In January 2023, the board of directors approved corporate goals that were grouped into six main categories: (i) zanidatamab via the Jazz Partnership, (ii) zanidatamab via the BeiGene Partnership, (iii) zanidatamab zovodotin (ZW49), (iv) Early R&D (ZW171, ZW191 and emerging pipeline), (v) Platforms and Legacy Partnerships and (vi) Financial. In September 2023, the compensation committee updated certain of the corporate goals established at the beginning of the year related to zanidatamab zovodotin to align with our revised strategy with respect to zanidatamab zovodotin.

In January 2024, the compensation committee reviewed our performance against the corporate goals under the 2023 bonus plan, as revised in September 2023, and determined that these goals were achieved at the 87.25% level. Additional detail on these goals and the assessed achievement is set forth in the table below:

2023 Corporate Goal Category	Key Elements of Goal	Target Weight of Goal	Assessed Achievement
Zanidatamab via the Jazz Partnership	Advance clinical trials of zanidatamab, including: - enrollment of HERIZON-GEA-01; - finalize clinical study report for HERIZON-BTC-01; and - no material disruption to clinical drug supply of zanidatamab for any studies being conducted by us or Jazz. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Certain cost recoveries under our agreements with Jazz.	25% for base goals; an additional 12.5% for stretch goals	18.25%
Zanidatamab via the BeiGene Partnership	Advance clinical trials of zanidatamab, including: - enrollment of HERIZON-GEA-01; - finalize clinical study report for HERIZON-BTC-01; and - no material disruption to clinical drug supply of zanidatamab for any studies being conducted by BeiGene. Presentation of data. Support of BeiGene's interactions with regulatory authorities.	10% for base goals; an additional 5% for stretch goals	10.0%
Zanidatamab Zovodotin (ZW49)	Advance clinical trials of zanidatamab zovodotin, including: - advancement of Phase 2 NSCLC trial; and - no material disruption to clinical drug supply of zanidatamab zovodotin for clinical trials. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Negotiation of collaboration agreements.	10% for base goals; an additional 5% for stretch goals	7.0%
Early R&D (ZW171, ZW191 and emerging pipeline)	Complete IND enabling studies for ZW171 and ZW191. Complete GMP manufacturing of ZW171 and ZW191 to support clinical supplies requirements. Select second Topo1-based ADC IND molecule and fourth IND development candidate. Successful interactions with U.S. and non-U.S. regulators. Presentation of data. Revenue from upfront, research option and development payments.	40% for base goals; an additional 20% for stretch goals	45.0%
Platform & Legacy	Goals relating to our collaboration agreements.	5% for base goals; an additional 2.5% for stretch goals	0%
Financial	Improve Zymeworks' financial position, including securing additional financing, and a related stretch goal.	10% for base goals; an additional 5% for stretch goals	7.0%
Total		100% for base goals; bonuses capped at 150%	87.25%

Given the Company's **objectives**, strong performance against its 2023 corporate goals, the compensation committee determined that these goals were achieved at the 87.25% level and approved 2023 bonuses for our named executive officers as follows:

2. Definitions.

Name and Principal Position	2023 Bonus ⁽¹⁾
Kenneth Galbraith, <i>Chief Executive Officer, President and Chair of Board of Directors</i>	\$327,188
Christopher Astle, <i>Senior Vice President and Chief Financial Officer</i>	\$125,204
Paul Moore, <i>Chief Scientific Officer</i>	\$182,571
Neil Klompas, <i>Former President and Chief Operating Officer</i> ⁽²⁾	—

2.1 “Actual Award” means as to any Performance Period,

(1) Bonus amounts for all named executive officers are determined in U.S. dollars, and the actual award (if any) payable to a Participant table above reflects this determination in U.S. dollars. However, the 2023 bonuses for Dr. Astle and Dr. Moore were paid in Canadian dollars and the Performance Period, subject to the authority of the Administrator (as defined 2023 bonus for Mr. Galbraith was paid in Section 3) under Section 4.4.

2.2 “Affiliate” means any corporation or other entity (including, but not limited to, partnerships and joint ventures) that, from time to time and British pounds, based on conversion rates in effect at the time of payment.

(2) Mr. Klompas resigned from the positions of President and Chief Operating Officer effective June 2023, and therefore did not receive a bonus with respect to 2023.

Long-Term Incentives

Our Amended and Restated Stock Option and Equity Compensation Plan (the “Equity Compensation Plan”) authorizes us to make grants to eligible recipients of stock options, restricted stock, restricted stock units and other share-based awards, to attract, retain, motivate and reward qualified directors and employees and to enable and encourage such directors and employees to acquire shares of common stock as long-term investments.

In January 2023, the Company granted a mix of stock options and restricted stock units to our named executive officers. The compensation committee believes this approach aligns the interests of our executives (including those of our named executive officers) with our stockholders’ interests by rewarding for improvements in stock price over a period of time. The Company issues stock options and restricted stock units to reward for future performance and appreciation. Because stock options only have value if our stock price increases relative to the stock option’s exercise price, we consider them to be an important performance-based tool that encourages our named executive officers to focus on driving increases to stockholder value. Restricted stock units play an important role in our executive compensation program because they provide some value even during periods of stock price or market volatilities, provide retention incentives during the vesting period, and reinforce a culture of ownership. By granting restricted stock units, the Company can also reduce the dilutive effect of the equity incentive awards in the form of stock options, which benefits our stockholders over time. In addition, the vesting feature of our stock awards contributes to executive retention by providing an incentive to our executives to remain employed by us during the vesting period. For 2023, we determined that annual grants to our named executive officers in the form of a 50/50 value mix of stock options and restricted stock units was most appropriate to reflect the continued change in the market and the evolution of our compensation program away from an options-only approach. The compensation committee evaluates the long-term incentive programs for each year, and the appropriate mix of equity awards to grant to our executive officers for the applicable year. In future years, the compensation committee may approve a different mix of equity awards if it determines necessary or appropriate to achieve our compensation objectives.

The option exercise price may not be less than the closing price of our common stock on the date of grant. For the 2023 stock option grants to our named executive officers, 25% of the granted options is scheduled to vest on the first anniversary of grant date (subject to continued service and any determination, directly applicable acceleration of vesting provisions in their employment agreements, as described below). On the last day of each month thereafter, a further 1/36th of the total number of remaining granted options is scheduled to vest.

Each restricted stock unit represents the right to receive one share of our common stock upon vesting of that unit, without the payment of an exercise price or indirectly, other cash consideration for the issued shares of common stock. For the 2023 restricted stock unit grants to our named executive officers, 1/3rd of the restricted stock units are scheduled to vest on each anniversary of the grant date (subject to the named executive officer’s continued service and subject to any applicable acceleration provisions in the Equity Compensation Plan or in the named executive officer’s employment agreement).

The following table shows information regarding stock option and restricted stock unit grants to each of our named executive officers made during the year ended December 31, 2023:

Name	Grant Date	Restricted Stock Units	Stock Options Granted	Exercise Price of Stock	Grant Date Fair Value of Stock
		Granted (#)(1)		Options (\$/Sh)(3)	and Option Awards (\$)(4)
Kenneth Galbraith	1/5/2023	—	215,000	8.00	1,194,627
	1/5/2023	143,000	—	—	1,144,000
Christopher Astle	1/5/2023	—	47,000	8.00	257,602
	1/5/2023	31,500	—	—	252,000
Paul Moore	1/5/2023	—	77,500	8.00	397,571

	1/5/2023	51,500	—	—	412,000
Neil Klompas	1/5/2023	—	87,500	8.00	328,363
	1/5/2023	58,500	—	—	468,000

(1) Restricted stock units vest in three equal annual installments beginning on January 5, 2024, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(2) Options vest and become exercisable with respect to (i) 25% of the underlying shares one year after the grant date and (ii) the remainder of the underlying shares in 36 equal monthly installments following the first anniversary of the date of grant, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(3) The exercise price of the stock options is the closing price of the Company's stock on the Nasdaq on the grant date.

(4) The amounts set forth in **control** this column reflect the grant date fair value for restricted stock unit awards and stock option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the "Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation" and Note 10(e) "Notes to Consolidated Financial Statements – Stockholders' Equity-Stock Based Compensation" included in this Annual Report on Form 10-K for our year ended December 31, 2023.

Previous grants are taken into account when considering new option and restricted stock unit grants, as well as other factors such as market data, retention and incentive considerations, internal equity, Company performance and prior and expected future individual contributions. Decisions regarding long-term incentives do not affect decisions regarding other components of compensation.

Benefits and Perquisites

Other compensation to our named executive officers primarily consists of participation in our broad-based employee benefit plans. Named executive officers are eligible to participate in all our employee benefit plans, in each case on the same basis as other employees in the entity in which they are employed, including a retirement savings plan for those employed in Canada, a 401(k) plan for those employed in the United States, and pension plans for those employed in Ireland and the United Kingdom. Our named executive officers also are eligible to participate in our employee stock purchase plan on the same terms as our other eligible employees.

Currently, we do not view perquisites or other personal benefits as a material component of our executive compensation program. However, we do provide certain perquisites to our named executive officers in situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make them more efficient and effective, and for recruitment and retention purposes.

In addition, consistent with our philosophy regarding personal benefits, and as further described in "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control," to encourage and facilitate Dr. Moore's relocation to Canada, we provide him with certain reimbursements for relocation expenses, as well as a gross-up to make sure such payments are tax neutral to him, tax equalization payments to neutralize any increase in his taxes as a result of his relocation, and tax preparation assistance for two years following his relocation. The compensation committee believes these benefits were appropriate to enable a smooth relocation for Dr. Moore and to allow him to keep his focus on the business rather than on the costs and burdens of the relocation.

Similarly, in November 2022, we amended Dr. Astle's employment agreement to provide certain corporate housing benefits based on need (as determined in the Company's discretion) in the Vancouver, British Columbia metropolitan area. In addition to the corporate housing benefits, we provided for a gross-up to Dr. Astle for the impact of any tax withholding related to the corporate housing benefits. The compensation committee believes that these corporate housing benefits were important to allow Dr. Astle to be on-site at our offices in Vancouver as needed, increase his ability to work efficiently, and focus his efforts on the business rather than travel and housing considerations.

We also provide certain personal benefits to Mr. Galbraith, which were negotiated as part of Mr. Galbraith's initial January 2022 employment agreement and subsequent amendments, including the most recent amendment in January 2024. These benefits were provided in order to induce him to initially join and later to remain with the Company and to increase his ability to work efficiently. These benefits include certain housing, travel, relocation, and certain tax equalization and gross-up benefits, as described in "Executive Compensation – Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." In late 2022 and again in January 2024, we amended Mr. Galbraith's employment agreement to extend the time period for certain benefits, as described in "Executive Compensation – Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." The compensation committee approved the extension of these benefits as it believed that doing so would assist Mr. Galbraith in the continued performance of his duties and continue to aid in his efficiency.

In the future, we may continue to provide perquisites or other personal benefits in circumstances where we believe it is appropriate to assist an individual named executive officer in the performance of his or her duties, to make him or her more efficient and effective, and for recruitment,

motivation or retention purposes.

Anti-Hedging Policy and Clawback Policy

Under the terms of our Insider Trading Policy, all directors, officers, employees, as well as any other personnel that we determine should be subject to our Insider Trading Policy (such as contractors and consultants), any person or entity an insider controls, exercises substantial influence over, serves as a trustee or in a similar fiduciary capacity of or is controlled by the Company.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Bonus Pool" means the pool of funds available for distribution to Participants. Subject to the terms of the Plan, the Administrator establishes the Bonus Pool for each Performance Period.

2.5 "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation or formal guidance of general or direct applicability promulgated under such section or regulation, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.6 "Committee" means a committee appointed by the Board (pursuant to Section 3) to administer the Plan.

2.7 "Company" means Zymeworks Inc., a Delaware corporation, or any successor thereto.

2.8 "Company Group" means the Company and any Parents, Subsidiaries, and Affiliates.

2.9 "Disability" means a permanent and total disability determined in accordance otherwise involved with, uniform and nondiscriminatory standards adopted by the Administrator from time to time.

2.10 "Employee" means any executive, officer, or other employee of the Company Group, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

2.11 "Fiscal Year" means the fiscal year of the Company.

2.12 "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

2.13 "Participant" means as to any Performance Period, an Employee who has been selected by the Administrator for participation in the Plan for that Performance Period.
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2.14 "Performance Period" means the period of time for the measurement of the performance criteria that must be met to receive an Actual Award, as determined by the Administrator. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Administrator desires to measure some performance criteria over twelve (12) months and other criteria over three (3) months.

2.15 "Plan" means this Executive Incentive Compensation Plan (including any appendix attached hereto), as may be amended from time to time.

2.16 "Section 409A" means Section 409A of the Code and any applicable state law equivalent, as each may be promulgated, amended or modified from time to time.

2.17 "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Code Section 424(f), in relation to the Company.

2.18 "Target Award" means the target award, at one hundred percent (100%) of target level performance achievement, payable under the Plan to a Participant for a Performance Period, as determined by the Administrator in accordance with Section 4.2.

2.19 "Tax Withholdings" means tax, social insurance and social security liability or premium obligations in connection with securities trading or investment decisions and an insider's spouse, partner, parents, children, dependents and other family members or roommates, are prohibited from purchasing financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) designed to hedge or offset a decrease in the awards under the Plan, including without limitation: (a) all federal, state, and local income, employment and any other taxes (including the Participant's U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company Group, (b) the Participant's and, to the extent required by the Company Group, the fringe benefit tax liability market value of the Company Group associated with an award under the Plan, and (c) any other taxes or social insurance or social security liabilities or premium the responsibility for which the Participant has, or has agreed to bear, with respect to such award under the Plan.our securities.

2.20 "Termination of Employment" means In November 2023, we adopted a cessation of the employee-employer relationship between an Employee and the Company Group, including without limitation a termination by resignation, discharge, death, Disability, retirement, or the disaffiliation of a Parent, Subsidiary or Affiliate. For purposes of the Plan, transfer of employment of a Participant between any members of the Company Group (for example, between the Company and a Subsidiary) will not be deemed a Termination of Employment. Unless otherwise set out in any written contract of employment the Termination of Employment shall be deemed to occur on the effective date of any written notice of termination delivered by either the Company or any Subsidiary or by the employee to the other party and shall not be deemed to include any subsequent period of notice where the employee is not providing active service, unless specifically required by applicable law.

3. Administration of the Plan.

3.1 **Administrator.** The Plan will be administered by the Board or a Committee (the "Administrator"). To the extent necessary or desirable to satisfy applicable laws, the Committee acting as the Administrator will consist of not less than two (2) members of the Board. The members of any Committee will be appointed from time to time by, and serve at the pleasure of, the Board. The Board may retain the authority to administer the Plan concurrently with a Committee and may revoke the delegation of some or all authority previously delegated. Different Administrators may administer the Plan with respect to different groups of Employees. Unless and until the Board otherwise determines, the Board's Compensation Committee will administer the Plan.

-2-

Confidential

3.2 **Administrator Authority.** It will be the duty of the Administrator to administer the Plan clawback policy in accordance with the Plan's provisions. The Administrator will have all powers SEC and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine which Employees will be granted awards, (b) prescribe the terms and conditions of awards, (c) interpret the Plan and the awards, (d) adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are non-U.S. nationals or employed outside of the U.S. or to qualify awards for special tax treatment Nasdaq requirements under the laws of jurisdictions other than the U.S., (e) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (f) interpret, amend or revoke any such rules. Any determinations and decisions made or to be made by the Administrator pursuant to the provisions of the Plan, unless specified otherwise by the Administrator, will be in the Administrator's sole discretion.

3.3 **Decisions Binding.** All determinations and decisions made by the Administrator and/or any delegate of the Administrator pursuant to the provisions of the Plan will be final, conclusive, and binding on all persons, and will be given the maximum deference permitted by law.

3.4 **Delegation by Administrator.** The Administrator, on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company. Such delegation may be revoked at any time.

3.5 **Indemnification.** Each person who is or will have been a member of the Administrator will be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any award, and (b) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she will give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which such persons may

be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

4. Selection of Participants and Determination of Awards.

4.1 Selection of Participants. The Administrator will select the Employees who will be Participants for any Performance Period. Participation in the Plan will be on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Performance Periods. No Employee will have the right to be selected to receive an award under this Plan or, if so selected, to be selected to receive a future award.

4.2 Determination of Target Awards. The Administrator may establish a Target Award for each Participant (which may be expressed as a percentage of a Participant's average annual base salary for the Performance Period or a fixed dollar amount or such other amount or based on such other formula or factors as the Administrator determines). Unless otherwise determined by the Administrator, if a Participant commences employment with the Company Group during a Performance Period, such Participant's Target Award for that

-3-

Confidential

Performance Period will be pro-rated based on the portion of that Performance Period in which the Participant is employed with the Company Group.

4.3 Bonus Pool. Each Performance Period, the Administrator may establish a Bonus Pool, which pool may be established before, during or after the applicable Performance Period. Actual Awards will be paid from the Bonus Pool (if a Bonus Pool has been established).

4.4 Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Administrator, at any time prior to payment of an Actual Award, may: (a) increase, reduce or eliminate a Participant's Actual Award, and/or (b) increase, reduce or eliminate the amount allocated to the Bonus Pool. The Actual Award may be below, at or above the Target Award, as determined by the Administrator. The Administrator may determine the amount of any increase, reduction, or elimination based on such factors as it deems relevant, and will not be required to establish any allocation or weighting with respect to the factors it considers.

4.5 Discretion to Determine Criteria. Notwithstanding any contrary provision of the Plan, the Administrator will determine the performance goals, if any, applicable to any Target Award (or portion thereof) which may include, without limitation, goals related to: research and development milestones; regulatory milestones or regulatory-related goals; gross margin; financial milestones; new product or business development; operating margin; product release timelines or other product release milestones; publications; cash flow; procurement; savings; internal structure; leadership development; project function or portfolio-specific milestones; license or research collaboration agreements; capital raising; initial public offering preparations; patentability; and individual objectives such as peer reviews or other subjective or objective criteria. As determined by the Administrator, the performance goals may be based on U.S. generally accepted accounting principles ("GAAP") or non-GAAP results and any actual results may be adjusted by the Administrator for one-time items or unbudgeted or unexpected items and/or payments of Actual Awards under the Plan when determining whether the performance goals have been met. The performance goals may be based on any factors the Administrator determines relevant, including without limitation on an individual, divisional, portfolio, project, business unit, segment or Company-wide basis. Any criteria used may be measured on such basis as the Administrator determines, including without limitation: (a) in absolute terms, (b) in combination with another performance goal or goals (for example, but not by way of limitation, as a ratio or matrix), (c) in relative terms (including, but not limited to, results for other periods, passage of time and/or against another company or companies or an index or indices), (d) on a per-share basis, (e) against the performance of the Company as a whole or a segment of the Company and/or (f) on a pre-tax or after-tax basis. The performance goals may differ from Participant to Participant and from award to award. Failure to meet the applicable performance goals will result in a failure to earn the Target Award, except as provided in Section 4.4.

5. Payment of Awards.

5.1 Right to Receive Payment. Each Actual Award will be paid solely from the general assets of the Company Group. Nothing in this Plan will be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which the Participant may be entitled.

5.2 Timing of Payment. Payment of each Actual Award will be made as soon as practicable after the end of the Performance Period to which the Actual Award relates and after the Actual Award is approved by the Administrator, but in no event after the later of (a) the fifteenth (15th) day of the third (3rd) month of the Fiscal Year immediately following the Fiscal Year in which the Participant's Actual Award first becomes no longer subject to a substantial risk of forfeiture, and (b) March 15 of the calendar year immediately following the calendar year

-4-

Confidential

in which the Participant's Actual Award first becomes no longer subject to a substantial risk of forfeiture. Unless otherwise determined by the Administrator, to earn an Actual Award a Participant must be employed by the Company Group on the date the Actual Award is approved by the Administrator, and in all cases subject to the Administrator's discretion pursuant to Section 4.4.

5.3 Form of Payment. Each Actual Award generally will be paid in cash (or its equivalent) in a single lump sum.

5.4 Payment in the Event of Death or Disability. If a Termination of Employment occurs due to a Participant's death or Disability prior to payment of an Actual Award that the Administrator has determined will be paid for a prior Performance Period, then the Actual Award will be paid to the Participant or the Participant's estate, as the case may be, subject to the Administrator's discretion pursuant to Section 4.4.

6. General Provisions.

6.1 Tax Matters.

6.3.1 Section 409A. It is the intent that this Plan be exempt from or comply with the requirements of Section 409A so that none of the payments to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms will be interpreted to be so exempt or so comply. Each payment under this Plan is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). In no event will the Company Group have any liability, obligation, or responsibility to reimburse, indemnify or hold harmless any Participant or other Employee for any taxes, penalties or interest imposed, or other costs incurred, as a result of Section 409A.

6.3.2 Tax Withholdings. The Company Group will have the right and authority to deduct from any Actual Award all applicable Tax Withholdings. Prior to the payment of an Actual Award or such earlier time as any Tax Withholdings are due, the Company Group is permitted to deduct or withhold, or require a Participant to remit to the Company Group, an amount sufficient to satisfy any Tax Withholdings with respect to such Actual Award.

6.2 No Effect on Employment or Service. Neither the Plan nor any award under the Plan will confer upon a Participant any right regarding continuing the Participant's relationship as an Employee or other service provider to the Company Group, nor will they interfere with or limit in any way the right of the Company Group or the Participant to terminate such relationship at any time, with or without cause, to the extent permitted by applicable laws.

6.3 Forfeiture Events.

6.3.1 Clawback Policy; Applicable Laws. All awards under the Plan will be subject to reduction, cancellation, forfeiture, or recoupment in accordance with any clawback policy that the Company Group is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. This policy provides for the non-discretionary recovery of excess incentive-based compensation from current and former executive officers in the event of an accounting restatement, whether or other applicable laws. not the executive officer was at fault for the restatement, in accordance with the SEC and Nasdaq requirements.

In addition, the Administrator may impose such other clawback, recovery or recoupment provisions with respect as a public company subject to an award under the Plan as the Administrator determines necessary or appropriate, including without limitation a reacquisition right in respect of previously acquired cash, stock, or other property provided with respect to an award. Unless this Section 6.3.1 is specifically mentioned and waived in a written agreement between a Participant and a member 304 of the Company Group or other document, no recovery Sarbanes-Oxley Act of compensation under a clawback policy will give the Participant the right to resign for "good

-5-

reason", "constructive termination" or "constructive dismissal" (or similar term) under any agreement with a member of the Company Group.

6.3.2 Additional Forfeiture Terms. The Administrator may specify when providing for an award under the Plan that the Participant's rights, payments, and benefits with respect to the award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of the award. Such events may include, without limitation, termination of the Participant's status as an Employee for "cause" or any act by a Participant, whether before or after the Participant's status as an Employee terminates, that would constitute "cause."

6.3.3 Accounting Restatements. If the Company is 2002, if we are required to prepare an accounting restatement due to the our material noncompliance, of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then our chief executive officer and chief financial officer may be legally required to reimburse us for any Participant who knowingly bonus or through gross negligence engaged in the misconduct, incentive-based or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, will reimburse the Company Group the amount of any payment with respect to an award earned or accrued equity-based compensation they received from us during the twelve (12) month 12-month period following the first public issuance or filing with the SEC of the financial document incorporating such financial reporting requirement, as well as profits realized from the sale of securities during that 12-month period.

Potential Payments upon Termination or Change in Control

Certain of our executives, including each of our named executive officers who remain current employees, are parties to employment agreements with us which set forth conditions of employment and the payments that will be made upon termination of their employment. Additional discussion of the employment agreements with our named executive officers is set forth below under "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control." We believe that these protections are necessary to provide our valuable named executive officers with incentives to forego other employment opportunities and to maintain continued focus and dedication to their responsibilities to maximize stockholder value, including if there is a potential transaction that could involve a change in control, without undue concern that the officer will be terminated and lose his or her income and benefits. We believe the level of severance and change in control benefits provided is appropriate and is necessary to attract and retain key employees.

In May 2023, in connection with Mr. Klompas' cessation of employment with Zymeworks, we and Mr. Klompas entered into a separation agreement that provided for certain severance payments and benefits to Mr. Klompas in consideration for a release of

claims in favor of us, effective June 2023. We believe that this separation arrangement was appropriate in light of Mr. Klompas' past (and expected future) contributions to Zymeworks, and generally believe it is favorable to us to obtain a release of claims even in the event of a mutual agreement to separate from employment. We also entered into a consulting service agreement with Mr. Klompas pursuant to which he assists us with certain transitional matters. We entered into the consulting service agreement in order to provide a smooth transition of Mr. Klompas' duties and responsibilities and to allow us to benefit from his ongoing input and expertise on certain matters. Additional discussion of these arrangements is set forth below under "Executive Compensation—Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

Summary Compensation Table

The following table presents the compensation awarded to, earned by or paid to each of our named executive officers for the years ended December 31, 2023 and December 31, 2022. We do not have non-qualified deferred compensation.

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽¹⁾⁽³⁾	All Other Compensation (\$) ⁽¹⁾	Total (\$)
Kenneth Galbraith, <i>Chair, President & CEO</i> ⁽⁴⁾	2023	625,452	1,144,000	1,194,627	321,651	89,146 ⁽⁵⁾	3,374,876
	2022	582,481	879,000	5,044,999	537,728	81,249 ⁽⁶⁾	7,125,457
Christopher Astle, <i>SVP & CFO</i> ⁽⁷⁾	2023	410,093	252,000	257,602	124,895	147,230 ⁽⁸⁾	1,191,820

	2022	358,749	—	593,772	203,048	159,436 ⁽⁹⁾	1,315,005
Paul Moore, CSO ⁽¹⁰⁾	2023	465,784	412,000	397,571	182,120	224,762 ⁽¹¹⁾	1,682,237
Neil Klompas, Former President & COO ⁽¹²⁾	2023	321,568 ⁽¹³⁾	468,000	328,363	—	1,007,801 ⁽¹⁴⁾	2,125,732
	2022	503,795 ⁽¹⁵⁾	—	950,036	330,699	23,878 ⁽¹⁶⁾	1,808,408

(1) Salary, non-equity incentive plan compensation (bonuses) and amounts in the "All Other Compensation" column for all named executive officers are determined in U.S. dollars. However, 2023 and 2022 cash compensation amounts for Mr. Klompas and Dr. Astle, and a portion of 2023 cash compensation amounts for Dr. Moore, were paid in Canadian dollars and have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022, the U.S. dollar per Canadian dollar exchange rates used for such conversions were 0.7410 and 0.7685, which were the average annual Bank of Canada exchange rates for 2023 and 2022, respectively. Cash compensation amounts for Mr. Galbraith were paid in British pounds and have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022 the U.S. dollar per British pound exchange rate used for such conversion were 1.2437 and 1.2354, which were the average annual Bank of Canada exchange rate for 2023 and 2022, respectively.

(2) The amounts set forth in these columns reflect the aggregate grant date fair value for restricted stock unit awards and option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the "Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation" and Note 10(e) "Notes to Consolidated Financial Statements – Shareholders' Equity – Stock Based Compensation" included in this Annual Report on Form 10-K for our year ended December 31, 2023.

(3) The amounts reflect the dollar value of incentive bonuses paid in 2024 and 2023 for performance during 2023 and 2022, respectively, as discussed further above under "Executive Compensation – Components of Compensation Package – Cash Bonus."

(4) Mr. Galbraith has served as our Chief Executive Officer and Chair of our board of directors since January 2022. In addition, Mr. Galbraith has served as our President since June 2023 and previously served as our President from January 2022 to August 2022.

(5) Of the total amount for 2023, (i) \$53,260 represents accommodation benefits, (ii) \$6,547 represents Company contributions to a defined contribution pension plan, (iii) \$746 represents life insurance premiums through our group extended benefit plan, (iv) \$17,593 represents airfare for immediate family members in accordance with the terms of Mr. Galbraith's employment agreement, and (v) \$11,000 represents an estimated tax equalization payment (which includes \$6,000 for estimated tax gross-up) in connection with taxation attributable to the performance of work outside the United Kingdom.

(6) Of the total amount for 2022, (i) \$45,724 represents accommodation benefits, (ii) \$20,263 represents Company contributions to a defined contribution pension plan, (iii) \$2,158 represents life insurance premiums through our group extended benefit plan, and (iv) \$13,104 represents airfare for immediate family members in accordance with the terms of Mr. Galbraith's employment agreement.

(7) Dr. Astle joined Zymeworks in April 2021 as Executive Director, Corporate and Commercial Finance and was promoted to Senior Vice President and Chief Financial Officer in February 2022.

(8) Of the total amount for 2023, (i) \$131,229 represents accommodation benefits (which includes \$61,021 for tax gross-up), (ii) \$13,289 represents Company contributions to our registered retirement savings plan, and (iii) \$2,712 represents life insurance premiums through our group extended benefit plan.

(9) Of the total amount for 2022, (i) \$136,960 represents accommodation benefits (which includes \$63,686 for tax gross-up), (ii) \$21,525 represents Company contributions to our registered retirement savings plan, and (iii) \$951 represents life insurance premiums through our group extended benefit plan.

(10) Dr. Moore has served as our Chief Scientific Officer since July 2022. Dr. Moore was not a named executive officer in 2022. As such, Dr. Moore's compensation for 2022 is not included in the table above.

(11) Of the total amount for 2023, (i) \$41,496 represents accommodation benefits, (ii) \$163,115 represents relocation expenses (which includes \$77,334 for tax gross-up), (iii) \$19,800 represents Company contributions to our 401(k) plan, and (iv) \$351 represents life insurance premiums through our group extended benefit plan.

(12) Mr. Klompas served as our Chief Operating Officer and Chief Financial Officer until February 2022, as our Chief Operating Officer from February 2022 until August 2022, and as our President and Chief Operating Officer from August 2022 to June 2023.

(13) Included in the total amount for 2023 is \$54,942 which represents payment of accrued vacation.

(14) Of the total amount for 2023, (i) \$990,970 represents severance payments and benefits under a separation agreement, (ii) \$15,998 represents Company contributions to our registered retirement savings plan and, (iii) \$833 represents life insurance premiums through our group extended benefit plan.

(15) Included in the total amount for 2022 is \$47,624 which represents payment of accrued vacation.

(16) Of the total amount for 2022, (i) \$23,004 represents Company contributions to our registered retirement savings plan and (ii) \$874 represents life insurance premiums through our group extended benefit plan.

Outstanding Equity Awards at 2023 Year End

The following table lists all outstanding equity awards granted in Canadian dollars under our Second Amended and Restated Stock Option Plan, as amended (the "Original Plan") and equity awards granted in U.S. dollars under the Equity Compensation Plan and our Inducement Stock Option and Equity Compensation Plan (the "Inducement Plan") held by our named executive officers as of December 31, 2023:

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price	Option	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested
		Exercisable ⁽¹⁾	Unexercisable ⁽¹⁾	(\$)	Expiration Date	(#) ⁽²⁾	(\$) ⁽²⁾⁽³⁾
Kenneth Galbraith	1/15/2022	250,000	250,000	14.97	1/14/2023	—	—
	1/5/2023	—	215,000	8.00	1/4/2033	—	—
	12/22/2022	—	—	—	—	100,000 ⁽⁴⁾	1,039,000
	1/5/2023	—	—	—	—	143,000	1,485,770
Christopher Astle	5/17/2021	11,500	5,750	26.68 ⁽⁵⁾	5/16/2031	—	—
	3/10/2022	57,292	67,708	7.00	3/9/2022	—	—
	1/5/2023	—	47,000	8.00	1/4/2033	—	—
	1/5/2023	—	—	—	—	31,500	327,285
Paul Moore	7/18/2022	75,000	125,000	5.82	7/17/2032	—	—
	1/5/2023	—	77,500	8.00	1/4/2033	—	—
	1/5/2023	—	—	0.00	—	51,500	535,085
Neil Klompas	1/1/2015	23,464	—	10.70	1/1/2025	—	—
	1/29/2016	125,700	—	8.97	1/29/2026	—	—
	2/3/2017	35,615	—	16.75	2/3/2027	—	—
	6/12/2017	85,000	—	9.82	6/12/2027	—	—
	3/19/2018	75,000	—	11.84	3/18/2028	—	—
	1/8/2019	90,000	—	15.53	1/7/2029	—	—
	3/27/2019	15,000	—	15.23	3/26/2029	—	—
	3/10/2020	43,125	1,875	35.20	3/9/2030	—	—
	3/10/2021	34,531	14,219	34.82	3/9/2031	—	—
	3/10/2022	91,667	108,333	7.00	3/9/2032	—	—
	1/5/2023	—	87,500	8.00	1/4/2033	—	—
	3/10/2021	—	—	—	—	2,709	28,147
	1/5/2023	—	—	—	—	58,500	607,815

(1) Options vest and become exercisable with respect to (i) 25% of the underlying shares one year after the grant date and (ii) the remainder of the underlying shares in 36 equal monthly installments following the first anniversary of the date of grant, subject to the optionee's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(2) Unless otherwise noted, restricted stock units vest in three equal annual installments on each of the first, second, and third anniversaries of the date of grant, subject to the holder's continued service through each vesting date and any applicable acceleration of vesting provisions described under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(3) Market value of restricted stock units that have not vested is based on the closing price of the Company's common shares on Nasdaq on December 29, 2023, which was \$10.39 per share.

(4) These restricted stock units vest on the third anniversary of the date of grant, subject to the holder's continued service. Pursuant to the terms of Mr. Galbraith's grant agreement with respect to these restricted stock units, (i) if Mr. Galbraith's employment is terminated by the Company without cause, 100% of the restricted stock units will fully vest, and (ii) if on or within twelve months following a change of control (as defined in Mr. Galbraith's employment agreement) or within three months prior to a change of control, Mr. Galbraith's employment with the Company terminates due to his resignation for good reason, 100% of the restricted stock units will fully vest, in each case of (i) and (ii) subject to Mr. Galbraith having entered into a valid and enforceable settlement agreement with the Company on terms satisfactory to the

Company. These restricted stock units also are subject to the applicable acceleration of vesting provisions described for Mr. Galbraith under the section below entitled "Executive Employment Arrangements and Potential Payments upon Termination or Change in Control."

(5) These options were granted with exercise prices denominated in Canadian dollars. The U.S. dollar per Canadian dollar exchange rate used to convert option exercise price to U.S. dollars was 0.7410, which was the average annual Bank of Canada exchange rate for 2023.

Pension Benefits

We do not have any qualified or non-qualified defined benefit pension plans.

Non-qualified Deferred Compensation

We do not have any non-qualified defined contribution plans or other deferred compensation plans.

Executive Employment Arrangements and Potential Payments upon Termination or Change in Control

Executive Employment Arrangements

Key provisions of the employment agreements that were in effect as of December 31, 2023, for our named executive officers are described below.

Kenneth Galbraith. In connection with Mr. Galbraith's appointment as President and Chief Executive Officer in January 2022, Mr. Galbraith entered into an employment agreement with us (the "Original Agreement"), on December 30, 2022 Zymeworks BC and Zymeworks Management Inc., our subsidiaries, and Mr. Galbraith entered into an amendment to the Original Agreement (the "First Amendment"), and on January 3, 2024, Zymeworks BC and Mr. Galbraith entered into a second amendment (the "Second Amendment" and the Original Agreement, as amended by the First Amendment and the Second Amendment, the "Galbraith Employment Agreement"). The Galbraith Employment Agreement does not have a specific term. The Second Amendment established Mr. Galbraith's principal place of employment as the United Kingdom, or another location as agreed upon between the parties, which removes the requirement for Mr. Galbraith to relocate to Vancouver, British Columbia or Seattle, Washington, and incorporated certain extensions of compensation and benefit provisions, as described below.

Pursuant to the Galbraith Employment Agreement, Mr. Galbraith is entitled to the following compensation and benefits:

- An annual base salary of \$600,000, with eligibility to earn an annual discretionary bonus of up to 60% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Mr. Galbraith's current annual base salary is \$655,000 and his target annual discretionary bonus remains at 60% of his annual base salary;
- Options, which were granted to Mr. Galbraith in 2022, to purchase 500,000 of our common shares at an exercise price per share equal to the fair market value on the date of grant (the "Inducement Options"). 25% of the Inducement Options vest and become exercisable on the one-year anniversary of the date of grant, and thereafter 1/36th of the remaining Inducement Options will vest on the last day of each month, until all of the Inducement Options have vested, subject to Mr. Galbraith's continued service;
- Eligibility to participate in our employee benefit plans, policies and arrangements that, in the aggregate, are reasonably consistent with other executive officers generally, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- Enrollment in a qualifying pension scheme under the UK Pensions Act 2008;
- Prior to the Second Amendment, the Galbraith Employment Agreement provided for reimbursement of relocation expenses up to a maximum gross amount of \$300,000, grossed up for the impact of any tax withholding, for reasonable moving expenses incurred by Mr. Galbraith and his immediate family during relocation from Mr. Galbraith's primary residence to Vancouver, British Columbia or Seattle, Washington if he relocated on or before July 15, 2024 (under the Original Agreement, this related to a relocation within the first eighteen months of employment), with the total amount reimbursed under this provision required to be repaid if Mr. Galbraith's employment had terminated within three years (two years under the Original Agreement) following the effective date of employment. The Second Amendment removed the requirement to relocate, and deleted this provision regarding relocation expenses;
- Temporary housing for Mr. Galbraith in Vancouver, British Columbia, grossed up for the impact of any tax withholding. The First Amendment had provided for this benefit through the earlier of Mr. Galbraith's relocation or July 15, 2024, and under the Original Agreement, this was through the earlier of Mr. Galbraith's relocation or the date that is 18 months following the effective date of employment;
- Reimbursement of reasonable travel and living expenses when traveling from his home to Vancouver, British Columbia or Seattle, Washington for his employment duties, as well as reimbursement or Company payment for reasonable airfare and lodging expenses for Mr. Galbraith and his immediate family for one trip per calendar year to Vancouver, British Columbia or Seattle, Washington, as applicable (under the Original Agreement, this related to trips that occurred prior to the end of 2023 under the Original Agreement, and under the First Amendment, to trips that occurred prior to the end of 2024);

- A tax equalization payment if Mr. Galbraith is subject to income taxation or other taxation outside of the United Kingdom during the period of his employment, grossed up for the impact of any tax withholding, and tax preparation services;
- If we terminate Mr. Galbraith's employment during his first three years of employment, then Mr. Galbraith will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Mr. Galbraith's employment, Mr. Galbraith will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service, up to a total maximum of eighteen months. Mr. Galbraith will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan;
- In the event of termination on death or disability, as defined in our long-term disability plan or policy then in effect with respect to him, Mr. Galbraith, or his estate, will receive (x) a lump sum payment equal to the difference between (1) eighteen months of base salary plus target annual cash bonus as of the date of death or disability and (2) the amount that Mr. Galbraith or his estate will receive as a result of death or disability under our applicable insurance policies in effect as of the date of termination, (y) group extended health and dental benefits continuation for his surviving family members for eighteen months (or lump sum payment for the premium costs of such benefits in lieu thereof), and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants made to Mr. Galbraith as of the date of death or disability;
- If Mr. Galbraith's employment is terminated by us without cause on or within twelve months following, or within three months prior to, a change of control (as defined in the Galbraith Employment Agreement), Mr. Galbraith will be eligible to receive (x) a lump sum payment of eighteen months of base salary and 100% of target annual cash bonus as of the date of termination, (y) group extended health and dental benefits continuation as of the date of termination for eighteen months (or lump sum payment for the premium costs of such benefit plans in lieu thereof) and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Mr. Galbraith entering into a valid settlement agreement with us; and
- In addition, the Galbraith Employment Agreement requires Mr. Galbraith, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Galbraith Employment Agreement also requires Mr. Galbraith not to solicit our employees or consultants to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

On August 4, 2022, Mr. Galbraith ceased to serve in the role of our President, which role was then assumed by Mr. Klompas, and Mr. Galbraith continued in the role of Chair of the Board of Directors and Chief Executive Officer. Effective upon Mr. Klompas' departure in June 2023, Mr. Galbraith was re-appointed as our President. The compensatory and other material terms of Mr. Galbraith's employment with us were unchanged in connection with his re-appointment as our President.

Neil Klompas. On August 4, 2022, the board of directors appointed Mr. Klompas as our President, effective August 4, 2022. Mr. Klompas continued in the role of Chief Operating Officer following his appointment our President. The compensatory and other material terms of Mr. Klompas' employment with us, described below, were unchanged in connection with his appointment as President. Effective June 30, 2023, Mr. Klompas stepped down as our President and Chief Operating Officer and separated from employment. In May 2023, in anticipation of Mr. Klompas' departure, Zymeworks BC and Mr. Klompas entered into a separation agreement and release (the "Klompas Separation Agreement") providing for certain benefits, including:

- A lump sum payment of \$1,000,000, equivalent to twenty-four (24) months of his then-current base salary, which payment was subject to Mr. Klompas not being terminated for cause prior to the June 30, 2023 (Mr. Klompas was not terminated for cause prior to such date and therefore became entitled to this payment). Mr. Klompas was not eligible for any annual performance bonus with respect to our 2023 fiscal year;
- Eligibility for Mr. Klompas and his spouse to participate in our employee benefit plans for the lesser of (a) twenty-four (24) months following June 30, 2023 and (b) the date of enrollment in the benefit plans of a new employer;
- Payments of \$7,500 for professional development and continuing educational courses and \$2,500 for legal fees incurred in the review of the Klompas Separation Agreement, and reimbursement for laptop and provision of related peripherals;
- Entry into a consulting services agreement (the "Klompas Consulting Agreement"), whereby Mr. Klompas will assist with certain transitional matters at the request and direction of Zymeworks BC on an as needed basis. The Klompas Consulting Agreement became effective on June 30, 2023 and is scheduled to expire on June 30, 2025. Mr. Klompas will be entitled to continued vesting and exercise benefits for outstanding stock options and restricted stock units under our equity incentive plans for the duration of the Klompas Consulting Agreement as well as certain cash payments at a rate of \$300/hour for any services provided in excess of five hours per week. If a change of control (as such term is defined in the Equity Compensation Plan) had occurred prior to the expiration or earlier termination of the Klompas Consulting Agreement, any unvested options and restricted stock units held by Mr. Klompas immediately prior to such change of control that would have vested on or prior to June 30, 2025 had Mr. Klompas remained as a service provider through such date, would have been accelerated such that they would have been vested as of immediately prior to and contingent upon such change of control. Following the termination of the Klompas Consulting Agreement, and provided that Mr. Klompas (i) had not been terminated for cause prior to June 30, 2023 (Mr. Klompas was not terminated for cause prior to such date) and (ii) timely executed a supplemental release agreement, Mr. Klompas will have the period from the termination of the Klompas Consulting Agreement to June 30, 2026 to exercise any vested Company stock options, subject to any such options' earlier expiration during such period; and
- Reimbursement for all reasonable and documented business expenses actually and properly incurred in relation to Zymeworks BC's and our business up to June 30, 2023.

In addition to providing a release of claims in favor of the Company, the Klompas Separation Agreement reaffirmed Mr. Klompas' agreement to be bound by the confidentiality provisions and the restrictive covenants of his employment agreement, which include a requirement that Mr. Klompas not solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us, and a requirement, modified by the Klompas Separation Agreement, that he will not compete with us, while employed by us and for up to six months following the termination of his employment, either directly or indirectly, with respect to certain aspects of our business with which he was materially involved in the last 12 months of his employment with us.

Prior to Mr. Klompas' separation from employment with us, Mr. Klompas was subject to an employment agreement with us, which had been entered into with him on January 25, 2007 and amended from time to time, as well as to the later Klompas Promotion Letter, described below.

The 2007 employment agreement with Mr. Klompas had set forth the initial terms and conditions of his employment and had provided for his initial base salary and initial equity award, and which included, among other things, provisions regarding confidentiality, ownership of developments, non-competition and non-solicitation, as well as eligibility for our incentive plans, reimbursements for certain professional association memberships and professional development fees and costs, and the ability to participate in generally available benefits. This agreement was amended on October 23, 2007, and January 1, 2014. On January 17, 2017, we entered into an amended and restated employment agreement with Mr. Klompas that superseded and replaced the January 2007 agreement, as amended, and set forth revised termination and change of control provisions. Under the revised not-for-cause termination severance provisions, during the first three years of employment, Mr. Klompas was entitled to 12 months of written notice or payment in lieu of notice equal to 12 months of his base salary and continuation of benefits for 12 months, or any combination thereof. Commencing in the fourth year of employment, Mr. Klompas was entitled to an additional one month's notice, or the equivalent base salary and continuation of benefits, or any combination thereof, for each additional completed year of service, up to a total maximum of 18 months. If Mr. Klompas were terminated without cause within 12 months following a change of control, he would have received severance equal to 18 months of his base salary, continuation of benefits for 18 months and full vesting acceleration of all unvested stock options or other equity grants made as at that date. Any severance payments payable under the agreement in excess of any minimum required by certain applicable laws were conditional upon Mr. Klompas' release of claims against us.

In connection with Mr. Klompas' appointment as Chief Operating Officer in January 2022, we provided Mr. Klompas with a promotion letter (the "Klompas Promotion Letter"), which reflected increases to his then-current base salary and annual bonus opportunity. In January 2023, Mr. Klompas' base salary was increased to \$500,000, which increase was given retroactive effect to August 4, 2022 in connection with his appointment as President, and his annual target bonus remained at 45% of his base salary.

Christopher Astle. In connection with Dr. Christopher Astle's appointment as Senior Vice President and Chief Financial Officer, we entered into an amended and restated employment agreement with Dr. Astle effective as of February 24, 2022 (the "Astle Employment Agreement"). The Astle Employment Agreement does not have a specific term.

Pursuant to the Astle Employment Agreement, Dr. Astle is entitled to the following compensation and benefits:

- An annual base salary of \$375,000, with eligibility to earn an annual discretionary bonus of up to 35% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Dr. Astle's current annual base salary is \$425,000 and his target annual discretionary bonus for 2024 has been set at 40% of his annual base salary;
- Options, which were granted to Dr. Astle in 2022, to purchase 125,000 of our common shares at an exercise price per share equal to the fair market value on the date of grant. The options were granted under the Equity Compensation Plan. 25% of the options will vest and become exercisable on the one-year anniversary of the date of grant, and thereafter 1/36th of the remaining options will vest on the last day of each month, until all of the options have vested, subject to Dr. Astle's continued service;
- Eligibility to participate in our employee benefit plans, policies and arrangements, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- If we terminate Dr. Astle's employment without cause prior to April 1, 2024, then Dr. Astle will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Dr. Astle's employment without cause, Dr. Astle will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service after April 1, 2024, up to a total maximum of eighteen months. Dr. Astle will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan. Such payments will be subject to Dr. Astle entering into a valid settlement agreement with us;
- If Dr. Astle's employment is terminated by us without cause on or within twelve months following a change of control (as defined in the Astle Employment Agreement), Dr. Astle will be eligible to receive (x) eighteen months of base salary, (y) group extended health and dental benefits continuation as of the date of termination for eighteen months and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Dr. Astle entering into a valid settlement agreement with us; and

- In addition, the Astle Employment Agreement requires Dr. Astle, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Astle Employment Agreement also requires Dr. Astle not to solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

On November 17, 2022, we entered into an amendment with Dr. Astle to the Astle Employment Agreement. The amendment amends the Astle Employment Agreement to provide to Dr. Astle certain corporate housing benefits based on need (as determined in our discretion) in the Vancouver, British Columbia metropolitan area. In addition to the corporate housing benefits, the amendment provides for a gross-up to Dr. Astle for the impact of any tax withholding related to the corporate housing benefits.

Paul Moore. On July 18, 2022, the Company and Zymeworks Biopharmaceuticals Inc., a subsidiary of the Company, entered into an employment agreement with Dr. Moore setting forth the terms and conditions of his employment as Chief Scientific Officer of the Company (the "Initial Employment Agreement"). In connection with Dr. Moore's planned relocation from the United States to Canada, the Company and our subsidiary Zymeworks BC entered into an amended and restated employment agreement with Dr. Moore (the "Moore Employment Agreement") that supersedes and replaces the Initial Employment Agreement. The Moore Employment Agreement does not have a stated term.

Pursuant to the Moore Employment Agreement, Dr. Moore is entitled to the following compensation and benefits:

- An annual base salary of \$465,000, with eligibility to earn an annual discretionary bonus of up to 45% of his annual base salary, based upon the achievement of certain Company goals determined by the board of directors. Dr. Moore's current annual base salary is \$495,000 and his target annual discretionary bonus remains at 45% of his annual base salary;
- Eligibility to participate in our employee benefit plans, policies and arrangements, as well as reimbursement for certain fees and costs related to membership in certain professional associations and professional development;
- Reimbursement of relocation expenses up to a maximum of \$200,000, grossed-up to offset the impact of any taxes on such payment, for reasonable and customary moving expenses that Dr. Moore incurs within eighteen months of his July 18, 2022 start date in connection with his relocation to the Vancouver, British Columbia metropolitan area, as contemplated in the Initial Employment Agreement.
- A tax equalization payment if Dr. Moore is subject to income taxation in Canada in a given year equal to the difference between (i) the sum of total Canadian taxes plus any U.S. federal, state and local income taxes, that Dr. Moore is or would be obligated to pay for an applicable tax year, and (ii) the amount of U.S. federal, state and local tax liability had Dr. Moore worked in the United States for the entire tax year. Any tax equalization payment will be grossed-up to offset the impact of taxes on such payment.
- Provision of tax preparation support or reimbursement of up to \$5,000 per year for additional tax preparation expenses of Dr. Moore for a period of two years from his July 18, 2022 start date.
- If we terminate Dr. Moore's employment without cause during his first three years of employment, then Dr. Moore will be eligible to receive twelve months of notice or the equivalent of twelve months of base salary as of the date notice is given, or any combination thereof that totals twelve months of combined notice and base salary. Commencing in the fourth year of his employment, if we terminate Dr. Moore's employment without cause, Dr. Moore will be eligible to receive an additional one month of notice or the equivalent of one month of base salary as of the date notice is given, or any combination thereof, for each additional completed year of service, up to a total maximum of eighteen months. Dr. Moore will also be eligible for continuation of group health and dental benefits through the applicable notice period to the extent permitted by any applicable benefit plan; Such payments will be subject to Dr. Moore entering into a valid separation and release agreement with us;
- If Dr. Moore's employment is terminated by us without cause on or within twelve months following a change of control (as defined in the Moore Employment Agreement), Dr. Moore will be eligible to receive as severance (x) eighteen months continued base salary following termination, (y) group extended health and dental benefits as of the date of termination for eighteen months, and (z) full vesting acceleration of all unvested and outstanding stock options or other equity grants as of the date of termination. Such payments will be subject to Dr. Moore entering into a valid separation and release agreement with us; and
- In addition, the Moore Employment Agreement requires Dr. Moore, among other things, not to compete, either directly or indirectly, with us while employed by us and for up to six months following the termination of his employment with us. The Moore Employment Agreement also requires Dr. Moore not to solicit our employees to terminate their relationship with us while he is employed by us and for up to one year following the termination of his employment with us.

Equity Compensation Plan Information

Under our Original Plan, upon a transaction in which equity securities representing more than 66 2/3% of our common stock are sold (a "substantial sale"), if the purchaser offers to buy out options, the options must be sold to the purchaser at a purchase price equal to (x) the price per share in the transaction (calculated in accordance with the terms of the Original Plan) minus the exercise price per share, multiplied by (y) the number of shares then exercisable under the option. If the option holders do not sell their options to the purchaser, such options will terminate upon completion of the substantial sale.

Under our Equity Compensation Plan and our Inducement Plan, in connection with a change of control (as defined in the applicable plan), our board of directors or the committee to which our board of directors has delegated authority to administer the applicable plan (either, the “Administrator”) has the right to provide for the conversion or exchange of any outstanding awards into or for options, rights or other securities in any entity participating in or resulting from a change of control, cash or other property. If we enter into an agreement for a transaction that, if completed, would result in a change of control, or otherwise becomes aware of a pending change of control, we will give written notice to the award holders regarding the potential change of control and a description of the effect of the change of control on outstanding awards at least seven (7) days prior to the closing of change of control.

Under our Equity Compensation Plan and Inducement Plan, the Administrator may, in its discretion, accelerate the vesting and/or expiration date of any or all outstanding awards in connection with the change of control to provide that such designated awards shall be fully vested and any options not exercised within the specified period will be terminated after the completion of the change of control. If the change of control would also result in a capital reorganization, arrangement, amalgamation or reclassification of our share capital (and if the vesting and expiration of the awards has not been accelerated as contemplated by the prior sentence), upon completion of the change of control, the number and kind of shares subject to outstanding awards and, if applicable, the exercise price per share of options shall be appropriately adjusted (including by substituting the awards for awards with respect to securities in any successor entity to us) in such manner as the Administrator considers equitable to prevent substantial dilution or enlargement of the rights granted to Award holders. The Administrator also may make changes to the terms of the awards or the Equity Compensation Plan or Inducement Plan to the extent necessary or desirable to comply with any rules, regulations or policies of any stock exchange on which any of our securities may be listed, provided that the value of previously granted awards and the rights of award holders are not materially adversely affected by any such changes. In addition, in the event of a potential change of control, the Administrator may, in its sole discretion, modify the terms of the plan and/or the awards to assist the participants to tender into a take-over bid or other transaction leading to a change of control, including the authority to allow participants to conditionally exercise options.

Director Compensation Table

The following table presents the compensation awarded to, earned by or paid to our directors (other than Mr. Galbraith, whose compensation is provided in the Summary Compensation Table above) for the year ended December 31, 2023. Dr. Cesano and Mr. Platshon are not included in the table below as they did not join the board of directors until 2024. We do not currently have director compensation in the form of share-based awards (other than stock options), non-equity incentive plan compensation or non-qualified deferred compensation.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) ⁽¹⁾⁽²⁾	All Other Compensation	Total (\$)
Carlos Campoy	25,875	483,094	—	508,969
Troy M. Cox	51,077	212,754	—	263,831
Nancy Davidson	4,333 ⁽³⁾	436,683	—	441,016
Kenneth Hillan	53,788	212,754	—	266,542
Susan Mahony	49,072	212,754	—	261,826
Derek J. Miller	29,480	504,121	21,545 ⁽⁴⁾	555,146
Kelvin Neu ⁽⁴⁾	49,703	212,754	—	262,457
Hollings C. Renton	51,245	212,754	—	263,999
Natalie Sacks	29,391	—	—	29,391
Lota S. Zoth	84,845	—	—	84,845

(1) The amounts set forth in this column reflect the aggregate grant date fair value for option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation. See Note 2 to the “Notes to Consolidated Financial Statements – Summary of Significant Accounting Policies – Stock-Based Compensation” and Note 10(e) “Notes to Consolidated Financial Statements – Stockholders’ Equity Stock- Based Compensation” included in this Annual Report on Form 10-K for our year ended December 31, 2023.

(2) As of December 31, 2023, directors held the following number of options to purchase Company common shares: (i) Mr. Campoy, 87,000; (ii) Mr. Cox, 110,000; (iii) Dr. Davidson, 74,000; (iv) Dr. Hillan, 121,425; (v) Dr. Mahony, 110,000; (vi) Mr. Miller, 87,000; (vii) Dr. Neu, 71,000; (viii) Mr. Renton, 121,425; (ix) Dr. Sacks, 78,140; and (x) Ms. Zoth, 86,117.

(3) In 2023, cash compensation for non-employee directors was paid in advance for directors serving on the board of directors at the beginning of each of the first, second, third and fourth quarters of 2023. In the fourth quarter of 2023, the board of directors changed the cash compensation approach such that, going forward, cash compensation would be payable quarterly in arrears. As a result of this change, the amount included in this column for Dr. Davidson reflects the pro-rated cash compensation earned during the fiscal year ended December 31, 2023 by Dr. Davidson.

(4) Mr. Miller provided consulting services to us pursuant to the Consulting Agreement (as defined below) the Company entered into with Derek J Miller Consulting LLC, a limited liability company owned by Derek Miller in May 2022. The amounts set forth above reflect consulting fees paid to Mr.

Miller for the year ended December 31, 2023. In total, we have paid Mr. Miller an aggregate of approximately \$36,000 for such consulting services, of which (i) approximately \$22,000 was paid for services rendered prior to Mr. Miller's appointment to the board of directors and (ii) approximately \$14,000 was paid for services rendered since Mr. Miller joined the board of directors. In October

2023, we entered into a Termination of Consulting Agreement and Further Amended and Restated Statement of Work #1 with Derek J Miller Consulting LLC, which provided for, among other things, the termination of the Consulting Agreement effective as of November 30, 2023. (5) Dr. Neu joined the Company's board of directors in March 2020. Dr. Neu was an employee of Baker Bros. Advisors LP until January 2021. Pursuant to the terms of Dr. Neu's employment by Baker Brothers Advisors LP, the options granted to him in 2020 were, and will continue to be, beneficially owned by Baker Bros. Advisors LP.

Director Compensation

The written charter of our compensation committee provides that the compensation committee will review compensation for members of our board of directors on at least an annual basis, taking into account their responsibilities and time commitment and information regarding the compensation paid at peer companies. The compensation committee will make recommendations to our board of directors with respect to changes to our approach to director compensation as it considers appropriate.

In November 2022, the compensation committee worked with Aon to update prior competitive assessments of our board of director compensation program. Based on these findings, in November 2022, the compensation committee recommended, and the board of directors approved, the following changes to the cash and equity compensation of non-employee directors:

- The cash component for board of directors and committee membership was maintained at the 2022 levels, with the exception that the cash retainer fee for service as chair of the compensation committee was increased from \$10,000 to \$12,000, the cash retainer fee for service as a member of the compensation committee was increased from \$5,000 to \$6,000, the cash retainer fee for service as chair of the nominating and corporate governance committee increased from \$7,500 to \$8,500, and the cash retainer fee for service as a member of the nominating and corporate governance committee was increased from \$3,750 to \$4,250 (in each case effective January 2023);
- The initial option grant for new directors, to be granted on or about the time of the director joining the board of directors, was changed from 40,000 to 50,000 options, with the vesting schedule remaining as 1/36th of the options vesting on each monthly anniversary of the grant date, subject to the director's continued service (effective November 2022); and
- The annual equity grant to directors, to be granted at or about the time of our annual meeting of stockholders, was changed from 20,000 options to 25,000 options, with the vesting schedule remaining 100% of the options vesting on the date of the next year's annual meeting of stockholders, subject to the director's continued service through such date (effective November 2022).

In May 2023, the board of directors approved, with input from the compensation committee and nominating and corporate governance committee, certain amendments to our board of directors compensation program to provide for: (i) full acceleration of vesting of options granted as annual equity awards in connection with our 2022 annual meeting of stockholders for directors departing on or after the restatement of the policy on May 24, 2023 and at or prior to the 2023 annual meeting of stockholders, (ii) pro rata acceleration of vesting of options granted as annual equity awards in connection with the 2023 annual meeting of stockholders for directors departing after the 2023 annual meeting of stockholders but at or before our 2024 annual meeting of stockholders, with the pro rata acceleration determined based on the number of full or partial months served as a non-employee director on and after the 2023 annual meeting of stockholders date, and (iii) extension of the post-termination exercise period for vested options held by departing directors to three years following the director's cessation of service (or, if earlier, upon the expiration of the option).

In November 2023, the compensation committees worked with Aon to again update prior competitive assessments of our board of director compensation program. Based on these findings, in November 2023, the compensation committee recommended certain changes to the non-employee director compensation program.

In December 2023, the board of directors approved, following its annual assessment of the director compensation program and including its consideration of the input and recommendations from the compensation committee, the following changes to the cash and equity compensation of non-employee directors (as amended, the "Amended and Restated Director Compensation Policy"), which changes adjust the director compensation program to more closely align with the non-employee director compensation practices of the Company's peer group:

- Beginning January 1, 2024, the annual cash retainer fee for service as chair of the audit committee will be increased from \$15,000 to \$20,000, the annual cash retainer fee for service as a member of the audit committee will be increased from \$7,500 to \$10,000, the annual cash retainer fee for service as chair of the compensation committee will be increased from \$12,000 to \$15,000, the annual cash retainer fee for service as a member of the compensation committee will be increased from \$6,000 to \$7,500, the annual cash retainer fee for service as chair of the nominating

and corporate governance committee will be increased from \$8,500 to \$10,000, the annual cash retainer fee for service as a member of the nominating and corporate governance committee will be increased from \$4,250 to \$5,000;

- Effective immediately, the initial option grants for new non-employee directors, to be granted on or about the time of the director joining the board of directors, were changed from options to purchase 50,000 shares of Company common stock to options to purchase 74,000 shares of Company common stock, with the vesting schedule remaining as 1/36th of the shares subject to the option vesting on each monthly anniversary of the grant date, subject to the director's continued service; and
- Effective immediately, the annual equity grant to continuing non-employee directors, to be granted at or about the time of our annual meeting of stockholders, was changed from options to purchase 25,000 shares of Company common stock to 37,000 shares, with the vesting schedule remaining 100% of the shares subject to the option vesting on the date of the next year's annual meeting of stockholders, subject to the optionee's continued service through such date.

Following the recommendation of the compensation committee, the board of directors also determined to not implement stock ownership guidelines at this time. No other changes to board of director compensation were made for 2023.

Cash Compensation for Directors

In 2023, we provided the below annual cash retainer fees for service on our board of directors and committees. The fees for service on committees are in addition to the annual retainer fees for service on the board of directors:

	Effective January 1, 2023	Effective January 1, 2024
	Amount (\$)	Amount (\$)
Board of Directors:		
Member	40,000	40,000
Lead Independent Director	65,000	65,000
Audit Committee:		
Member	7,500	10,000
Chair	15,000	20,000
Compensation Committee:		
Member	6,000	7,500
Chair	12,000	15,000
Nominating and Corporate Governance Committee:		
Member	4,250	5,000
Chair	8,500	10,000
Research and Development Committee:		
Member	6,000	6,000
Chair	15,000	15,000

Cash retainer fees were amended in December 2023 as discussed above.

Equity Compensation for Directors

Beginning from December 2023, new non-employee directors will be granted an initial option grant to purchase 74,000 shares of common stock, to be granted on or about the time such director joins the board of directors, with a vesting schedule of 1/36th of the options vesting on each monthly anniversary of the grant date, subject to the optionee's continued service through such date.

In addition, non-employee directors will be granted an annual option grant to purchase 37,000 shares of common stock, to be granted at or about the time of the Company's annual meeting of stockholders, with a vesting schedule of 100% of the options vesting on the date of the next year's annual meeting of stockholders, subject to the optionee's continued service through such date.

Upon cessation of a non-employee director's continued service, each outstanding stock option held by such director is subject to (i) full acceleration of vesting of options granted as annual equity awards in connection with our 2022 annual meeting of stockholders for directors departing on or after May 24, 2023 and at or prior to the 2023 annual meeting of stockholders held on December 7, 2023 and (ii) pro rata acceleration of vesting of options granted as annual equity awards in connection with the 2023 annual meeting of stockholders for directors departing after the 2023 annual meeting of stockholders, but at or before our 2024 annual meeting of stockholders, with the pro rata acceleration determined based on the number of full or partial months served as a non-employee director on and after the 2023 annual meeting of stockholders date.

In addition, the post-termination exercise period for vested options held by departing directors is extended to three years following the director's cessation of service (or, if earlier, upon the expiration of the option).

Expense Reimbursement

Each member of our board of directors is also entitled to reimbursement for reasonable travel and other expenses incurred in connection with attending board meetings and meetings for any committee on which he or she serves. These amounts are not included in the table above.

Risk Management

As part of its normal practice, the compensation committee evaluates the risk-taking incentives created by our compensation programs, policies and practices and has concluded that such programs, policies and practices are not reasonably likely to have a material adverse effect on the Company.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table sets forth summary information relating to our Equity Compensation Plan, employee share purchase plan, as amended (the "ESPP"), the Original Plan and the Inducement Plan as of December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted average exercise price of outstanding options, warrants, and rights ⁽²⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders			
Equity Compensation Plan	7,136,255 ⁽³⁾	\$12.99 ⁽⁴⁾	4,594,639
ESPP	—	—	2,029,328
Original Plan	493,878	\$17.07 ⁽⁵⁾	\$12.65
Equity compensation plans not approved by security holders			
Inducement Plan	700,000	\$12.36	50,000

(1) Includes restricted stock units.

(2) Does not include restricted stock units, which do not have an exercise price.

(3) The original maximum number of common shares reserved for issuance under the Equity Compensation Plan as of June 7, 2018, was 5,686,097. Beginning in 2019 and ending in 2028, this maximum number may be increased on the first day of each calendar year by up to 4.0% of the number of outstanding shares on the last day of the immediately preceding calendar year.

(4) Stock options granted under the Equity Compensation Plan are granted with exercise prices in both Canadian dollars and U.S. dollars. As of December 31, 2023, there were 6,364,842 outstanding stock options under the Equity Compensation Plan, consisting of 995,600 stock options with a weighted average exercise price of C\$17.98 (\$13.32 based on the U.S. dollar per Canadian dollar exchange rate of 0.7409, which was the average annual Bank of Canada exchange rate for 2023) and 5,369,242 stock options with a weighted average exercise price of \$12.45.

(5) Stock options granted under the Original Plan were granted with exercise prices in Canadian dollars. As of December 31, 2023, there were 493,878 outstanding stock options under the Original Plan, with a weighted average exercise price of C\$17.07 (\$12.65 based on the U.S. dollar per Canadian dollar exchange rate of 0.7409, which was the average annual Bank of Canada exchange rate for 2023).

Inducement Plan

Our Inducement Plan was adopted by our board of directors in January 2022, and was amended and restated in October 2022. The Inducement Plan was adopted without stockholder approval pursuant to the NYSE listing rules related to inducement plans, which are substantially similar to the Nasdaq rules related inducement plans. The Inducement Plan allows for the grant of options, grant restricted stock, restricted stock units and other share-based awards. The terms of the Inducement Plan are substantially similar to those of the Equity Compensation Plan, including with respect to treatment of awards in connection with a change of control, as described above. However, in accordance with the exemption requirements under NYSE and Nasdaq rules, awards under the Inducement Plan may only be made to employees of our Company or our subsidiaries to whom the grant of the award is a material inducement to the individual's entering into employment with us in accordance with such rules.

Share Ownership

The table below indicates information as of February 29, 2024, regarding the beneficial ownership of our common stock for:

- each person who is known by us to beneficially own more than 5% of our common stock;
- each named executive officer;
- each of our directors; and
- all executive officers and directors as a group.

In accordance with SEC rules, for the purposes of calculating percent ownership, as of February 29, 2024, (i) 70,532,213 shares of common stock were issued and outstanding, and, (ii) for any individual who beneficially owned shares represented by exchangeable shares, warrants, options, or restricted stock units that were exercisable or scheduled to vest within sixty days of February 29, 2024, those shares were treated as if outstanding for that person, but not for any other person. Unless otherwise indicated in the footnotes to the table, and subject to community property laws where applicable, the following persons have sole voting and investment control with respect to the shares beneficially owned by them. To our knowledge, except as noted in the table below, no person or entity was the beneficial owner of more than 5% of the voting power of our common stock as of February 29, 2024.

Except as otherwise indicated, the address of each of the persons in this table is 108 Patriot Drive, Suite A, Middletown, Delaware 19709.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned	Percentage of Shares Beneficially Owned	Total Voting Percentage †
5% and Greater Stockholders:			
EcoR1 Capital, LLC	14,262,473 ⁽¹⁾	19.99% ⁽²⁾	19.81% ⁽²⁾
BVF Partners L.P.	5,870,000 ⁽³⁾	8.32%	8.25%
Redmile Group, LLC	5,790,230 ⁽⁴⁾	8.21%	8.13%
Morgan Stanley	4,842,464 ⁽⁵⁾	6.87%	6.80%
BlackRock, Inc.	3,923,328 ⁽⁶⁾	5.56%	5.51%
Directors and Named Executive Officers:			
Christopher Astle	98,872 ⁽⁷⁾	*	*
Carlos Campoy	12,500 ⁽⁸⁾	*	*
Alessandra Cesano	4,111 ⁽⁹⁾	*	*
Troy M. Cox	80,500 ⁽¹⁰⁾	*	*
Nancy Davidson	8,222 ⁽¹¹⁾	*	*
Kenneth Galbraith	372,199 ⁽¹²⁾	*	*
Neil Klompas	681,600 ⁽¹³⁾	*	*
Susan Mahony	73,000 ⁽¹⁴⁾	*	*
Derek J. Miller	16,666 ⁽¹⁵⁾	*	*
Paul Moore	119,086 ⁽¹⁶⁾	*	*
Kelvin Neu	34,000 ⁽¹⁷⁾	*	*
Scott Platshon	—	—	—
Hollings C. Renton	84,425 ⁽¹⁸⁾	*	*
All Directors, Executive Officers:			
All current executive officers and directors as a group (13 persons) ⁽¹⁹⁾	962,331	1.35%	1.33%

*Less than one percent

†Percentage of total voting power represents voting power with respect to all shares of our common stock and the voting rights of the exchangeable shares exercised via the share of our special voting preferred stock, as a single class. Each holder of our common stock is entitled to one vote per share, and each holder of an exchangeable share is entitled to voting rights equivalent to one vote per

exchangeable share on all matters submitted to our stockholders for a vote. The common stock and the special voting preferred stock (exercising the voting rights of the exchangeable shares) vote together as a single class on all matters submitted to a vote of our stockholders, except as may otherwise be required by our certificate of incorporation or bylaws.

(1) Consists of (i) 12,658,224 shares of common stock held by EcoR1 Capital Fund Qualified, L.P. ("Qualified Fund") and (ii) 781,523 shares of common stock issuable upon the exercise of pre-funded warrants held by Qualified Fund, (iii) 779,249 shares of common stock held by EcoR1 Capital Fund, L.P. ("Capital Fund"), and (iv) 43,477 shares of common stock issuable upon the exercise of pre-funded warrants held by Capital Fund. Qualified Fund, Capital Fund and other private investment funds managed by EcoR1 Capital, LLC (collectively, "EcoR1") are prohibited from exercising such pre-funded warrants, if as a result of such exercise, EcoR1 would beneficially own more than 19.99% of the number of shares of our common stock outstanding immediately after giving effect to the exercise. EcoR1 is managed by EcoR1 Capital, LLC ("EcoR1 LLC"). Oleg Nodelman, the manager of EcoR1 LLC, has shared voting control and investment discretion over the securities reported herein that are held by EcoR1. As a result, Mr. Nodelman may be deemed to have beneficial ownership of the securities that are held by EcoR1. The address of these entities and this individual is 357 Tehama Street #3, San Francisco, California 94103. Scott Platshon, a Partner of EcoR1, is a member of the board of directors of the Company.

(2) In December 2023, the Company entered into a securities purchase agreement with funds affiliated with EcoR1 for the sale of an aggregate of 5,086,521 pre-funded warrants to purchase 5,086,521 shares of common stock, \$0.00001 par value per share, in a private placement. Each pre-funded warrant will be exercisable at an exercise price equal to \$0.0001 per share, subject to adjustments as provided under the terms of the pre-funded warrant and will be exercisable at any time on or after the closing date, subject to a post-exercise beneficial ownership limitation of 19.99% ("Maximum Percentage"). For purposes of calculating the Percentage of Shares Beneficially Owned and the Total Voting Percentage, the calculations only include 825,000 shares of common stock issuable upon the exercise of 825,000 pre-funded warrants pursuant to the Maximum Percentage, and do not include the remaining 4,261,521 pre-funded warrants to purchase 4,261,521 shares of our common stock.

(3) Based on a Schedule 13G filed January 3, 2023, consists of 3,146,377 shares of common stock held by Biotechnology Value Fund, L.P. ("BVF"), 2,370,712 shares of common stock held by Biotechnology Value Fund II, L.P. ("BVF2"), 267,526 shares of common stock held by Biotechnology Value Trading Fund OS LP ("Trading Fund OS"), and 85,385 shares of common stock held in a certain BVF Partners L.P. managed account, each as of December 22, 2022. BVF Partners L.P., as the investment manager of BVF, BVF2 and Trading Fund OS, and the sole member of BVF Partners OS Ltd., the general partner of Trading Fund OS, may be deemed to beneficially own the 5,870,000 shares of common stock as of December 22, 2022. The address for this entity is 44 Montgomery Street, 40th Floor, San Francisco, CA 941014.

(4) Based on a Schedule 13G/A filed February 14, 2024, consists of 5,790,230 shares of common stock held as of December 31, 2023 by certain private investment vehicles and/or sub-advised accounts managed by Redmile Group, LLC ("Redmile") and may be deemed beneficially owned by Redmile as investment manager of such private investment vehicles and/or sub-advised accounts, and by Jeremy C. Green as the principal of Redmile. The address for this entity and individual is One Letterman Drive Building D, Suite D3-300, San Francisco, CA 94129 and c/o Redmile Group LLC, 45 W. 27th Street, Floor 11, New York, NY 10001, respectively.

(5) Based on a Schedule 13G/A filed February 9, 2024, consists of 4,842,464 shares of common stock held by Morgan Stanley as of December 31, 2023. The address for this entity is 1585 Broadway, New York, NY, 10036.

(6) Based on a Schedule 13G filed January 29, 2024, consists of 3,923,328 shares of common stock held by BlackRock, Inc., as of December 31, 2023. The address for this entity is 50 Hudson Yards, New York, NY 10001.

(7) Consists of 6,503 shares of common stock and 92,369 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(8) Consists of 12,500 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(9) Consists of 4,111 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(10) Consists of 7,500 shares of common stock and 73,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(11) Consists of 8,222 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(12) Consists of 23,762 shares of common stock and 348,437 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(13) Consists of 17,032 shares held personally and 700 shares held by S. Jennifer Heine, and 663,868 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(14) Consists of 73,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(15) Consists of 16,666 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(16) Consists of 7,367 shares of common stock and 111,719 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(17) Consists of 34,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024. Dr. Neu was an employee of Baker Bros. Advisors LP until January 2021. Pursuant to the terms of Dr. Neu's employment by Baker Brothers Advisors LP, options granted to him in 2020 were, and will continue to be, beneficially owned by Baker Bros. Advisors LP.

(18) Consists of 84,425 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 29, 2024.

(19) Although Mr. Klompas was one of our named executive officers in 2023, he is no longer with the Company and thus his ownership is not included in the total of shares beneficially owned by the current executive officers and directors as a group. Dr. Smith is not a named executive officer, but he is a current executive officer as a result of his promotion to Executive Vice President and Chief Medical Officer in January 2024. Therefore, Dr. Smith's ownership is reflected in the total shares beneficially owned by the current executive officers and directors as a group.

Item 13. Certain Relationships and Related Transactions and Director Independence

Certain Relationships and Related Transactions

Other than as discussed below and the compensation arrangements discussed under "Executive Compensation—Discussion of Executive Compensation Practices," since January 1, 2022, there have not been any transactions to which we are a party, nor are there any proposed transactions to which we would be a party, with related parties and which we are required to disclose pursuant to the rules of the SEC.

On March 16, 2020, we entered into a registration rights agreement with Baker Brothers Life Sciences, L.P. and 667, L.P., requiring us, upon request delivered by such persons and subject to certain terms and conditions, to register the resale of the shares of our common stock held by them. Dr. Neu, who joined our board of directors in March 2020, served as an employee of Baker Bros. Advisors L.P., which serves as an investment adviser to Baker Brothers Life Sciences, L.P. and 667, L.P., until January 2021.

On January 31, 2022, we announced the closing of our underwritten public offering which consisted of the issuance of 11,035,000 common shares, including the exercise in full of the underwriters' over-allotment option to purchase 1,875,000 additional common shares, and, in lieu of shares, to certain investors, pre-funded warrants to purchase up to 3,340,000 common shares. The common shares were sold at a price to the public of \$8.00 per common share and the pre-funded warrants were sold at a price of \$7.9999 per pre-funded warrant, for aggregate gross proceeds to the Company of \$115.0 million, before deducting underwriting discounts and commissions and estimated offering expenses. Entities affiliated with Armistice Capital, LLC and

Perceptive Advisors LLC purchased 2,285,000 and 1,100,000 common shares, respectively, and Armistice Capital Master Fund Ltd, Baker Brothers Life Sciences, L.P. and 667, L.P. purchased 2,715,000, 577,293 and 47,707 pre-funded warrants, respectively. These entities beneficially owned more than 5% of our common shares prior to or as a result of this offering.

On June 16, 2023, EcoR1 purchased an aggregate of 3,350,000 shares of common stock at \$8.12 per share under our at-the-market sales agreement, dated as of November 9, 2022, with Cantor Fitzgerald & Co. We received gross proceeds of \$27.2 million and net cash proceeds of \$26.2 million, after underwriting commissions and offering expenses. EcoR1 beneficially owned more than 5% of our shares of common stock prior to this purchase.

On December 28, 2023, EcoR1 purchased an aggregate of 5,086,521 pre-funded warrants to purchase 5,086,521 shares of our common stock in a private placement. The per share purchase price for the pre-funded warrants is \$9.8299, for an aggregate purchase price of approximately \$50 million. In connection with the private placement, we entered into a registration rights agreement with EcoR1 requiring us to register the resale of the shares of our common stock issuable upon exercise of the pre-funded warrants. In addition, we agreed that EcoR1 will have the right to nominate one of its partners as a member of our board of directors, subject to specified conditions. On February 22, 2024, our board of directors appointed Mr. Scott Platshon as a member of our board of directors. EcoR1 beneficially owned more than 5% of our shares of common stock prior to this purchase. Under the registration rights agreement, we agreed to file a registration statement covering the resale by EcoR1 of their registrable securities upon the earlier of March 15, 2024 and the first business day following the date that we file this Annual Report on Form 10-K for the fiscal year ended December 31, 2023. We agreed to use commercially reasonable efforts to cause such registration statement or final prospectus, as applicable, to be declared effective as soon as practicable, but no later than the later of April 29, 2024 and the 123rd calendar day following the closing date, and to keep such registration statement effective for a period that will terminate upon the earliest of (i) the date that all registrable securities covered by such registration statement or final prospectus, as applicable, have been sold, (ii) the date that all registrable securities covered by such registration statement or final prospectus, as applicable, may be sold without the requirement for us to be in compliance with the current public information required under Rule 144 as to such registrable securities and without volume or manner-of-sale restrictions and (iii) two (2) years after the date of the securities purchase agreement.

Indebtedness of Directors, Executive Officers and Employees

None of our directors, executive officers, employees, former directors, former executive officers or former employees, and none of their associates, is indebted to us or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by us.

Policy Regarding Related Party Transactions

We have adopted a formal, written policy regarding related person transactions. This written policy regarding related person transactions provides that a related person transaction is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships), in which we are a participant and in which a related person has, had or will have a direct or indirect material interest and in which the aggregate amount involved exceeds \$120,000. For purposes of this policy, a related person means any of our executive officers and directors (including director nominees), in each case at any time since the beginning of our last fiscal year, or holders of more than 5% of any class of our voting securities and any member of the immediate family of, or person sharing the household with, any of the foregoing persons.

Our audit committee has the primary responsibility for reviewing and approving, ratifying or disapproving related person transactions. In determining whether to approve, ratify or disapprove any such transaction, our audit committee will consider, among other factors, (1) whether the transaction is fair to us and on terms no less favorable than terms generally available to unaffiliated third parties under the same or similar circumstances, (2) the extent of the related person's interest in the transaction, (3) whether there are business reasons for us to enter into such transaction, (4) whether the transaction would impair the independence of any of our outside directors and (5) whether the transaction would present an improper conflict of interest for any of our directors or executive officers.

The policy grants standing pre-approval of certain transactions, including (1) certain compensation arrangements for our directors or executive officers, (2) transactions with another company, other than an acquisition by us of that company, at which a related person's only relationship is as a non-executive employee, director or beneficial owner of less than 10% of that company's shares, provided that the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of such company's total annual revenues and the transaction is on terms no less favorable than terms generally available to unaffiliated third parties under the same or similar circumstances, (3) charitable contributions by us to a charitable organization, foundation or university at which a related person's only relationship is as a non-executive employee or director, provided that the aggregate amount involved does not exceed the greater of \$1,000,000 or 2% of such organization's total annual receipts, (4) transactions where a related person's interest arises solely from the ownership of our common stock and all holders of our common stock received the same benefit on a pro rata basis and (5) any indemnification or advancement of expenses made pursuant to our organizational documents or any agreement. In addition to our policy, our audit committee charter provides that our audit committee shall review and approve or disapprove any related person transactions.

Interests of Management and Others in Material Transactions

Other than as described elsewhere in this Annual Report on Form 10-K, there are no material interests, direct or indirect, of any of our directors or executive officers, any stockholder that beneficially owns, or controls or directs (directly or indirectly), more than 5% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction since January 1, 2022 that has materially affected or is reasonably expected to materially affect us or our subsidiaries.

Director Independence

Under the Nasdaq listing rules, independent directors must comprise a majority of a listed company's board of directors. In addition, the listing standards of Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the Nasdaq listing rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the additional independence criteria set forth in Rule 10A-3 under the Exchange Act, and the Nasdaq listing rules. Compensation committee members must also satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act.

The board of directors has determined that all directors, except Mr. Galbraith, meet the independence requirements under the Nasdaq listing standards, and qualify as "independent directors" under the Nasdaq listing standards. Mr. Galbraith is not considered independent by virtue of being our Chief Executive Officer. The board of directors also determined that Mr. Campoy, Mr. Cox and Mr. Miller, who comprise our audit committee, and Dr. Mahony, Mr. Renton and Dr. Davidson, who comprise our compensation committee, each satisfy the independence standards for those committees established by applicable SEC rules and the Nasdaq listing standards, and that Mr. Campoy, Mr. Miller, and Dr. Cesano, who comprise our nominating and corporate governance committee, are independent. In making these determinations, the board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them, including those described in the section titled "*Certain Relationships and Related Transactions*."

As part of the board of directors' determination that Mr. Miller satisfied the independence requirements under the Nasdaq listing standards and qualifies as an independent director, the board of directors considered the consulting agreement (the "Consulting Agreement") we entered into in May 2022 with Derek J Miller Consulting LLC, a limited liability company owned by Mr. Miller. Pursuant to the Consulting Agreement, Mr. Miller has provided certain consulting services to us, including but not limited to providing advice regarding development of corporate strategy, including

corporate messaging, pipeline and technology platform strategies, business development, licensing, investor activities and related matters. In October 2023, we entered into a Termination of Consulting Agreement and Further Amended and Restated Statement of Work #1 with Derek J Miller Consulting LLC, which provides for, among other things, the termination of the Consulting Agreement effective as of November 30, 2023. In total, we have paid Mr. Miller an aggregate of approximately \$36,000 for such consulting services, of which (i) approximately \$22,000 was paid for services rendered prior to Mr. Miller's appointment to the board of directors and (ii) approximately \$14,000 was paid for services rendered after Mr. Miller joined the board of directors.

There are no family relationships among any of our directors, director nominees or executive officers.

Item 14. Principal Accounting Fees and Services

Principal Independent Accountant Fees and Services

KPMG LLP ("KPMG") has served as our independent registered public accounting firm since June 24, 2015.

Aggregate fees billed by our independent auditors, KPMG, for the years ended December 31, 2023 and December 31, 2022, are detailed in the table below:

	2023	2022
	(\$) ⁽⁵⁾	(\$) ⁽⁵⁾
Audit Fees ⁽¹⁾	\$ 775,096	\$ 752,300
Audit Related Fees ⁽²⁾	—	—
Tax Fees ⁽³⁾	507,300	385,600
All Other Fees ⁽⁴⁾	—	—
Total Fees Paid	\$ 1,282,396	\$ 1,137,900

(1) Fees for audit service on an accrued basis.

(2) Fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit of the financial statements.

(3) Fees for professional services rendered for tax compliance, tax advice and tax planning, which include fees of \$126,486 for tax compliance in 2023 (2022: \$160,622).

(4) All other fees billed by the auditor for products and services not included in the foregoing categories.

(5) Canadian dollar amounts have been converted to U.S. dollars for the purposes of the table. For 2023 and 2022, the U.S. dollar per Canadian dollar exchange rates used for such conversions were 0.7410 and 0.7685, which were the average annual Bank of Canada exchange rates for 2023 and 2022, respectively.

Pre-approval Policies and Procedures

Our audit committee has established a policy of reviewing, in advance, and either approving or not approving, all audit, audit-related, tax and other non-audit services that our independent registered public accounting firm provides to us. This policy requires that all services received from independent registered public accounting firms be approved in advance by the audit committee or a delegate of the audit committee. The audit committee has delegated pre-approval responsibility to the chair of the audit committee with respect to audit and permissible non-audit services and any associated fees. All services that KPMG provided to us in 2023 and 2022 have been pre-approved by our audit committee.

Our audit committee has determined that the provision of the services as set out above is compatible with the maintaining of KPMG's independence in the conduct of their auditing functions.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements—The financial statements included in Item 8 are filed as part of this Annual Report on Form 10-K.

(a)(2) Financial Statement Schedules—All schedules have been omitted because they are not applicable or required, or the information required to be set forth therein is included in the consolidated Financial Statements or notes thereto included in Item 8 of this Annual Report on Form 10-K.

(a)(3) Exhibits—The exhibits required by Item 601 of Regulation S-K are listed in paragraph (b) below.

(b) Exhibits—The exhibits listed on the Exhibit Index below are filed herewith or are incorporated by reference to exhibits previously filed with the SEC.

EXHIBITS INDEX

Exhibit No.	Description
2.1	Restated and Amended Transaction Agreement, dated August 18, 2022, by and among Zymeworks BC Inc., the Company, Zymeworks Calico ULC and Zymeworks ExchangeCo Ltd. (incorporated by reference to Exhibit 2.1 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
2.2	Plan of Arrangement (incorporated by reference to Exhibit 2.2 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
2.3	Exchangeable Share Support Agreement, dated as of October 13, 2022, by and between the Company, Zymeworks CalCo ULC, and Zymeworks ExchangeCo Ltd. (incorporated by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
2.4	Voting and Exchange Trust Agreement, dated as of October 13, 2022, by and between the Company, Zymeworks CalCo ULC, Zymeworks ExchangeCo Ltd. and the Share Trustee (incorporated by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on March 15, 2023).
3.3	Certificate of Elimination of Series B Participating Preferred Stock of Zymeworks Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on June 12, 2023).
4.1	Description of Capital Stock.
4.2	Specimen common stock certificate of the Company (incorporated by reference to Exhibit 4.1 to Amendment No.1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
4.3	Registration Rights Agreement, dated December 23, 2023, by and among the Company and the Purchasers (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on December 26, 2023).
4.4	Form of Pre-Funded Warrant (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on December 26, 2023).
10.1#	Amended and Restated Employment Agreement, dated January 17, 2017, by and between Zymeworks BC Inc. and Neil Klompas (incorporated by reference to Exhibit 10.4 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).
10.2#	Promotion Letter from Zymeworks BC Inc. to Neil Klompas, dated January 5, 2022 (incorporated by reference to Exhibit 10.3 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on January 5, 2022).
10.3#	Separation Agreement and Release by and between Zymeworks BC Inc. and Neil Klompas, dated May 17, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 18, 2023).
10.4†	Collaboration Agreement, effective as of December 23, 2014, by and among Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 10.22 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).

Exhibit No.	Description
10.5†	First Amendment to Collaboration Agreement, effective as of May 29, 2017, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to a Report of Foreign Private Issuer on Form 6-K furnished to the SEC on July 18, 2017 and deemed filed under the Exchange Act).
10.6*	Second Amendment to Collaboration Agreement, effective as of March 31, 2020, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.7*	Third Amendment to Collaboration Agreement, dated June 22, 2020, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 5, 2020).
10.8*	Letter Agreement, effective April 20, 2021, by and between Zymeworks BC Inc. and Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.4 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.9*	Fourth Amendment to Collaboration Agreement, dated August 4, 2021, by and between Zymeworks BC Inc., Celgene Corporation and Celgene Alpine Investment Co. LLC (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021).
10.10†	Collaboration and License Agreement, effective as of December 1, 2015, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 10.23 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).
10.11†	Side Letter Agreement effective as of January 11, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).
10.12*	First Amendment to Collaboration and License Agreement, effective as of April 30, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.4 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.13*	Side Letter Agreement effective as of September 30, 2019, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.5 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.14	Side Letter Agreement effective as of February 20, 2020, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.6 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on March 2, 2020).
10.15*	Fifth Amendment to Collaboration and License Agreement, effective as of March 30, 2020, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.11 to Zymeworks BC Inc.'s Annual Report on Form 10-K filed with the SEC on February 24, 2021).
10.16†	Platform Technology Transfer and License Agreement, effective as of April 21, 2016, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 10.24 to Zymeworks BC Inc.'s Registration Statement on Form F-1 filed with the SEC on April 3, 2017).
10.17*	First Amendment to Platform Technology Transfer and License Agreement between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited, dated May 14, 2019 (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on May 17, 2019).
10.18*	Letter Agreement, effective June 4, 2021, by and between Zymeworks BC Inc. and GlaxoSmithKline Intellectual Property Development Limited (incorporated by reference to Exhibit 99.7 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.19†	Collaboration and License Agreement, effective as of November 13, 2017, by and between Zymeworks BC Inc. and Janssen Biotech, Inc. (incorporated by reference to Exhibit 99.1 to a Report of Foreign Private Issuer on Form 6-K furnished to the SEC on November 24, 2017 and deemed filed under the Exchange Act).
10.20†	First Amendment to the Collaboration and License Agreement, effective as of January 14, 2019, by and between Zymeworks BC Inc. and Janssen Biotech, Inc. (incorporated by reference to Exhibit 99.3 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).

Exhibit No.	Description
10.21†	License Agreement, effective as of May 14, 2018, by and between Zymeworks BC Inc. and Daiichi Sankyo Company, Limited (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on May 18, 2018).
10.22*	Termination and License Agreement by and between Zymeworks BC Inc. and Daiichi Sankyo Co., Ltd., effective as of February 28, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on May 8, 2023).
10.23†	License and Collaboration Agreement, effective as of November 26, 2018, by and between Zymeworks BC Inc. and BeiGene Ltd. (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on December 6, 2018).
10.24*	First Amendment to Collaboration Agreement, effective March 29, 2021, by and between Zymeworks BC Inc. and BeiGene, Ltd. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 5, 2021).
10.25*	Second Amendment to License and Collaboration Agreement, dated August 10, 2021, by and between Zymeworks BC Inc. and BeiGene Ltd. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on November 3, 2021).
10.26*	Third Amendment License and Collaboration Agreement by and between Zymeworks BC Inc. and BeiGene, Ltd., dated September 18, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2023).
10.27*	Letter Agreement, effective October 7, 2020, by and between Zymeworks BC Inc. and BeiGene, Ltd. (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.28	Termination Agreement by and between Zymeworks BC Inc. and BeiGene, Ltd., dated September 18, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on September 21, 2023).
10.29	Indenture of Lease dated as of January 25, 2019, by and between 5th & Main Partnership and Zymeworks BC Inc. (incorporated by reference to Exhibit 10.29 to Zymeworks BC Inc.'s 2018 Annual Report on Form 10-K filed with the SEC on March 6, 2019).
10.30	Notice and Acknowledgement of Exercise of Expansion Option under Lease, dated as of June 27, 2019, by and between 5th & Main Partnership and Zymeworks BC Inc. (incorporated by reference to Exhibit 99.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.31	Lease Expansion and Modification Agreement, dated as of April 16, 2020, by and between 5th & Main Partnership and Zymeworks BC Inc. (incorporated by reference to Exhibit 99.3 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 7, 2020).
10.32	Third Lease Modification Agreement, dated February 17, 2021, by and between Zymeworks BC Inc. and 5th & Main Partnership (incorporated by reference to Exhibit 99.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on May 5, 2021).
10.33	Fourth Lease Modification Agreement, dated May 7, 2021, by and between Zymeworks BC Inc. and 5th and Main Partnership (incorporated by reference to Exhibit 99.5 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2021).
10.34	Lease Amending Agreement, dated April 1, 2022, by and between Zymeworks BC Inc. and 130 E 4th Partnership (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2022).
10.35	Notice of Assignment of Lease, dated January 1, 2022 from 5th & Main Partnership, 2000 Main Holdings Inc. and Mount Pixel Projects Limited Partnership to Zymeworks BC Inc. (incorporated by reference to Exhibit 10.2 to Zymeworks BC Inc.'s Quarterly Report on Form 10-Q filed with the SEC on August 4, 2022).
10.36#	Separation and Release Agreement by and between Zymeworks Biopharmaceuticals Inc. and Neil Josephson, dated March 3, 2023 (incorporated by reference to Exhibit 10.59 to the Company's Annual Report on Form 10-K filed with the SEC on March 7, 2023).
10.37#	Employment Agreement by and between Zymeworks BC Inc. and Kenneth Galbraith, dated January 5, 2022 (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on January 5, 2022).

Exhibit No.	Description
10.38#	Amendment to Employment Agreement, dated as of December 30, 2022, by and among Kenneth Galbraith, Zymeworks BC Inc. and Zymeworks Management Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 30, 2022).
10.39#	Amendment #2 to Employment Agreement, dated as of January 3, 2024, by and among Kenneth Galbraith and Zymeworks BC Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on January 5, 2024).
10.40#	Amended and Restated Employment Agreement by and between Zymeworks BC Inc. and Christopher Astle, dated February 24, 2022 (incorporated by reference to Exhibit 10.1 to Zymeworks BC Inc.'s Current Report on Form 8-K filed with the SEC on February 25, 2022).
10.41#	Amendment to Amended and Restated Employment Agreement by and between Christopher Astle and Zymeworks BC Inc., dated November 17, 2022 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on November 18, 2022).
10.42 #	Employment Agreement by and between Zymeworks Pharmaceuticals Limited and Jeffrey Smith, dated January 3, 2023.
10.43 #	Letter, dated January 5, 2024, from Zymeworks Inc. to Jeffrey Smith.
10.44#	Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.64 to the Company's Annual Report on Form 10-K filed with the SEC on March 7, 2023).
10.45#	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.73 to the Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.46#	Amended and Restated Employment Agreement by and between Zymeworks BC Inc., the Company and Paul Moore, dated July 14, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2023).
10.47	Notice of Articles of ExchangeCo (incorporated by reference to Exhibit 10.79 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.48	Articles of ExchangeCo (incorporated by reference to Exhibit 10.80 to Amendment No. 1 to the Company's Registration Statement on Form S-4 filed with the SEC on August 19, 2022).
10.49#	Inducement Stock Option and Equity Compensation Plan of the Company (and forms of agreements thereunder).
10.50#	Amended and Restated Stock Option and Equity Compensation Plan of the Company (and forms of agreements thereunder) and UK Sub-Plan to the Amended and Restated Stock Option and Equity Compensation Plan of the Company (and forms of agreements thereunder).
10.51#	Second Amended and Restated Employee Stock Option Plan of the Company (and forms of agreements thereunder) (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
10.52#	Amended and Restated Employee Stock Purchase Plan of the Company (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K12B filed with the SEC on October 13, 2022).
10.53	Sales Agreement, dated November 9, 2022, by and between the Company and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on November 9, 2022).
10.54*	Amended and Restated License and Collaboration Agreement, dated May 15, 2023, by and between Zymeworks BC Inc. and Jazz Pharmaceuticals Ireland Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 16, 2023).
10.55*, +	Stock and Asset Purchase Agreement, dated April 25, 2023, by and between Zymeworks BC Inc., Zymeworks Biopharmaceuticals Inc., Zymeworks Zanidatamab Inc., and Jazz Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2023).
10.56*, +	Amendment No. 1 to Stock and Asset Purchase Agreement, dated May 15, 2023, by and between Zymeworks BC Inc., Zymeworks Biopharmaceuticals Inc., Zymeworks Zanidatamab Inc., and Jazz Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2023).

Exhibit No.	Description
10.57	Securities Purchase Agreement, dated December 23, 2023, by and among the Company and the Purchasers (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on December 26, 2023).
21.1	Subsidiaries of the Company.
23.1	Consent of KPMG LLP, an Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Compensation Recovery Policy.
101	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in Inline XBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as at December 31, 2023 and 2022, (ii) Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the years ended December 31, 2023, 2022 and 2021, (iii) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2023, 2022 and 2021, (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021 and (vi) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

† The Company has omitted portions of the referenced exhibit pursuant to a request for confidential treatment under Rule 24b-2 promulgated under the Exchange Act.

* Certain portions of this exhibit (indicated by "[...***...]") have been omitted in accordance with Item 601(b)(10) of Regulation S-K because the omitted information is not material and the Company customarily and actually treats such omitted information as private or confidential.

Indicates management contract or compensatory plan.

+ Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K, but a copy will be furnished supplementally to the SEC upon request.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 6, 2024

ZYMEWORKS INC.

By: /s/ Kenneth Galbraith

Name: Kenneth Galbraith

Title: Chair of the Board of Directors and Chief Executive Officer (Principal Executive Officer)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Kenneth Galbraith, and Christopher Astle, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with Exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, (whichever first occurred) hereby ratifying and confirming all that each of said attorneys-in-fact, or substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the financial document embodying such financial reporting requirement. Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Kenneth Galbraith	Chair of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)	March 6, 2024
Kenneth Galbraith		
/s/ Christopher Astle	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 6, 2024
Christopher Astle		
/s/ Troy M. Cox	Director	March 6, 2024
Troy M. Cox		
/s/ Alessandra Cesano	Director	March 6, 2024
Alessandra Cesano		
/s/ Susan Mahony	Director	March 6, 2024
Susan Mahony		
/s/ Kelvin Neu	Director	March 6, 2024
Kelvin Neu		
/s/ Hollings C. Renton	Director	March 6, 2024
Hollings C. Renton		
/s/ Carlos Campoy	Director	March 6, 2024
Carlos Campoy		
/s/ Derek Miller	Director	March 6, 2024
Derek Miller		
/s/ Nancy Davidson	Director	March 6, 2024
Nancy Davidson		
/s/ Scott Platshon	Director	March 6, 2024
Scott Platshon		

186

Exhibit 4.1

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the material terms of the capital stock of Zymeworks Inc., a Delaware corporation (the “Company”). This summary does not purport to be complete and is subject to, and qualified in its entirety by express reference to, the provisions of the Company’s amended and restated certificate of incorporation (the “Certificate of Incorporation”), the Company’s amended and restated bylaws (the “Bylaws”), and the Company’s Certificate of Designations of Special Voting Preferred Stock (the “Special Voting Certificate of Designations”), each of which is included as an exhibit to the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, and each of which may be amended from time to time, and the laws of the state of Delaware. You are encouraged to read the Company’s Certificate of Incorporation, Bylaws, and Special Voting Certificate of Designations, and the applicable provisions of the General Corporation Law of the State of Delaware (the “DGCL”), for additional information.

The Company’s authorized capital stock consists of 1,000,000,000 shares of capital stock, \$0.00001 par value per share, of which:

- 900,000,000 shares are designated as "Common Stock"; and

6.4 **Successors** 100,000,000 shares are designated as preferred stock, of which one share is designated as "Special Voting Preferred Stock".

As of March 4, 2024, there are . All obligations 70,568,222 shares of Common Stock outstanding, held by approximately 82 stockholders of record, and there is one share of Special Voting Preferred Stock outstanding, held by one stockholder of record.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of Common Stock are entitled to receive dividends out of funds legally available if the board of directors of the Company **under** (the "Board"), in its discretion, determines to issue dividends and then only at the **Plan, with respect** times and in the amounts that the Board may determine.

No Preemptive or Similar Rights

The Company's Common Stock is not entitled to **awards under** preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Voting Rights

Holders of Common Stock are entitled to one vote for each share held as of the **Plan, will be binding** applicable record date on **any successor** all matters submitted to a vote of the Company **whether** stockholders.

The Company stockholders do not have the **existence** ability to cumulate votes for the election of **such successor is** directors. As a result, the **result** holders of a **direct** plurality of the voting power of the shares present in person or **indirect purchase, merger, consolidation, or otherwise**, represented by proxy at the meeting and entitled to vote on the election of **all or substantially** directors can elect all of the **business or assets** directors standing for election, if they should so choose. With respect to matters other than the election of directors, at any meeting of the Company.

6.5 **Nontransferability** Company stockholders at which a quorum is present or represented, the affirmative vote of **Awards**. No award **under** a majority of the **Plan may** voting power of the shares cast for or against a proposal shall be **sold, transferred, pledged, assigned**, the act of the stockholders and broker non-votes and abstentions will be considered for purposes of establishing a quorum, but will not be considered as votes cast for or **otherwise alienated or hypothecated**, other than by will or by the laws of descent and distribution, and **against** a proposal, except as **otherwise** provided in Section 5.3. All rights with respect to an award granted to a Participant will be available during his by law, the Company's governing documents or **her lifetime only** to the **Participant**.

7. **Amendment, Termination, and Duration.**

7.1 **Amendment, Suspension, or Termination.** The Administrator may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension or termination **rules** of the Plan will not, without **stock exchange on which the consent** Company's securities are listed. The holders of **33 1/3%** of the **Participant**, alter or impair any rights or obligations under any Actual Award earned by such **Participant**. No award may be granted during any period of suspension or after termination **voting power of the Plan**. capital stock issued and outstanding and entitled to vote as of the applicable record date, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders.

7.2 **Duration** **The Certificate of Plan.** The Plan will commence on **Incorporation** and the **date first adopted by the Board or the Compensation Committee** Bylaws provide that members of the Board and **subject** will be elected to **Section 7.1** (regarding **one of three staggered three-year terms**. Only the Administrator's right to amend or terminate the Plan), **directors serving one term** will **remain in effect thereafter until terminated**.

8. **Legal Construction.**

8.1 **Gender and Number.** Unless otherwise indicated by the context, any feminine term used herein also will include the masculine and any masculine term used herein also will include the feminine; the plural will include the singular and the singular will include the plural. **be elected at each annual meeting of its**

-6-

Confidential

8.2 **Severability.** stockholders, with the directors serving under the remaining two terms continuing for the remainder of their respective three-year terms.

Liquidation Rights

If the Company becomes subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to the Company's stockholders would be distributable ratably among the holders of Common Stock and any provision participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Fully Paid and Nonassessable

All outstanding shares of Common Stock are fully paid and non-assessable.

Preferred Stock

The Board has the authority, subject to limitations prescribed by Delaware law, to issue shares of authorized but unissued preferred stock in one or more series, and to fix the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, in each case without further vote or action by the Company's stockholders. These powers, rights, preferences and rights could include dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price(s) and liquidation preferences, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality, or unenforceability will not Common Stock. The issuance of preferred stock could adversely affect the remaining parts voting power of the Plan, holders of Common Stock and the Plan likelihood that such holders will be construed receive dividend payments and enforced payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control or other corporate action. Except for the single share of Special Voting Preferred Stock described below, there are no outstanding shares of preferred stock.

Special Voting Preferred Stock

On October 13, 2022, the Company (formerly known as if Zymeworks Delaware Inc.) became the invalid, illegal, or unenforceable provision had not been included.

8.3 **Governing Law.** The Plan and all awards will be construed in accordance with and governed by ultimate parent company of Zymeworks Inc., a corporation existing under the laws of the Province of British Columbia and the federal laws renamed as Zymeworks BC Inc. ("Zymeworks Canada"), pursuant to a statutory plan of Canada applicable therein, but without regard to its conflict of law provisions.

8.4 **Bonus Plan.** The Plan is intended to be a "bonus program" as defined under U.S. Department of Labor regulations section 2510.3-2(c) and will be construed and administered in accordance with such intention.

8.5 **Headings.** Headings are provided herein for convenience only, and will not serve as a basis for interpretation or construction of the Plan.

9. **Compliance with Applicable Laws.** Awards arrangement under the Plan (including without limitation Business Corporations Act (British Columbia) as part of a series of transactions, including the granting corporate redomicile of such awards) will be subject Zymeworks Canada (the "Redomicile Transactions"). Pursuant to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

* * *
-7-
Confidential

Exhibit 10.74

CERTAIN PORTIONS OF THIS EXHIBIT (INDICATED BY [***] the Redomicile Transactions, certain eligible shareholders of Zymeworks Canada, at their election, were issued exchangeable shares (the "Exchangeable Shares") HAVE BEEN EXCLUDED PURSUANT TO ITEM 601(B)(10) OF REGULATION S-K BECAUSE THEY ARE BOTH NOT MATERIAL AND ARE THE TYPE THAT THE COMPANY TREATS AS PRIVATE AND CONFIDENTIAL.

EXECUTION COPY

LICENSE AND COLLABORATION AGREEMENT

This License and Collaboration Agreement (this "Agreement") is made as in the capital of October 18, 2022 (the "Execution Date"), by and between Zymeworks BC Inc., ExchangeCo Ltd., a corporation organized and company existing under the laws of the Province of British Columbia and an indirect wholly owned subsidiary of the Company ("Zymeworks" ExchangeCo), having on a place one-for-one basis in exchange for some or all of business their common shares of Zymeworks Canada, together with certain contractual rights attached to such Exchangeable Shares. The Company has agreed to issue shares of Common Stock as consideration when, among other things, the holder of Exchangeable Shares calls for its Exchangeable Shares to be retracted in accordance with their terms.

On October 13, 2022, one share of Special Voting Preferred Stock was issued to Computershare Trust Company of Canada (the "Share Trustee"), as trustee for and on behalf of the holders of the Exchangeable Shares (other than the Company and any affiliated entities of the Company). The holder of the Special Voting Preferred Stock will vote together with the holders of the Common Stock, as a single class (except as otherwise required under applicable law), with respect to all meetings of stockholders of the Company at 114 East 4 which the holders of the Common Stock are entitled to vote. The Special Voting Preferred Stock entitles the holder of record to that number of votes equal to the number of Exchangeable Shares outstanding at such time (other than those owned by the Company or any affiliated entity of the Company) multiplied by the Exchangeable Share Exchange Ratio (which ratio is initially one), and in respect of each beneficial owner of the Special Voting Preferred Stock, rounded down to the nearest whole vote (and for which the Share Trustee has received voting instructions from such holders of Exchangeable Shares in accordance with the Voting and Exchange Trust Agreement, dated October 13, 2022, among the Company, Zymeworks ExchangeCo Ltd., Zymeworks CallCo ULC and the Share Trustee).

The holder of the Special Voting Preferred Stock is not entitled to receive any dividends declared and paid by the Company and, upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, shall rank senior to the Common Stock, and junior to all other or series of preferred stock of the Company, and is entitled to receive, prior to the holders of the Common Stock, an amount equal to US\$1.00.

At such time as the share of Special Voting Preferred Stock has no votes attached to it, the Special Voting Preferred Stock shall be automatically cancelled for no consideration.

Options and Restricted Stock Units

Avenue, Suite 800, Vancouver, BC, Canada V5T 1G4, and Jazz Pharmaceuticals Ireland Limited As of March 4, 2024, a corporation organized and existing under the laws of Ireland ("Jazz"), having a place of business at Fifth Floor, Waterloo Exchange, Waterloo Road, Dublin 4, Ireland. Zymeworks and Jazz are referred Company had outstanding options to in this Agreement, individually, as a "Party" and, collectively as the "Parties." purchase an aggregate of:

BACKGROUND • 7,656,552 shares of Common Stock, at a weighted average exercise price of \$12.56 USD per share; and

Zymeworks is • 1,393,015 shares of Common Stock, at a biopharmaceutical company that is developing weighted average exercise price of \$20.10 CAD per share.

As of March 4, 2024, the Company had 1,464,368 outstanding restricted stock units.

Pre-Funded Warrants

As of March 4, 2024, the Company had 5,086,521 outstanding pre-funded warrants to purchase up to 5,086,521 shares of Common Stock.

Exercisability

The pre-funded warrants are exercisable at any time after their original issuance. The pre-funded warrants will be exercisable, at the option of each holder, in whole or in part by delivering to the Company a proprietary bispecific HER2 antibody, known as zanidatamab or ZW25, duly executed exercise notice and by payment in full in immediately available funds for the treatment number of cancer and controls certain patents and know-how relating shares of Common Stock purchased upon such exercise. As an alternative to zanidatamab;

Jazz is payment in immediately available funds, the holder may, in its sole discretion, elect to exercise the warrant through a biopharmaceutical company engaged cashless exercise, in which case the holder would receive upon such exercise the net number of shares of Common Stock determined according to the formula set forth in the research, development pre-funded warrant. No fractional Common Stock will be issued in connection with the exercise of a pre-funded warrant. In lieu of fractional shares, the Company will pay the holder an amount in cash equal to the fractional amount multiplied by the fair market value of any fractional shares.

Exercise Limitations

Under the terms of the pre-funded warrants, the Company may not effect the exercise of any pre-funded warrant, and commercialization a holder will not be entitled to exercise any portion of pharmaceutical products; and

Jazz wishes any pre-funded warrant, which, upon giving effect to obtain from Zymeworks an exclusive license such exercise, would cause (a) the aggregate number of shares of Common Stock beneficially owned by the holder (together with its affiliates) to develop and commercialize zanidatamab in exceed 19.99% of the Field in number of shares of Common Stock outstanding immediately after giving effect to the Territory, and Zymeworks exercise, or (b) the combined voting power of the Company securities beneficially owned by the holder (together with its affiliates) to exceed 19.99% of the combined voting power of all of the Company securities then outstanding immediately after giving effect to the exercise, as such percentage to any ownership is willing to grant such a license to Jazz, all determined in accordance with the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein below, and pre-funded warrants. However, any holder may increase or decrease such percentage to any other good and valuable consideration, percentage not in excess of 19.99% upon at least 61 days' prior notice from the sufficiency holder to the Company.

Exercise Price

The exercise price per whole share of which Common Stock purchasable upon the exercise of the pre-funded warrants is hereby acknowledged by both Parties, \$0.0001 per warrant share. The exercise price of the Parties agree as follows:

Article 1

DEFINITIONS & INTERPRETATION

Whenever used in this Agreement with an initial capital letter, the terms defined in this Article 1 and elsewhere in this Agreement, whether used pre-funded warrants is subject to appropriate adjustment in the singular event of certain share dividends and distributions, stock splits, stock combinations, reclassifications or plural, shall have similar events affecting the meanings specified. Company's Common Stock.

1.1 "Acquiring Entity" means (a) a Third Party that merges or consolidates with or acquires a Party, or Exchangeable Shares

Pursuant to which a Party transfers all or substantially all the Redomicile Transactions, certain former shareholders of its assets to which this Agreement pertains and (b) Zymeworks Canada were issued Exchangeable Shares in the Affiliates capital of ExchangeCo., an indirect wholly owned subsidiary of the Third Party described in clause (a) immediately prior Company, together with certain contractual rights attached to the consummation Exchangeable Shares. The Company has agreed to issue shares of such transaction described Common Stock as consideration when, among other things, the holder of Exchangeable Shares calls for its Exchangeable Shares to be retracted in clause (a). accordance with their terms.

1.2 As of March 4, 2024, ther "Active Ingredient e were 646,423 Exchangeable Shares held by shareholders and exchangeable on a one-to-one basis, subject to adjustment, for up to 646,423 shares of Com" means the clinically active material(s), including Antibody(ies), that provide pharmacological activity in a pharmaceutical product (excluding formulation components such as coatings, stabilizers, excipients or solvents, adjuvants or controlled release technologies). mon Stock.

Anti-Takeover Effects of Certain Provisions of Delaware Law, the Certificate of Incorporation and the Bylaws

Delaware Law

The Company will be governed by the provisions of Section 203 of the DGCL. Section 203 generally prohibits a publicly held Delaware corporation from engaging in a “business combination” with any “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the business combination or transaction which resulted in the stockholder becoming an interested stockholder was approved by the Board prior to the time that the stockholder became an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or subsequent to the date of the transaction, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a business combination to include:

- mergers or consolidations involving the corporation, or any direct or indirect majority-owned subsidiary of the corporation, and the interested stockholder or any other entity if the merger or consolidation is caused by the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation or any direct or indirect majority-owned subsidiary of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation, or any direct or indirect majority-owned subsidiary of the corporation, of any stock of the corporation or such subsidiary to the interested stockholder;
- any transaction involving the corporation, or any direct or indirect majority-owned subsidiary of the corporation, that has the effect of increasing the proportionate share of the stock or any class or series of the corporation or such subsidiary beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 of the DGCL defines an “interested stockholder” as an entity or person who, together with such person’s affiliates and associates, beneficially owns, or is an affiliate or associate of the corporation and within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation. These provisions may have the effect of delaying, deferring or preventing changes in control of the Company, even though such a transaction may offer its stockholders the opportunity to sell their stock at a price above the prevailing market price.

Certificate of Incorporation and Bylaws Provisions

Provisions of the Certificate of Incorporation and Bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of the Board or management. Among other things, the Certificate of Incorporation and Bylaws:

- permit the Board to issue shares of preferred stock, with any powers, rights, preferences and privileges as they may designate;

- provide that the authorized number of directors may be changed only by resolution of the Board; provided that the size of the Board may be increased by no more than 1/3 of the number of directors in office at the conclusion of the most recent annual meeting of stockholders prior to the next annual meeting of stockholders;
- provide that all vacancies and newly created directorships, may, except as otherwise required by law, the Company's governing documents or resolution of the Board, and subject to the rights of holders of the Company's preferred stock, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum, or by a sole remaining director;
- provide that members of the Board will serve one of three staggered three-year terms;
- subject to the rights of holders of preferred stock, provide that a director may only be removed from the Board by the stockholders with the affirmative vote of at least 66 2/3% of the voting power of the shares cast on such proposal;
- require that any action to be taken by the Company's stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner, and also meet specific requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a plurality of the shares of Common Stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provide that special meetings of the Company's stockholders may be called only by the Board, the chairperson of the Board, the Company's chief executive officer or president or the secretary of the Company upon request from holders of no less than 20% of the Company's outstanding voting stock, subject to the limitations and requirements set forth in the Bylaws; and
- provide that stockholders are permitted to amend certain provisions of the Certificate of Incorporation and Bylaws only upon receiving at least 66 2/3% of the voting power of the then outstanding voting securities, voting together as a single class.

Exclusive Forum

The Bylaws provide that, unless the Company consents in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on the Company's behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of the Company's directors, stockholders, officers or other employees to the Company or its stockholders, (3) any action arising pursuant to any provision of the DGCL or the Certificate of Incorporation or Bylaws or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware), except for, as to each of (1) through (4) above, any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within ten days following such determination), which is vested in the exclusive jurisdiction of a court or

forum other than such court or for which such court does not have subject matter jurisdiction. The Bylaws also provide that, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States is the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act against any person in connection with any offering of the Company's securities (including without limitation and for the avoidance of doubt, any underwriter, auditor, expert, control person or other defendant). Any person or entity purchasing or otherwise acquiring any interest in any of the Company's securities shall be deemed to have notice of and consented to the foregoing bylaw provisions. This provision would not apply to any action brought to enforce a duty or liability created by the U.S. Exchange Act and the rules and regulations thereunder. The Company's stockholders will not be deemed to have waived the Company's compliance with the federal securities laws and the rules and regulations thereunder as a result of the Company's exclusive forum provisions.

Transfer Agent and Registrar

The transfer agent and registrar for the shares of Common Stock and Exchangeable Shares is Computershare. The transfer agent and registrar's address is 150 Royall Street, Canton, Massachusetts 02021.

Listing

The Company's Common Stock is listed on The Nasdaq Stock Market LLC under the symbol "ZYME".

Indemnification of Directors and Officers

The Certificate of Incorporation contains provisions that limit the liability of the Company's directors and officers for monetary damages to the fullest extent permitted by the DGCL. In addition, if the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of officers or directors, then the personal liability of the Company's officers or directors will be eliminated or limited to the fullest extent permitted by the DGCL.

The Bylaws provide that the Company will indemnify its directors and officers, and may indemnify its employees, agents and any other persons, to the fullest extent permitted by the DGCL. The Bylaws also provide that it must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, the Company has entered into or will enter into indemnification agreements with each of its directors and executive officers that may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements require the Company, among other things, to indemnify its directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require the Company to advance all expenses reasonably and actually incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. The Company believes that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The Company also expects to obtain and maintain insurance policies under which its directors and officers are insured, within the limits and subject to the limitations of those policies, against certain expenses in connection with the defense of, and certain liabilities which might be imposed as a result of, actions, suits, or proceedings to which they are parties by reason of being or having been the Company's directors or officers. The coverage provided by these policies may apply whether or not the Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

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EMPLOYMENT AGREEMENT Exhibit 10.42

This Agreement is dated the 3rd day of January, 2023

PARTIES

(1) **Zymeworks Pharmaceuticals Limited**, a company incorporated in Ireland with company number 722169 and registered office at 88 Harcourt Street, Dublin, Dublin 2, D02 DK18, Ireland ("the Company")

(2) **Jeffrey Smith**, of Dublin, Ireland ("the Employee")

(together "the Parties" and each a "Party")

WHEREAS

- A. The Company is a clinical-stage biopharmaceutical company dedicated to the development of next-generation multifunctional biotherapeutics; and
- B. The Employee has experience in «Experience», and/or related skills and expertise and wishes to contribute such experiences to the development and growth of the Company's business.

IT IS AGREED that the Company will employ the Employee and the Employee will work for the Company as **Senior Vice President, Early Stage Development** on the following terms and conditions:

1. INTERPRETATIONS AND DEFINITIONS

1.1 In this Agreement, the following definitions apply:

- (a) **"Business"** means the business of researching, developing and commercializing therapeutic proteins, antibodies, and any other research, development and manufacturing work considered, planned or undertaken by the Company during the Employee's employment;
- (b) **"Confidential Information"**; means trade secrets and other information, in whatever form or media, in the possession or control of the Company, which is owned by the Company or by one of its clients or suppliers or a third party with whom the Company has a business relationship (collectively, the "Associates"), and which is not generally known to the public and has been specifically identified as confidential or proprietary by the Company, or its nature is such that it would generally be considered confidential in the industry in which the Company or its Associates operate, or which the Company is obligated to treat as confidential or proprietary. Confidential Information includes, without limitation, the following:
 - (i) the products and confidential or proprietary facts, data, techniques, materials and other information related to the business of the Company, including all related development or experimental work or research, related documentation owned or marketed by the Company and related formulas, algorithms, patent applications, concepts, designs, flowcharts, ideas, programming techniques, specifications and software programs (including source code listings), methods, processes, inventions, sources, drawings, computer models, prototypes and patterns;
 - (ii) information regarding the Company's business operations, methods and practices, including corporate strategy, market research, market strategies, marketing plans, public relations strategies, product pricing and strategies, advertising sources, lists and information concerning current and prospective customers, billing information, suppliers, packaging, merchandizing, distribution, methods of production,

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manufacturing, pending projects or proposals, margins and hourly rates for staff and information regarding the financial, legal and corporate affairs of the Company, including business plans and projections and information regarding the Company's financial condition, operations, assets and liabilities, financial data, business structures, business ventures, existing or contemplated businesses, products, or services;

- (iii) employee information, contacts, and wage information (other than Employee's own); and
 - (iv) technical and business information of, or regarding, the Company's Associates.
 - (v) The above list is not exhaustive, and Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used;
- (c) **"Developments"** means all inventions, ideas, concepts, designs, improvements, discoveries, modifications, computer software, and other results which are or have been conceived of, developed by, written, or reduced to practice by the Employee, alone or jointly with others (including, where applicable, all modifications, derivatives, progeny, models, specifications, source code, design documents, creations, scripts, artwork, text, graphics, photos and pictures) at any time;
 - (d) **"Excluded Developments"** means any Development that meets the following requirements:
 - (i) an invention for which no equipment, supplies, facility, or Confidential Information of the employer was used and which was developed entirely on the employee's own time, unless

- (ii) the invention relates (A) directly to the business of the employer, or (B) to the employer's actual or demonstrably anticipated research or development, or
- (iii) the invention results from any work performed by the employee for the employer.
- (e) **"Prior Developments"** means any Development that the Employee establishes was developed prior to the Employee performing such services for the Company and precedes the Employee's initial engagement with the Company.
- (f) **"Copies"** means copies or records of any Confidential Information in whatever form, (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) including, without limitation, extracts, analysis, studies, plans, compilations or any other way of representing or recording and recalling information which contains, reflects or is derived or generated from Confidential Information;
- (g) **"Group"**: the Company, any company of which it is a Subsidiary (its holding company) and any Subsidiaries of the Company or any such holding company;
- (h) **"Incapacity"** means any sickness or injury which prevents the Employee from carrying out their duties;
- (i) **"Intellectual Property Rights"** means patents, rights to Inventions, copyright and related rights, moral rights, trademarks, trade names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade

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secrets) and any other intellectual property rights, in each case whether registered or unregistered, and including all applications (or rights to apply) for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world; and all statutory rights, common law rights, rights of action, powers or benefits belonging or accrued in relation to such rights (including the right to sue for (and recover) damages and other remedies in respect of infringement or misuse of such information both before and after the date of this agreement);

- (j) **"Inventions"** means inventions, ideas and improvements, whether or not patentable, and whether or not recorded in any medium;
- (k) **"Person"** includes any individual, company or other body corporate;
- (l) **"Subsidiary"**: in relation to a company (a holding company) means a subsidiary (as defined in section 7 of the Companies Act 2014, as amended) and any other company which is a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;
- (m) **"Termination"** means the termination of the Employee's employment with the Company, howsoever caused;
- (n) **"Termination Date"** means the date of the termination of the Employee's employment with the Company, howsoever caused;
- (o) **"the Board"** means the board of directors of the Company;
- (p) **"Parent"** means Zymeworks Inc., the holding company of the Company; and
- (q) **"Parent Board"** means the board of directors of Parent.
- (r) **"Business"** means the trade and other commercial activities carried on with a view to profit by the Company and the Group during the last 12 months of the Employee's employment up to the Termination Date.
- (s) **"Territory"** shall mean the Republic of Ireland.

1.2 Any reference to any provision of any legislation shall include a reference to any modification, re-enactment or extension of such legislation.

- 1.3 Save as otherwise provide herein any references in this Agreement, Clauses or Paragraphs are references to the Clauses and Paragraphs of this Agreement unless the context otherwise admits or requires.
- 1.4 Words such as hereunder, hereof and herein and other words commencing with here shall unless the context clearly indicates to the contrary refers to the whole of this Agreement and not to any particular clause thereof.
- 1.5 References to the singular shall include the plural and vice versa and references to any gender shall include other genders.

2. PRECONDITIONS

- 2.1 This contract and the Employee's employment with the Company are conditional on the following matters:

- (a) The Employee providing documentary evidence of their qualifications;

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- (b) The Employee being free from any obligations owed to a third party which might prevent the Employee from starting work on the date mentioned below or from properly performing the duties of the position; and
- (c) Successful and satisfactory reference checks being completed by the Company prior to the Commencement Date.

3. COMMENCEMENT DATE

- 3.1 Subject to the Employee's satisfaction of the pre-conditions specified in clause 2 above, the Employee will commence employment with the Company on **January 3, 2023 (the "Commencement Date")**.
- 3.2 The Employee will be employed on a full-time permanent basis. No previous period of employment with any other employer will count as part of the Employee's period of continuous service with the Company.

4. ROLE AND DUTIES

- 4.1 The Employee will be employed by the Company as, SVP Early Stage Development and will report to the President & Chief Operating Officer of the Parent.
- 4.2 The Employee will carry out the duties as set out in **Appendix 1** to this Agreement ("**the Duties**").
- 4.3 In addition to the Employee's normal duties, the Employee will perform any other duties as are assigned to the Employee by the Company from time to time. The Employee shall carry out their duties in a proper, loyal and efficient manner and shall use their best endeavours to promote the interests and reputation of the Company and not do anything which is or may be harmful to the Company.
- 4.4 During the Employee's period of employment, the Employee shall:
- 4.4.1 unless prevented by Incapacity, devote the Employee's time, attention and abilities to the Company's business, and shall not (without the prior written consent of the Company) directly or indirectly either on the Employee's own account or on behalf of any other person, company, business entity, academic, research or training institution or other organisation engage in, be concerned with, or provide services to (whether as an employee, officer, director, agent, partner, consultant or otherwise) any other person, company, business entity, academic, research or training institution or other organisation or accept any other engagement;
- 4.4.2 diligently exercise such powers and perform such duties as management of the Company or Parent ("**Management**") may from time to time assign to the Employee;
- 4.4.3 at all times and in all respects comply with the lawful and reasonable directions of the Company and all rules or codes of conduct and statements of principle in force from time to time and/or required by any regulatory body in relation to the Business;

4.4.4 report to the Company the Employee's own wrongdoing and any wrongdoing or proposed wrongdoing of any other employee or director of the Company or any member of the Group immediately upon becoming aware of it; and

4.4.5 use the Employee's best endeavours to promote, protect, develop and extend the Business and the Business of any member of the Group.

4.5 The Employee will disclose to Management all potential conflicts of interest and activities which could reasonably be seen to compete, indirectly or directly, with the trade or business of the

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Company. Management will determine, in its sole discretion, whether the activity in question constitutes a conflict of interest or competition with the Company. To the extent that Management, acting reasonably, determines a conflict of interest or competition exists, the Employee will discontinue such activity forthwith or within such longer period as Management agrees. The Employee will immediately certify in writing to the Company that he/she has discontinued such activity and that he/she has, as required by Management, cancelled any contracts or sold or otherwise disposed of any interest or assets over the 5% threshold described herein acquired by the Employee by virtue of engaging in the impugned activity, or where no market exists to enable such sale or disposition, by transfer of the Employee's beneficial interest into blind trust or other fiduciary arrangements over which the Employee has no control or direction, or other action that is acceptable to the Board.

4.6 The Employee shall, both during and after the Employee's employment with the Company (regardless of the reason for termination), provide to the Company any such information, explanations and assistance relating to the Employee's conduct in connection with the business and affairs of the Company or the Employee's commercial activities as the Company may reasonably request in order for the Company to determine whether the Employee is in compliance with the Employee's obligations under this Agreement.

4.7 The Employee shall not, directly or indirectly, procure, accept or obtain for the Employee's own benefit (or for the benefit of any other person) any payment, rebate, discount, commission, vouchers, gift, entertainment or other benefit ("Gratuities") from any third party in respect of any business transacted or proposed to be transacted (whether or not by the Employee) by or on behalf of the Company and shall immediately disclose and account to the Company for any Gratuities received by the Employee (or by any other person on his behalf or instruction) subject to any policy which may be issued by the Company in relation to insubstantial Gratuities.

4.8 The Employee shall comply with the Company's policies and procedures at all times.

5. EXCLUSIVE SERVICE

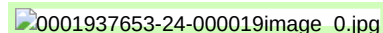
5.1 Subject to clause 5.2 during the Employee's employment with the Company, the Employee shall not, except as the Company's representative or with Management's written approval, whether paid or unpaid, be directly or indirectly engaged, concerned or have any financial interest as agent, consultant, director, employee, owner, partner, shareholder or in any other capacity in any other business, trade, profession or occupation (or the setting up of any business, trade, profession or occupation).

5.2 Notwithstanding clause 5.1 the Employee may hold an investment by way of shares or other securities of not more than 5% of the total issued share capital of any company (whether or not it is listed or dealt in on a recognised stock exchange) where such company does not carry on a business similar to or competitive with any business for the time being carried on by the Company or the Group.

5.3 Notwithstanding clauses 5.1 and 5.2 herein, the Employee is not restricted from nor is required to obtain the consent of the Company to make investments in any company which is involved in pharmaceuticals or biotechnology with securities listed for trading on any Canadian or U.S. stock exchange, quotation system or the over-the-counter market.

5.4 For the purposes of this Sections, "Employee" includes any entity or company owned or controlled by the Employee.

5.5 The Employee agrees to disclose to Management any matters relating to the Employee's spouse or civil partner (or anyone living as such), children or parents which may be considered to interfere, conflict or compete with the proper performance of the Employee's obligations under this Agreement.



5.6 The Employee may not, during their employment, engage, whether directly or indirectly, in any activity which could or might reasonably be considered by others to impair the Employee's ability to act at all times in the best interests of the Company and the Group.

5.7 The Employee may not without the prior written consent of Management accept any gift, discount, gratuity and/or favour of whatever kind from any customer, dealer, client or supplier of the Company or the Group.

6. WORKING HOURS

6.1 The Employee will be employed on a full-time basis.

6.2 The Employee's normal hours of work are 37.5 hours per week. The Company reasonably expects the normal working hours of the Employee will be from 9 am to 5 pm, five days per week, Monday to Friday. The Company reserves the right to vary these times on a temporary or continuing basis dependent on the needs of the business.

6.3 The Employee's break and rest period entitlements are as set out in the *Organisation of Working Time Act 1997* and are unpaid.

6.4 The Employee acknowledges that satisfactory performance of the Duties may, from time to time, require flexibility in relation to the Employee's normal working hours and the Employee will work such overtime as is reasonably necessary to carry out the Duties. Due to the nature of the position, this may include evening or weekend work where necessary. The Employee acknowledges that the Employee shall not receive further remuneration in respect of any additional hours worked over and above the normal working hours. The Employee's salary also takes into account that the Employee may from time to time work on a Sunday.

7. PLACE OF WORK

7.1 The Employee's normal place of work will be at the Company's offices, **Digital Office Centre, Dublin Airport, Office 104 Balheary Demense, Balheary Road, Swords, Co Dublin, K67 E5A0**, Ireland or such other place as the Company may reasonably require for the proper performance and exercise of the Employee's duties.

7.2 For the proper and efficient performance of the Duties, the Employee may be required to travel periodically to and work from locations inside or outside Ireland that the Company may require from time to time.

7.3 The Company reserves the right to change the place of the Employee's employment on either a temporary or permanent basis. In such event, the Employee will be given reasonable notice. Any such change to place of work will not constitute a breach of this Agreement or give rise to any entitlement to payment to the Employee for disturbance or otherwise.

7.4 The Company also reserves the right to implement and amend from time to time a policy regarding mobile/remote work.

8. REMUNERATION

8.1 During the continuance of this Agreement and in consideration of the Duties performed by the Employee referred to in clause 4 above, the Company will pay to the Employee an annual base salary of **Four Hundred and Twenty Five Thousand (\$425,000) USD**.

8.2 The Employee's salary shall accrue from working day to day and be payable on the last working day of the month into the Employee's nominated bank or building society account, after the deduction of PAYE, PRSI, and USC payments and all other lawful or authorised deductions. The Employee acknowledges and accepts the Company's right to deduct any benefit in kind tax payable in respect

hereof from the Employee's salary from time to time. The Company reserves the right to alter the method of payment of the Employee's salary, as may be necessary in the circumstances.

- 8.3 The Employee will be notified, in writing, each month of the gross and net remuneration and of the nature and amount of all deductions. For the purposes of the *National Minimum Wage Act 2000*, the pay reference period shall be a month.
- 8.4 The Employee may, under Section 23 of the *National Minimum Wage Act 2000*, request from the Company a written statement of the Employee's average hourly rate of pay for any pay reference period (other than the current pay reference period) falling within the twelve month period immediately preceding the request.
- 8.5 For the purpose of the *Payment of Wages Act 1991*, the Employee acknowledges and agrees that the Company is entitled, at any time during or on termination of Employee's employment, to deduct from Employee's salary or other payments due to Employee, all sums owed to the Company including, but not limited to, any balance owing on staff accounts, any overpayments, loans or losses and Employee hereby consents to any such deductions.
- 8.6 Management will review the Employee's performance, base salary, and equity participation level under the terms of any Incentive Plans, annually beginning in 2023. The timing of performance and salary reviews may from time to time be amended by the Company in its sole discretion.

9. BONUSES, PENSIONS AND OTHER BENEFITS

- 9.1 The Company shall procure the following benefits for the Employee subject to such policies regarding same as are in force and to any limitations imposed by the underwriters of such schemes as are imposed from time to time:

9.2 Incentive Plans:

The Employee shall be entitled to participate in such incentive programs as may be available from time to time for the Company's employees, including, without limiting the generality of the foregoing, share option plans, share purchase plans, profit-sharing or bonus plans (including target annual bonus as described below) (collectively, the "**Incentive Plans**"). Such participation shall be on the terms and conditions of such Incentive Plans as at the date hereof or as may from time to time be amended or implemented by the Company or the Parent in its sole discretion. A copy of the Zymeworks Inc. Amended and Restated Employee Stock Purchase Plan in effect as of the Commencement Date are attached hereto as Appendix 3.

9.3 Target Annual Bonus:

Subject to Management discretion based on factors determined by Management including Company performance, the Employee will be eligible to earn an annual cash bonus, with an initial target amount of **35% of base salary**. The Employee will be eligible to receive up to a full (non-prorated bonus) if the Commencement Date is on or prior to September 30 of the year of the Commencement Date. The Employee will be eligible to receive a prorated bonus if the Commencement Date is on or after October 1 of the year of the Commencement Date. The achieved portion (if any) of the annual cash bonus will be payable, less any statutory deductions, on the date the Company pays such bonuses to other similarly-situated employees, subject to the Employee's continued employment with the Company and no notice of termination of the Agreement having been issued by either Employer or Employee through the applicable payment date. In the Company's discretion, the Employee's annual bonus arrangements may be under, and subject to the terms and conditions of, such plans and programs as the Company or its affiliates may implement from time to time.

9.4 Pension Scheme:

9.4.1 Personal Retirement Savings Account:

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The Company does not provide an occupational pension scheme. The Employee is entitled to make contributions to a Personal Retirement Savings Account ("PRSA"). The Company will allow the Employee reasonable paid time off, subject to work requirements, to attend a meeting with the Company's PRSA provider to discuss the setting up of a PRSA for the Employee. Once a PRSA has been set up for the Employee, the Employee may request that the Company deduct an amount from his monthly remuneration, such deduction to be applied to the Employee's PRSA. The Employee will receive written confirmation of any deductions made in connection with same on his monthly payslip.

9.4.2 From the Commencement Date, the Company will match any contributions up to 6% percent made by the Employee into a PRSA, subject at all times to the terms, conditions and provisions of the particular scheme and on the condition that no excess health loading exists on the Employee's life and subject to satisfactory medical examinations (if required).

9.5 Health Insurance:

The Company shall make an annual contribution of **E2,500.00** towards the Employee's membership of a Health Insurance Scheme.

9.6 Laptop Computer:

The Company will provide the Employee with a laptop computer for use compatible with office computers. This will remain the property of the Company and must be returned to the Company on the termination of the employment or as otherwise requested.

9.7 Mobile Phone:

The Company will provide the Employee with a mobile telephone for business use only.

9.8 Stock Options:

Subject to approval by Parent Board, the Employee shall be granted **188,000 options** to acquire common shares of common stock of Parent (the "Shares"), provided the Employee is employed by the Company on the grant date (the "Options"). The exercise price of the Options will be set in accordance with the terms of the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan as it may hereafter be amended (the "Equity Compensation Plan"), and the Options will vest and become exercisable in accordance with the terms of such Equity Compensation Plan, subject to the Employee's continued employment with the Company through the applicable vesting date. A copy of the Equity Compensation Plan in effect as of the Commencement Date will be provided to the Employee.

9.9 The Company reserves the right to vary or discontinue any Company benefit plan(s) in which the Employee may be entitled to participate. The Company shall also have the right to substitute a new benefit plan for any plan in which the Employee may be eligible to participate.

9.10 Any Company benefit plan which are governed by a policy of insurance shall be subject to and conditional upon the terms and conditions of the relevant policy/policies of insurance.

9.11 The Company reserves the right to withdraw any or all of these schemes at any time and/or to vary the schemes, the insurers, the rules terms and conditions applicable to the scheme (including the eligibility conditions) or the level of cover at any time in its absolute discretion. The Employee acknowledges and agrees that the Employee shall not be entitled to any benefits under any of the Company's insurance schemes unless the claim is admitted and paid by the relevant insurance provider and that the Company shall have no obligation to take any legal action against any insurance provider in order to secure admission of any claim or payment of any benefits.

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9.12 Nothing in this Agreement or in the rules, terms and conditions of any insurance scheme shall give rise to any express or implied limitations on the right of the Company to terminate the Employee's employment at any time as set out herein and the Company shall be entitled to terminate the Employee's employment at any

time even if this results in the cessation of any cover or benefits under any employee benefit scheme. The Employee shall not have any express or implied right to receive any benefits or to the continuation of benefits following the termination of Employee's employment.

- 9.13 All benefits payable or otherwise made available to the Employee under any Company benefit plan(s) in which the Employee may be entitled to participate from time to time shall automatically cease, as shall the Employee's eligibility to participate in such plan(s), upon the termination of the Employee's employment for any reason whatsoever and the Company shall be under no obligation thereafter to confer such/similar benefits on the Employee.

10. EXPENSES

Subject to approval by Management, the Employee will be reimbursed by the Company for all reasonable, vouched expenses properly and wholly, exclusively and necessarily incurred by the Employee in the proper performance of the Employee's duties, subject to the production of evidence of expenditure satisfactory to the Company and compliance with the Company's expenses policy as may be in place from time to time.

11. ANNUAL LEAVE AND PUBLIC HOLIDAYS

The Employee shall be entitled to 24 working days annual leave (which is inclusive of the Employee's statutory annual leave entitlement as set out in the Organisation of Work Time Act 1997).

- 11.1 The Company's annual leave year runs from 1 January to 31 December.
- 11.2 Annual leave must be taken at such times as are convenient to the business of the Company and otherwise in accordance with Section 20 of the Organisation of Working Time Act 1997. The Company reserves the right to require the Employee to take annual leave on specified days and also, during any period of notice.
- 11.3 The Employee's statutory annual leave entitlement shall be deemed to be taken first in any leave year. Any contractual leave over and above the statutory minimum shall not accrue during periods of sick leave.
- 11.4 If the Employee's employment commences or is terminated during the annual leave year, the Employee's entitlement to annual leave during that year will be assessed on a pro rata basis.
- 11.5 The Employee may not carry forward more than 5 days unused holiday into the following holiday year, subject to the provisions of the Organisation of Working Time Act 1997.
- 11.6 Any annual leave that has been carried over into the next leave year must be taken before the end of March of the following leave year.
- 11.7 If, in the event of the termination of the Employee's employment, the Employee has exceeded the annual leave entitlement for that year, the excess will be deducted from any sums due to the Employee by the Company and, if such deduction is insufficient, the Employee will repay the Company in respect of such excess.
- 11.8 In the event that the Employee is dismissed without notice, or resigns without giving the required notice, calculation of accrued annual leave shall be limited to the statutory entitlement under the Organisation of Working Time Act 1997 (as amended from time to time). Any paid annual leave (including paid public holidays) taken shall be deemed first to have been taken in satisfaction of that statutory entitlement.

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- 11.9 Salary in lieu of annual leave will not be paid by the Company except on termination of employment and in accordance with the Organisation of Working Time Act 1997.
- 11.10 Not more than 10 days of annual leave may be taken at any one time, except in exceptional circumstances.

12. SICK LEAVE AND SICK PAY

- 12.1 If the Employee becomes unfit for work due to illness or injury, the Employee, or someone on their behalf, will notify **Laura O'Connor, Head of Global Human Resources**, as soon as possible and at least one hour before the Employee's scheduled start time on the first day of the absence, setting out the likely duration of, and the reason for, the absence. The Employee is required to provide a medical certificate in a form satisfactory to the Company for all absences from work for more than three (3) consecutive working days.
- 12.2 The Company may (at its own expense) at any time, whether or not the Employee is then incapacitated, require the Employee to submit to such medical examinations and tests by doctor(s) nominated by the Company and the Employee hereby authorises such doctor(s) to disclose to, and discuss with, the Company and its medical advisers the results of such examinations and tests.
- 12.3 Subject to the Employee's compliance with the notification and certification obligations set out in this Agreement, the Employee will be eligible to continue to receive his basic salary while on sick leave for a maximum aggregate period of 10 working days in any calendar year. If the Employee's employment commences or is terminated during the calendar year, the Employee's entitlement to paid sick leave during that year will be assessed on a pro rata basis.
- 12.4 Any payment in respect of sick pay in excess of the provisions of this Agreement will be at the absolute discretion of the Company. Any sick pay paid to the Employee pursuant to this clause shall include any social welfare benefit to which the Employee is entitled by law and shall be reduced by the amount of any such social welfare benefit recoverable by the Employee, whether or not recovered. The Employee shall immediately notify the Company of any social welfare or other benefits recoverable by them.
- 12.5 Sick leave is governed by the Company's sick leave policy as may be in effect from time to time.

13. TERMINATION

- 13.1 The Company shall be entitled in any of the following circumstances to terminate the Employee's employment without notice if at any time the Employee:-
- (a) commits any serious or material breach or a series of breaches of any of the provisions of this Agreement or any of the Company's policies or procedures;
 - (b) neglects or fails or refuses to properly discharge any of the Employee's duties;
 - (c) is guilty of dishonesty or misconduct;
 - (d) is convicted of any criminal offence (other than a conviction for a road traffic offence that does not result in the imposition of a custodial sentence) which, in the reasonable opinion of the Company, may affect the Employee's position with, or the reputation of, the Company or its clients or customers;
 - (e) is guilty of any conduct tending to bring the Employee or the Company or the Group or its clients or customers into disrepute whether such conduct takes place within or outside work;

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- (f) for any reason becomes, in the reasonable opinion of the Company, incapable of performing the duties;
 - (g) misconducts themselves in such a way whether during or outside work that in the reasonable opinion of the Company, renders the Employee unfit to continue as an employee; or
 - (h) ceases to be eligible to work in Ireland.
- 13.2 Nothing in this Agreement prevents the Company from summarily dismissing the Employee in the event of any serious breach by the Employee of the terms of their employment or where the Employee is found to have committed misconduct.
- 13.3 If, by entering into employment with the Company, the Employee is in breach of any obligation owed to any third party and/or if the Employee has provided inaccurate or false information in relation to their appointment by the Company, whether concerning their qualifications, references or otherwise, the Company shall be entitled to terminate the Employee's employment immediately without notice and without payment in lieu of notice.

13.4 **Termination by either Party:** Either Party may terminate the Employee's employment by giving prior written notice to the other of not less than three (3) months' notice or such shorter period as the Employee and Management may agree. The Company may choose to waive all or part of the notice period and pay to the Employee the base salary to be earned during the balance of the notice period.

13.5 **Termination by Company.** The Company may, in its sole and absolute discretion, terminate the Employee's employment at any time by notifying the Employee that the Company is exercising its right under this clause and, only in the event that such termination is without Cause (as defined below), the Company will provide written notice or make a payment in lieu of notice ("**Notice or Payment in Lieu**") to the Employee. This Notice or Payment in Lieu (payment of which will be conditional on the execution by the Employee of a separation and release of claims agreement in a form determined by the Company) will be:

13.5.1 In the event of such termination without Cause that does not occur within twelve (12) months following a Change of Control (as defined below), the following:

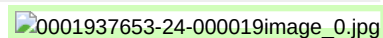
13.5.1.1 twelve (12) months of notice (to include any notice due under clause 13.4) or the equivalent of nine (9) months of base salary as of the date notice is given plus any notice due under clause 13.4, or any combination thereof that totals twelve (12) months of combined notice and base salary, less tax and statutory deductions, if termination of employment occurs during the first three years of employment measured from the Effective Date (with any base salary equivalent payable over twelve (12) months, or sooner, at the sole discretion of the Company); and

13.5.1.2 commencing in the fourth year of employment measured from the Effective Date, an additional one (1) month of notice or the equivalent of one (1) month of base salary as of the date notice is given, or any combination thereof, less tax and statutory deductions, for each additional completed year of service, up to a total maximum of fifteen (15) months plus any notice due under clause 13.4 (payable over eighteen (18) months, or sooner, at the sole discretion of the Company, to include any notice due under clause 13.4).

13.5.2 In the event of such termination without Cause that occurs within twelve (12) months following a Change of Control (as defined below), the following:

13.5.2.1 eighteen (18) months of notice (to include any notice due under clause 13.4) or the equivalent of fifteen (15) months of base salary as of the date notice is

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given plus any notice due under clause 13.4, or any combination thereof that totals eighteen (18) months of combined notice and base salary, less tax and statutory deductions; and

13.5.2.2 full vesting acceleration of all unvested and outstanding stock options or other Company or Parent unvested and outstanding equity grants made to the Employee as of the date of termination.

For purposes of the foregoing, "**Cause**" shall mean (i) a material breach by the Employee of any of Employee's material obligations hereunder; (ii) any act of misappropriation, embezzlement, intentional fraud or similar conduct involving the Company or any of its affiliates; (iii) the conviction or the plea of no contest or the equivalent in respect of a criminal offense that would have a direct and specific negative bearing on Employee's ability to perform the responsibilities of the position; (iv) the Company's conclusion, following a reasonable and good-faith investigation, that Employee has violated the Company's policies with respect to Equal Employment Opportunity or prohibition of harassment, discrimination, or retaliation; or (v) intentional infliction of any damage of a material nature to any property of the Company or any of its affiliates or employees.

For purposes of the foregoing, "**Change of Control**" shall mean (i) the acquisition, directly or indirectly, by any person or group of persons acting jointly or in concert of common shares of Parent which, when added to all other common shares of Parent at the time held directly or indirectly by such person or persons acting jointly or in concert constitutes for the first time in the aggregate 40% of more of the outstanding common shares of Parent and such shareholding exceeds the collective shareholding of the current directors of Parent, excluding any directors acting in concert with the acquiring party; or (ii) the removal, by extraordinary resolution of the shareholders of Parent, of more than 51% of the then incumbent Board of Parent, or the election of a majority of Board members to Parent's board who were not nominees of Parent's incumbent board at the time immediately preceding such election; or (iii) consummation of a sale of all or substantially all of the assets of Parent; or (iv) the consummation of a reorganization, plan of arrangement, merger, or other transaction which has substantially the same effect as to above.

- 13.6 For the avoidance of doubt, the Notice or Payment in Lieu shall not include any element in relation to:
- (a) any bonus or commission payments that might otherwise have been due during the period for which the Payment in Lieu is made;
 - (b) any payment in respect of benefits which the Employee would have been entitled to receive during the period for which the Payment in Lieu is made; and
 - (c) any payment in respect of any holiday entitlement that would have accrued during the period for which the Payment in Lieu is made.
- 13.7 Payment or notice in accordance with these clauses to the Employee by the Company will be full and adequate compensation to the Employee with respect to any claim relating to the Employee's employment or termination or manner of termination of the Employee's employment, and the Employee waives any right that he/she may have to claim further payment, compensation or damages from the Company.
- 13.8 Payment of any amount under this Agreement in excess of any minimum required by law is conditional upon execution by the Employee of a separation and release of claims agreement in a form determined by the Company.
- 13.9 The vesting and exercise of any outstanding Zymeworks Inc. equity awards granted to the Employee in the event the Employee's employment with the Company or this Agreement terminates, for any reason, shall be governed by the terms of the applicable Equity Compensation Plan and any applicable award agreement in effect between the Company and the Employee at the time of termination.

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- 13.10 The termination of the Employee's employment for whatever reason shall not affect those terms of this Agreement which are expressed to have effect after such termination and shall be without prejudice to any accrued rights or remedies of the parties.

14. OBLIGATIONS ON TERMINATION

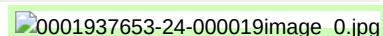
- 14.1 The Company shall forthwith pay to the Employee all accrued and unpaid remuneration and expenses due under the terms of this Agreement.
- 14.2 Upon the termination of the Employee's employment the Employee:-
- (a) shall immediately deliver up to the Company all correspondence, documents, memoranda, papers, computer disks, object or source codes, writing, credit cards, keys, mobile telephones and other property of the Company which may be in the Employee's possession or under Employee's control by reason of their employment;
 - (b) shall not use or adopt or purport to use or adopt the name or any trade or business name of the Company for any purpose;
 - (c) shall not hold themselves out, or represent, to any third party that the Employee has the authority or ostensible authority to represent or to contractually bind, the Company; and
 - (d) shall not make any statements, whether verbally or in writing, which are false, misleading, derogatory or disparaging of the Company and/or Group and its or their respective directors, employees, servants, agents and officers. The Company agrees that it will not make any statements, whether verbally or in writing, which are derogatory or disparaging of the Employee.

15. COMPANY PROPERTY

- 15.1 All documents, manuals, hardware and software provided for the Employee's use by the Company, and any data or documents (including copies) produced, maintained or stored on the Company's/Group's computer systems or other electronic equipment (including mobile phones) remain the property of the Company/Group.
- 15.2 The Employee must not remove any documents, or tangible items which belong to the Company/Group or which contain any Confidential Information from the Company's premises at any time without proper advance authorisation.

- 15.3 The Employee must return to the Company upon request and, in any event, upon the termination of the employment, all documents and tangible items which belong to the Company/Group or which contain or refer to any Confidential Information and which are in the Employee's possession or under their control.
- 15.4 The Employee must, if requested by the Company, delete all Confidential Information from any re-usable material and destroy all other documents and tangible items which contain or refer to any Confidential Information and which are in the Employee's possession or under their control.
- 15.5 On termination of the Employee's employment (howsoever arising) the Employee shall:
- (a) immediately deliver to the Company all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business or affairs of the Company/Group or their business contacts, any keys, credit cards and any other property of the Company/Group including any car provided to the Employee which is in their possession or under their control;

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- (b) irretrievably delete any information relating to the business of the Company/Group stored on any magnetic or optical disk or memory and all matter derived from such sources which is in the Employee's possession or under their control outside the Company's premises; and
- (c) provide a signed statement that the Employee has complied fully with the obligations under this clause 15.

16. POST TERMINATION RESTRICTIONS

- 16.1 By virtue of the Employee's role, the Employee has access to trade secrets, Confidential Information and personal knowledge of and influence over clients and employees of the Company and the Group. To protect these Company interests, the Employee agrees that the Employee will be bound by the following covenants which the Employee acknowledges are reasonable.
- 16.2 The Employee hereby agrees that they will not, during the continuance of the Employee's employment, and for a period of six months after its termination (howsoever caused), without the prior written consent of the Company or Parent, directly or indirectly, within the Territory, be employed by, engaged, concerned or interested in (except as the holder or beneficial owner for investment purposes of not more than 5% in nominal value of any class of securities listed or dealt with on any recognized stock exchange or automated quotation system), as a director, employee, manager, consultant, advisor or in any other managerial or sales capacity, either on the Employee's own behalf or in conjunction with or on behalf of any person, firm, company, business, concern or enterprise whatsoever, any business wholly or partly in competition with the Business.
- 16.3 The Employee hereby agrees that they will not, during the continuance of the Employee's employment, and for a period of nine months after its termination (howsoever caused), without the prior written consent of Company or Parent, directly or indirectly:
- 16.3.1 either on the Employee's own behalf or in conjunction with or on behalf of any other person, firm, company, business, concern or enterprise whatsoever;
- (a) solicit or entice or endeavour to solicit or entice away from the service of the Company any person employed by the Company or any member of the Group in a director, officer, managerial, sales, financial, marketing, purchasing, technical, IT or logistical capacity in the 24 months prior to the Termination Date and with whom Employee had worked at any time during that period whether or not such person would commit a breach of his/her contract of employment by reason of leaving such service;
- (b) canvass, solicit or approach or cause to be canvassed or solicited or approached for orders/business in respect of any goods or services provided by the Company or the Group any person, firm, company, business, concern or enterprise whatsoever who is or was at any time during the period of one year immediately preceding the Termination Date a customer of, or in the habit of dealing with, the Company or the Group or who is or had been during the said 1 year period negotiating with the Company or the Group for the supply of such services or goods, and with whom the Employee had dealings or knowledge of their requirements; or
- (c) interfere or seek to interfere to take steps as may interfere with the continuance of supplies to the Company or the Group (or the terms relating to such supplies) from any persons who are or who have been supplying components, materials, goods or services to the Company or the Group at any time during

the one year period immediately preceding Termination Date if such interference or steps causes or would cause the supplier to materially alter its relationship or the terms on which it does business with the Company or the Group.

- 16.4 The Employee agrees that they will not after the Termination Date whether directly or indirectly, use in connection with any business, any name that includes the name of the Company or the Group or any colourable imitation of such name(s).

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- 16.5 The Employee agrees that if during the continuance in force of the restrictions set out in this clause, the Employee receives an offer of employment from any person, the Employee will immediately provide that person with a complete and accurate copy of this clause.

- 16.6 Nothing contained in this clause shall act to prevent the Employee from using generic skills learnt while employed by the Company in any business or activity which is not in competition with the Company or the Group.

16.7 Severance

The Employee hereby acknowledges and agrees that clause 16 of this contract, and every part thereof, are entirely separate and independent (notwithstanding that they may be contained in the same clause, sub-clause, paragraph, sub-paragraph, sentence or phrase) and that they are independent, separate and severable and enforceable accordingly and that the duration, extent and application of each clause, and every part thereof, is no greater than is reasonable and necessary for protection of the legitimate interests of the Company and Group and that if any such clause, or any part thereof shall be adjudged by any court of competent jurisdiction to be void or unenforceable but would be valid if part of the wording thereof was deleted and/or the period thereof was reduced and/or the geographical area dealt with thereby was reduced the said clause, or part thereof, shall apply within the jurisdiction of that court with such modifications as may be necessary to make it valid, effective and enforceable and shall be deemed to have been amended accordingly so that such clause, or part thereof, shall be construed by such court by limiting and reducing it or them so as to be enforceable to the maximum extent compatible with the applicable law as it shall then apply.

17. **COOPERATION**

- 17.1 Upon the receipt of reasonable notice from the Company (including outside counsel), the Employee agrees that while employed by the Company and for one year thereafter, the Employee will respond and provide information with regard to matters in which the Employee has knowledge as a result of the Employee's employment with the Company, and will provide reasonable assistance to the Company and its Group Companies and their respective representatives in defence of all claims that may be made against the Company or its Group Companies, and will reasonably assist the Company and its Group Companies in the prosecution of all claims that may be made by the Company or its Group Companies, to the extent that such claims may relate to the period of the Employee's employment with the Company.

- 17.2 The Employee agrees to promptly inform the Company if the Employee becomes aware of any lawsuit involving such claims that may be filed or threatened against the Company or any Group company. The Employee also agrees to inform the Company promptly (to the extent that the Employee is legally permitted to do so) if the Employee is asked to assist in any investigation of the Company or any Group company (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Company or any Group company with respect to such investigation, and shall not do so unless legally required. Upon presentation of appropriate documentation, the Company shall pay or reimburse the Employee for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by the Employee in complying with this clause 17.

18. **CONFIDENTIALITY**

- 18.1 The Employee acknowledges that in the course of the employment the Employee has access to Confidential Information. The Employee therefore agrees to accept the restrictions in this clause.

- 18.2 The Employee shall not, during the continuance of the Employee's employment or at any time thereafter, except as authorised by the Company in the proper performance of the Duties, use, disclose or cause to be disclosed to any person, use for the Employee's own purposes or for any purposes other than those of the

Company, any Confidential Information which the Employee may have received or obtained during the Employee's employment with the Company or information in respect of which the Company is bound by an obligation of confidence to a third party. The

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Employee shall use their best endeavours to prevent the unauthorised use, publication or disclosure of any such information and agrees that the Employee will inform the Company immediately of any instances of misuse or disclosure of which the Employee becomes aware.

18.3 The Employee shall not, during the continuance of the Employee's employment or at any time thereafter, except as authorised by the Company in the proper performance of the Duties, make or use or retain any Copies.

18.4 All Confidential Information and Copies shall be the property of the Company and on termination of the Employee's employment, or at any time during the term of this contract of employment at the request of the Company, the Employee shall:

- (a) hand over all Confidential Information or Copies to Employee's immediate supervisor or another person nominated by the Company for this purpose;
- (b) irretrievably delete any Confidential Information stored on any magnetic or optical disk or memory, including personal computer networks, personal e-mail accounts or personal accounts on websites, and all matter derived from such sources which is in the Employee's possession or under his control outside the Company's premises; and
- (c) provide a signed statement that the Employee has complied fully with the Employee's obligations under this clause 18.

18.5 The restrictions contained in this clause shall not apply to:

- (a) any disclosure authorised by the Company or required in the ordinary and proper course of the Employee's employment or as required by the order of a court of competent jurisdiction or an appropriate regulatory authority; or
- (b) any information which the Employee can demonstrate was known to the Employee prior to the commencement of the Employee's employment by the Company or is in the public domain otherwise than as a result of a breach of this clause.

18.6 Ownership of Developments

18.6.1 *Acknowledgment of Company Ownership* - The Employee acknowledges that the Company will be the exclusive owner of all the Developments made during the term of the Employee's employment by the Company, except Excluded Developments, and to all intellectual property rights in and to such Developments. The Employee hereby assigns all right, title and interest in and to such Developments and their associated intellectual property rights throughout the world and universe to the Company, including without limitation, all trade secrets, patent rights, copyrights, mask works, industrial designs and any other intellectual property rights in and to each such Development, effective at the time each is created. Further, the Employee irrevocably waives all moral rights the Employee may have in such Developments.

18.6.2 *Excluded Developments and Prior Developments* - The Company acknowledges that it will not own any Excluded Developments or Prior Developments.

18.6.3 *Disclosure of Developments* - To avoid any disputes over the ownership of Developments, the Employee will provide the Company with a general written description of any of the Developments the Employee believes the Company does not own because they are Excluded Developments or Prior Developments. Thereafter, the Employee agrees to make full and prompt disclosure to the Company of all Developments, including, without limitation, Excluded Developments, made during the term of the Employee's employment with the Company. The Company will hold any information it receives regarding Excluded Developments and Prior Developments in confidence.

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- 18.6.4 *Further Acts* - The Employee agrees to cooperate fully with the Company both during and after the Employee's employment by the Company, with respect to (i) signing further documents and doing such acts and other things reasonably requested by the Company to confirm the Company's ownership of the Developments other than Excluded Developments and Prior Developments, the transfer of ownership of such Developments to the Company, and the waiver of the Employee's moral rights therein, and (ii) obtaining or enforcing patent, copyright, trade secret or other protection for such Developments; provided that the Company pays all the Employee's expenses in doing so, and reasonable compensation if such acts are required after the Employee leaves the employment by the Company.
- 18.6.5 *Employee-owned Inventions* - The Employee hereby covenants and agrees with the Company that, unless the Company agrees in writing otherwise, the Employee will not use or incorporate any Excluded Development or Prior Development in any work product, services, or other deliverables the Employee provides to the Company. If the Employee uses or incorporates any Excluded Development or Prior Development with the Company's permission, as provided above, the Employee (i) represents and warrants that he or she owns all proprietary interest in such Excluded Development or Prior Development and (ii) grants to the Company, at no charge, a non-exclusive, irrevocable, perpetual, worldwide license to use, distribute, transmit, broadcast, sub-license, produce, reproduce, perform, publish, practice, make, and modify such Excluded Development or Prior Development.
- 18.6.6 *Prior Employer Information* - The Employee hereby covenants and agrees with the Company that during the Employee's employment by the Company, the Employee will not improperly use or disclose any confidential or proprietary information of any former employer, partner, principal, co-venturer, customer, or independent contractor of the Employee and that the Employee will not bring onto the Company's premises any unpublished documents or any property belonging to any such persons or entities unless such persons or entities have given their consent. In addition, the Employee will not violate any non-disclosure, non-compete or proprietary rights agreement the Employee has signed with any person or entity prior to the Employee's execution of this Agreement, or knowingly infringe the intellectual property rights of any third party while employed by the Company.
- 18.7 *Protection of Computer Systems and Software*- The Employee agrees to take all necessary precautions to protect the computer systems and software of the Company, including, without limitation, complying with the obligations set out in the Company's policies.
- 18.8 *Defend Trade Secrets Act*. Pursuant to the *Defend Trade Secrets Act* of 2016, the Employee understands that under United States law:
- 18.8.1 an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that:
- 18.8.2 is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or
- 18.8.3 is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding.
- 18.8.4 Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the employer's trade secrets to the attorney and use the trade secret information in the court proceeding if the individual:
- 18.8.5 files any document containing the trade secret under seal; and
- 18.8.6 does not disclose the trade secret, except pursuant to court order.

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19. INTELLECTUAL PROPERTY

- 19.1 The Employee acknowledges that all Intellectual Property Rights and Inventions created wholly or partly by the Employee in the course of their employment with the Company (whether or not during working hours or using Company premises or resources, and, in the case of Inventions whether or not recorded in material form), together with all materials embodying such Intellectual Property Rights and Inventions shall automatically belong to the Company to the fullest extent permitted by law. To the extent that they do not vest in the Company automatically, the Employee holds them on trust for the Company.
- 19.2 The Employee acknowledges that, because of the nature of their duties and the particular responsibilities arising from the nature of those duties, they have, and shall have at all times while they are employed by the Company, a special obligation to further the interests of the Company.
- 19.3 The Employee shall:
- (a) promptly communicate in confidence to the Company, full particulars of any Intellectual Property Right and/or Invention referred to in clause 19.1 and the Employee shall not use, disclose to any person or exploit any such Intellectual Property Right or Invention without the prior written consent of the Company;
 - (b) at the Company's request, and in any event upon termination of employment, give to the Company all originals and copies of correspondence, documents, papers and records on all media which record or relate to any such Intellectual Property Rights;
 - (c) not attempt to register any such Intellectual Property Rights or seek to patent any Invention unless instructed to do so by the Company; and
 - (d) at the request and expense of the Company, prepare and execute such instruments and do such other acts and things as may be necessary or desirable, in the opinion of the Company, to enable the Company or its nominee to obtain and maintain protection of any Intellectual Property Right vested in the Company in such parts of the world as may be specified by the Company or its nominee, to enable the Company to exploit and enforce its rights in respect of any Intellectual Property Right vested in the Company to best advantage, and to defend claims for infringement of third party Intellectual Property Rights.
- 19.4 The Employee hereby irrevocably:
- (a) appoints the Company to be their attorney in their name and on their behalf to sign, execute or do any instrument or act and generally to use their name for the purpose of giving to the Company or its nominee the full benefit of the provisions of this clause 19; and
 - (b) unconditionally waives any and all of their moral rights (conferred by the Copyright and Related Rights Acts 2000 to 2019, and all similar rights in other jurisdictions around the world) which they have or will have, and agrees not to support, maintain or permit any claim for infringement of their moral rights.
- 19.5 To the extent that by law any Intellectual Property Right to which clause 19.1 applies does not, or is not permitted to or cannot, vest in or belong to the Company, the Employee agrees immediately upon the same coming into existence to offer to the Company a right of first refusal to acquire the same on arms' length terms to be agreed between the Employee and the Company. The Company shall initiate negotiations by notice in writing and in the absence of agreement within thirty days of such notice, the matter will be referred to arbitration to be decided upon by an arbitrator to be appointed by the President for the time being of the Law Society of Ireland (whose decision shall be final and binding on the parties and whose costs shall be borne equally by the parties).

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- 19.6 The Employee's obligations under this clause shall continue to apply after the termination of their employment with the Company (whether terminated lawfully or otherwise). Each of these obligations is enforceable independently of the others and their validity shall not be affected if any of the others is, to any extent, unenforceable.

20. DATA PROTECTION

- 20.1 The Company needs to process the Employee's personal data, as required, for the purposes of administering this contract; without such processing, it would not be possible for the Company to enter into this Agreement with the Employee. Information regarding the legal basis for any such processing, the period of time for which the personal data will be retained and related matters is set out in the Company's Data Protection Policy as may be in place from time to time.

21. SHORT-TIME AND LAY-OFF

21.1 The Company reserves the right to place the Employee on lay off or short time. In the event that the Employee is placed on lay off the Employee shall have no right to any remuneration in respect of the period of such lay off. If the Employee is placed on short time, the Employee will only be paid for hours actually worked.

22. TERMS OF EMPLOYMENT (INFORMATION) ACT, 1994-2014

22.1 The provisions of this Agreement shall constitute notice to the Employee of the terms and conditions of employment as are required to be given to the Employee pursuant to the Terms of Employment (Information) Act, 1994-2014.

23. ALTERATION OF THE EMPLOYEE'S TERMS OF EMPLOYMENT

23.1 The Company reserves the right to make reasonable alterations to any of the Employee's terms of employment from time to time. Such changes may be made by way of a general notice applicable to all employees or by way of specific notice to the Employee. Any such changes shall take effect immediately and the Employee will be notified of the change(s) by the Company in writing as soon as possible thereafter and, in any event, not later than one month after the date the change(s) is/are implemented.

23.2 In the event that variation(s) or amendment(s) is/are made to the terms and conditions of the Employee's employment, such variation(s) or amendment(s) will not constitute a new agreement and the employment of the Employee will continue in all respects as before, subject to the terms and conditions of this Agreement as so varied.

23.3 No failure or delay by the Company in exercising any remedy, right, power or privilege under or in relation to this Agreement or at law shall operate as a waiver of the same nor shall any single or partial exercise of any remedy, right, power or privilege preclude any further exercise of the same or the exercise of any other remedy, right, power or privilege.

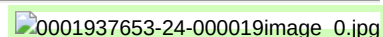
24. COLLECTIVE AGREEMENTS

24.1 There are no collective agreements or employment regulation orders affecting the Employee's employment with the Company.

25. COMPANY POLICIES AND PROCEDURES

25.1 The Employee must abide by all of the Company's Policies and Procedures. These policies and procedures do not form part of the terms and conditions of employment and may be amended, deleted or supplemented from time to time. The Employee will receive notification of any such changes by the Company from time to time. Where there is a conflict between the provisions of any

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policy or procedure and this contract of employment, the terms and conditions of this contract shall prevail.

25.2 The Employee hereby confirms that upon commencement of employment the Employee will review and acknowledge the Company Policies and Procedures available through the Company's compliance management system. The Employee confirms that they will comply with the Company Policies and Procedures throughout their employment with the Company.

26. DISCIPLINARY AND GRIEVANCE PROCEDURES

26.1 The Employee is subject to the Company's disciplinary and grievance procedures which are available through the Company's compliance management system. These procedures do not form part of the Employee's contract of employment and may be amended by the Company from time to time.

26.2 The Company may suspend the Employee from any or all of the Employee's duties for no longer than is necessary to promptly investigate any disciplinary matter involving the Employee or so long as is otherwise reasonable while any disciplinary procedure against the Employee is outstanding.

26.3 During any period of suspension:

(a) The Employee shall continue to receive their basic salary and all contractual benefits in the usual way and subject to the terms of any benefit arrangement;

- (b) The Employee shall remain an employee of the Company and bound by the terms of this Agreement;
- (c) The Employee shall ensure that Management knows where he will be and how the Employee can be contacted during each working day (except during any periods taken as holiday in the usual way);
- (d) The Company may exclude the Employee from the place of work or any other premises of the Company or any Group company; and
- (e) The Company may require the Employee not to contact or deal with (or attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of the Company or any Group company.

27. HEALTH & SAFETY AT WORK

- 27.1 The Employee must familiarise themselves with and abide by the Company's Health and Safety Policy as may be in place from time to time. During the course of the employment the Employee is obliged to take care for their own health and safety and that of their colleagues.

28. SECURITY

- 28.1 All communications, whether by telephone, email, fax, or any other means, which are transmitted, undertaken or received using the Company's information technology ("IT") or communications systems or Company property will be treated by the Company as work related and the Company's IT systems and network are provided for the Employee's use in undertaking their duties. The Employee agrees that the Company may intercept, record and monitor all such communications made by the Employee and their use of the Company's IT systems and network without further notice. Accordingly, the Employee should not regard any such communications or use as being private and matters which are private should be conducted by the Employee outside of working hours, away from the Company's premises and without use of the Company's communications and IT hardware, software, systems and networks.

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- 28.2 The recording and monitoring of communications is intended to protect the Company's business interests, for example, but without limitation, for the purposes of quality control, security of communication and IT systems, protection of the Company's confidential information and legitimate business interests, record-keeping and evidential requirements, detection and prevention of criminal activity or misconduct and to assist the Company to comply with relevant legal requirements.
- 28.3 The Employee agrees that recorded or monitored communications may be used as evidence in disciplinary or legal proceedings, including in any such action against the Employee.

29. SERVICE OF NOTICES

- 29.1 Any notice given under this Agreement shall be deemed to have been served on the Employee if it is served on the Employee personally or, in the alternative, left at or sent by registered post to the Employee at their usual address, as supplied by them to the Company.
- 29.2 Any notice given under this Agreement shall be deemed to have been served on the Company if it is hand delivered personally or sent by fax, email or post (the chosen method of delivery to incorporate proof of delivery) to the Parent Company's President & Chief Operating Officer with a copy to the Head of Global Human Resources.
- 29.3 For the purpose of calculating deemed receipt:
- (a) all references to time are to local time in the place of deemed receipt; and
 - (b) if deemed receipt would occur on a Saturday or Sunday or a public holiday when banks are not open for business, deemed receipt is at 09.00 am on the next business day.
- 29.4 This clause does not apply to the service of any proceedings or other documents in any legal action.

30. ENTIRE AGREEMENT

30.1 This Agreement and any document/agreement referred to in it constitutes the whole agreement between the Parties in relation to the Employee's employment by the Company and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them.

30.2 Each Party acknowledges that, in entering into this Agreement, it has not relied on and shall have no remedy in respect of any pre-contractual statement.

31. WAIVER

31.1 No failure or delay by the Company in exercising any remedy, right, power of privilege under or in relation to this Agreement or at law shall operate as a waiver of the same nor shall any single or partial exercise of any remedy, right, power or privilege preclude any further exercise of the same or the exercise of any other remedy, right, power or privilege.

32. COUNTERPARTS

32.1 This Agreement may be executed in any number of counterparts, each of which, when executed, shall be an original, and all the counterparts together shall constitute one and the same instrument.

33. GOVERNING LAW AND JURISDICTION

33.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of Ireland.

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33.2 The Parties irrevocably agree that the courts and tribunals of Ireland shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).

34. SEVERABILITY

34.1 If any provision or part thereof of this Agreement or its application to any person or circumstance is or is found to be invalid or unenforceable, the invalidity or unenforceability of such provision or part thereof shall be severed from this Agreement and shall not affect the validity or enforceability of that provision or of other provisions of this Agreement or the application of such provisions to any person or circumstance.

35. HEADINGS

35.1 The headings to the clauses of this Agreement are for convenience of reference only and shall not affect the meaning or construction of anything contained in this Agreement.

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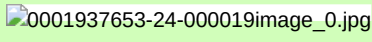
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IN WITNESS whereof the Parties hereto have executed this Agreement in manner hereinafter appearing the day and year first above written.

SIGNED for and on behalf of the Company by in the presence of:	/s/ Laura O'Connor Signature of Laura O'Connor, Head of Global Human Resources
Witness Signature:	
Address:	
Occupation:	

SIGNED AND DELIVERED by JEFFREY SMITH in the presence of:	/s/ Jeffrey Smith Signature of Jeffrey Smith
Witness Signature:	
Address:	
Occupation:	

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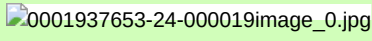
APPENDIX 1
THE DUTIES

1. The Employee's primary responsibilities and duties will include;
- (a) TO BE CONFIRMED

(b) The performance of any other duties as may be reasonably required of him/her by the Company from time to time.

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Exhibit 10.43



January 5, 2024

Jeffrey Smith
[...***...]¹

Dear Jeffrey,

I am pleased to offer you a promotion to the position of **Executive Vice President, Chief Medical Officer**, with the addition of the following changes to your compensation package, effective January 1, 2024.

Your revised compensation is based on your contributions to the Company's goals and ongoing efforts to make Zymeworks a world leader in antibody and protein therapeutics.

Current Base Salary \$425,000.00 USD
Promotional Increase 14.1%
Jan. 1, 2024 New Base Salary \$485,000.00 USD
Current Bonus Target 35%
New Bonus Target 45%

On behalf of the senior management team and Zymeworks' Board of Directors, I am pleased to inform you of your 2024 annual equity grant. This year, your grant will be issued to you in Stock Options and Restricted Stock Units (RSUs).

Annual Stock Option Award 90,000
Annual RSU Award 60,000

Pending receipt of all required corporate approvals, the Options and RSUs will be granted under the Company's Amended and Restated Stock Option and Equity Compensation Plan, per the following stock vesting schedule:

Stock Options

- 25% of the Options will vest and become exercisable on the one-year anniversary of the date of grant, after which
- 1/36 of the remaining Options will vest on the last day of each month, until all of the Options have vested, subject to your continued company service

RSUs

The RSUs will vest over a three-year period as follows:

- 1/3 of such RSUs will vest on the one-year anniversary of the Grant Date
- 1/3 of such RSUs will vest on the two-year anniversary of the Grant Date
- The remaining 1/3 of such RSUs will vest on the three-year anniversary of the Grant Date, subject to your continued company service

You will be notified at a later date when your annual stock option and RSU grant is ready for your review and acceptance in Shareworks.

¹ Personal Information – Contact Information.

This is well deserved! I want to personally thank you for all your contributions and commitment to Zymeworks' success as we strive to bring patients home to their loved ones disease-free. All of your efforts are greatly appreciated.

We wish you well in your new position. If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Kenneth Galbraith
Kenneth Galbraith
Chair & CEO

I, Jeffrey Smith, understand that all other terms and conditions of my employment remain unchanged.

Acknowledged:

Signed: /s/ Jeffrey Smith

Dated: January 6, 2024

Exhibit 10.49

ZYMEWORKS INC.

INDUCEMENT STOCK OPTION AND EQUITY COMPENSATION PLAN
(as amended and restated through the Arrangement Effective Time)

TABLE OF CONTENTS

ARTICLE I INTERPRETATION 1

- Section 1.1 Definitions 1
- Section 1.2 Interpretation 5

ARTICLE II GENERAL PROVISIONS 5

- Section 2.1 Administration 5
- Section 2.2 Shares Reserved 6
- Section 2.3 Amendment and Termination 7
- Section 2.4 Compliance with Legislation 8
- Section 2.5 Effective Time and Termination 9
- Section 2.6 Tax Withholdings and Deductions 9
- Section 2.7 Non-Transferability 9
- Section 2.8 Participation in this Plan 10
- Section 2.9 Notice 10
- Section 2.10 Right to Issue Other Shares 11
- Section 2.11 Quotation of Shares 11

Section 2.12	No Fractional Shares	11
Section 2.13	Governing Law	11

ARTICLE III OPTIONS 11

Section 3.1	Grant	11
Section 3.2	Exercise Price	12
Section 3.3	Vesting	12

ARTICLE IV EXERCISE & EXPIRY & CHANGE OF CONTROL 12

Section 4.1	Conditions of Exercise	12
Section 4.2	Exercise Period	13
Section 4.3	Termination Date	14
Section 4.4	Change of Control	15

ARTICLE V OTHER AWARDS 17

Section 5.1	General	17
Section 5.2	Restricted Stock	17
Section 5.3	Restricted Stock Units	17
Section 5.4	Other Share-Based Awards; Performance Vesting	18

i

ARTICLE I

INTERPRETATION

Section 1.1 Definitions

For the purposes of this Plan, the following terms shall have the following meanings:

(a) **"Affiliate" or "Affiliated"** means, with respect to a any specified Person, any other Person controlling, which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person for so long as such control exists. For (for the purposes of this Section 1.3 only, definition, "control" means (a) direct or indirect ownership of fifty percent (50%) or more of (including, with correlative meanings, the stock or shares having the right terms "controlling," "controlled by" and "under common control with"), as used with respect to vote for the election of directors of such corporate entity or (b) any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity, Person, whether through the ownership of voting securities, by contract agreement or otherwise. otherwise);

1.4(b) **"Annual Commercialization Plan Arrangement Effective Time"** has the meaning given to that term in the Transaction Agreement.

(c) **"Authorized Leave"** means [***]. any leave of absence (paid or unpaid) approved in writing by the Corporation for a period of more than four (4) weeks that occurs while the Participant continues to be employed as an employee by the Corporation and includes any parental leave, short term disability or other bona fide paid or unpaid leave of absence or sabbatical period;

1.5(d) **"Antibody Award"** means (a) any antibody, antigen-binding construct or protein comprising at least one CDR portion a grant of an antibody (whether monospecific, bispecific Option or multi-specific) or fragments thereof, (b) any modified, humanized or derivatized versions of antibodies, or fragments thereof or (c) an Other Award hereunder. Each Award under the coding sequence of any of the foregoing. Plan is intended to qualify as an employment inducement award under Rule 303A.08.

1.6(e) **"Applicable Laws Board"** means collectively, all laws, regulations, ordinances, decrees, judicial and administrative orders (and any license, franchise, permit or similar right granted under any the board of directors of the foregoing) and any other requirements Corporation as constituted from time to time, or a committee thereof to which authority has been delegated by the board of any applicable Governmental Authority that govern or otherwise apply to a Party's activities in connection with this Agreement.

1.7 **"Biosimilar Product"** means, directors with respect to a Licensed Product any particular functions of the board of directors, as set forth in a particular country in the Territory, any pharmaceutical product that: (a) is marketed or sold in such country by a Third Party that has not obtained the rights to market or sell such product as a licensee, sublicensee or distributor of Jazz or any of its Affiliates or sublicensees with respect to such Licensed Product; and (b) is approved as [***]. For purposes of clarity, such a pharmaceutical product will be deemed to be Biosimilar Product for purposes of this definition, only if [***]. Section 2.1(c) herein;

1.8 **"BTC"** means biliary tract cancer, [***].

1.9(f) **"Business Day"** means a day, other than a Saturday Sunday or any other day Sunday, on which banking institutions in Seattle, Washington, U.S.A., Vancouver, Canada or Dublin, Ireland British Columbia are not authorized or required obligated by Applicable Laws law to remain closed. close;

1.10(g) **"Calendar Quarter Change of Control"** means the period beginning on the Closing Date and ending on the last day happening, in a single transaction or in a series of related transactions, of any of the calendar quarter following events:

(i) any transaction (other than a transaction described in clause (ii) below) pursuant to which any person or group of persons acting jointly or in concert acquires the Closing Date falls, and thereafter each successive period direct or indirect beneficial ownership of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31; provided that the final Calendar Quarter shall end on the last day securities of the Term.

1.11 **"Calendar Year"** means the period beginning on the Closing Date and ending on December 31 Corporation representing 50% or more of the calendar year in which the Closing Date falls, and thereafter each successive period aggregate voting power of twelve (12) months commencing on January 1 and ending on December 31; provided, that, the final Calendar Year shall end on the last day all of the Term.

1.12 **"cGMP"** means applicable current Good Manufacturing Practices, including, as applicable, (a) the principles detailed Corporation's then issued and outstanding securities entitled to vote in the U.S. Current Good Manufacturing Practices, 21 C.F.R. Parts 4, 210, 211, 601, 610 and 820, (b) European Union Directive 2003/94/EC and Eudralex 4, (c) election of directors of the principles detailed in the International Conference on Harmonization's Q7 guidelines, and (d) the Applicable Laws in any relevant country or region corresponding to (a) through (c) above, each as may be amended and applicable from time to time. Corporation;

-2-

1

1.13(ii) **"Clinical Data"** there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;

(iii) **"** means any and the sale, lease, exchange, license or other disposition of all data (together with or substantially all clinical trial reports and of the results Corporation's assets to a person other than (A) a disposition to a Person that was an Affiliate of analyses thereof) derived the Corporation at the time of such sale, lease, exchange, license or generated other disposition or (B) a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of

which are beneficially owned by Shareholders of the Corporation in any Clinical Trial conducted by substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or on behalf other disposition;

(iv) the passing of a Party resolution by the Board or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its Affiliates, the Ex-Territory Partner, or (with respect to Jazz) sublicensees.

1.14 "Clinical Trial" means any human clinical trial of a Licensed Product affairs in the Field.

1.15 "Closing Date" means the HSR Clearance Date.

1.16 "Combination Product" means a Licensed Product that comprises the Licensed Antibody, co-formulated, co-packaged or otherwise combined with one or more other Active Ingredients (each, an transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement));

(v) individuals who, on the Effective Time, are members of the Board (the "Additional Active Incumbent Board") and sold cease for any reason to constitute at least a single price majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or

1.17 (vi) any transaction, plan, scheme, reorganization or arrangement whereby an entity acquires, directly or indirectly, greater than fifty percent (50%) of the Zymeworks Common Shares (as defined in the Transaction Agreement), such that upon the Arrangement Effective Time, the Corporation is a successor to Zymeworks (as defined in the Transaction Agreement) under this Plan. For the avoidance of doubt, the addition of this clause (vi) is effective as of immediately prior to, and contingent upon, the Arrangement Effective Time.

(h) "Commercialization Code" or "Commercialize" means any and all activities directed to the offering for sale and sale of Licensed Product, including (a) marketing, promoting, advertising, exhibiting, distributing, detailing, selling (and offering for sale or contracting to sell) or otherwise commercially exploiting a Licensed Product in the Field in the Territory (including importing and exporting activities in connection therewith); (b) order processing, handling of returns and recalls, booking of sales and transporting such Licensed Product for commercial sale; (c) the conduct of any post-approval Clinical Trials involving such Licensed Product; (d) interacting with Regulatory Authorities regarding the above; and (e) seeking and obtaining pricing approvals and reimbursement approvals (as applicable) for that Licensed Product in the Territory. For clarity, Commercialization does not include manufacture of Licensed Product.

1.18 "Commercially Reasonable Efforts" means[***].

1.19 "Companion Diagnostic" means companion or complementary diagnostic products to be used in connection with Licensed Products.

1.20 "Competing Product" means, with respect to Jazz, a Jazz Competing Product, and with respect to Zymeworks, a Zymeworks Competing Product.

1.21 "Confidential Information" of a Party (a "Disclosing Party") means, subject to Section 10.2, all Know-How, which is generated by or on behalf of such Disclosing Party under this Agreement or any and any other information, including technical, scientific, trade, research, manufacturing, business, financial, marketing, product, supplier, intellectual property, and other non-public or proprietary data or information, that is disclosed by a Disclosing Party or its Affiliates to the other Party (a "Receiving Party") or its Affiliates pursuant to this Agreement (including information disclosed prior to the Execution Date pursuant to the Confidentiality Agreement) or which such Disclosing Party or any of its Affiliates or contractors has provided or otherwise made available to the Receiving Party, whether made available orally, in writing, or in electronic form, including (a) such Know-How comprising or relating to concepts, discoveries, inventions, data, designs or formulae arising from this Agreement and (b) any unpublished patent applications disclosed hereunder. For purposes of clarity, unless excluded pursuant to Section 10.2, [***] (iv) any combination of Confidential Information shall not be considered in the public domain or in the possession of the Receiving Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the Receiving Party unless the combination and its principles are in the public domain or in the possession of the Receiving Party; and [***].

1.22 "Control" or "Controlled" means, with respect to any material, Know-How, or intellectual property right (including Patent Rights), that a Party has the power (whether by ownership, license, or otherwise other than pursuant meaning given to this Agreement) to grant to the other Party access, a license, or a sublicense (as applicable) to the same on the terms and conditions set that term in Appendix 1;

forth

(i) **"Corporation"** means Zymeworks Inc., a Delaware corporation, and its respective successors and assigns;

(j) **"Date of Grant"** means the date on which a particular Award is granted by the Board as evidenced by the Grant Agreement pursuant to which the particular Award was granted;

(k) **"Effective Time"** has the meaning given to that term in this Agreement without violating Section 2.5;

(l) **"Eligible Person"** means any obligations employee of the granting Party Corporation or any of its direct or indirect subsidiaries to whom the grant of the Award or Awards to the Employee is a material inducement to the Employee's entering into employment with the Company (or any of its Parent or Subsidiaries, as applicable) in accordance with Rule 303A.08, including grants to new employees in connection with a merger or acquisition;

(m) **"Exercise Notice"** means an election to exercise Options granted to a Third Party. Notwithstanding Participant under this Plan, in the foregoing, a Party will not be deemed to "Control" any material, Know-How, or intellectual property right (including Patent Rights) that, prior case of Options substantially in the form attached as Exhibit "B" to the consummation of a merger, consolidation or transfer making a Third Party an Acquiring Entity of such Party, is owned or in-licensed Grant Agreement, as may be amended from time to time by a Third Party that becomes an Affiliate of such acquired Party after the Execution Date as a result of such acquisition transaction or transfer or that any Acquiring Entity subsequently develops without accessing or practicing the Zymeworks Platform or any Zymeworks IP, Jazz Collaboration IP or Jazz IP. Corporation;

1.23 (n) **"Cover Exercise Period"** means the period from the Vesting Date to the close of business on the Expiry Date during which a particular Option may be exercised in the manner described in Section 4.1 in the case of Options;

(o) **"Exercise Price"** has the meaning given to that term in Section 3.2;

(p) **"Expire"** means, with respect to a Licensed Product and a Valid Claim in a particular country, that (a) such Valid Claim claims [***] and (b) an Option, the [***] termination of such Licensed Product, as applicable, in Option, on the occurrence of which such country would, but for the licenses granted herein, infringe such Valid Claim. Cognates Option is void, incapable of the word "Cover" shall exercise and of no value whatsoever; and Expires, Expired and Expiry have correlative meanings, a similar meaning;

1.24 (q) **"Develop" or "Development" or "Developing"** means all development activities for a Licensed Product that are directed to obtaining Regulatory Approval(s) of such Licensed Product and to support appropriate usage for such Licensed Product in the Field, including: (a) all research, non-clinical, preclinical and clinical activities, testing and studies of such Licensed Product; toxicology, pharmacokinetic, pharmacodynamic, drug-drug interaction, safety, tolerability and pharmacological studies of such Licensed Product; (b) distribution of such Licensed Product for use in Clinical Trials; (c) statistical analyses of Clinical Trials; (d) the preparation, filing and prosecution of any Biologics License Application or New Drug Application (each as defined by the FDA) or foreign equivalent thereof for such Licensed Product; (e) all development activities directed to label expansion (including prescribing information) or obtaining Regulatory Approval of such Licensed Product for one or more additional Indications following initial Regulatory Approval; (f) all development activities conducted after receipt of Regulatory Approval that are required or requested in writing by a Regulatory Authority as a condition of, or in connection with, obtaining or maintaining a Regulatory Approval; (g) any pharmacoeconomic studies relating to the Indication for which the applicable Licensed Product is being developed; (h) any investigator- or institution-sponsored studies of such Licensed Product; and (i) all regulatory activities related to any of the foregoing. For clarity, Development does not include manufacture of Licensed Products.

1.25 **"DirectedTo"** means, with regard to an Antibody or product, that such Antibody or product [***]. When required grammatically, the defined term "Directed To" may be separated and shall have the same meaning set forth above; e.g., when discussing targets To which an Antibody or product is Directed.

1.26 **"Divestiture"** means, with respect to a Competing Product, [***]. When used as a verb, "Divest" and "Divested" means to cause a Divestiture.

1.27 **"European Commission Expiry Date"** means the executive of the European Union and any successor thereto having substantially the same functions. date on which an Option Expires;

1.28 (r) **"Ex-Territory License Agreement"** or **"ELA Fair Market Value"** means, [***]. on any particular day, the Market Price of a Share, but if the Shares are not listed and posted for trading on an applicable stock exchange at the relevant time, it shall be the fair market value of the Share, as determined by the Board acting in good faith;

1.29 (s) **"Ex-Territory Partner Grant Agreement"** means an agreement between the Third Party to whom Zymeworks has licensed, or licenses, rights to Develop or Commercialize Licensed Product Corporation and a Participant under which an Award is granted, in the Ex-Territory pursuant to the ELA.

1.30 **"FDA"** means the United States Food and Drug Administration or any successor entity thereto.

-4-

1.31 **"Field"** means all uses, including diagnostic, prophylactic, and therapeutic applications in humans and animals.

1.32 **"FirstCommercialSale"** means, with respect to a Licensed Product in any country or jurisdiction case of Options substantially in the Territory, the first sale of such Licensed Product by Jazz, its Affiliates, or sublicensees to a Third Party in such country or jurisdiction after Regulatory Approvals, form attached hereto as applicable, have been obtained for such Licensed Product in such country or jurisdiction; [***].

1.33 **"FTE"** means the equivalent of the work of a full-time individual for a 12-month period, which shall not be less than [***]. No individual shall be counted as more than one FTE for any 12-month period, regardless of the number of hours that such individual works in such period.

1.34 **"FTERate"** means a rate of [***] per FTE per year, to be pro-rated on an hourly basis of [***] per FTE per hour.

1.35 **"Fully Burdened Manufacturing Cost"** means, with respect to any quantity of Licensed Antibody or Licensed Product supplied by or on behalf of Zymeworks to Jazz hereunder:

(a) if such quantity of Licensed Antibody or Licensed Product (or any precursor or intermediate thereof) is manufactured by a Third Party manufacturer, (i) the actual, documented and verifiable external out-of-pocket Third Party costs of such supply of such Licensed Antibody or Licensed Product (or precursor or intermediate) incurred by Zymeworks, to the extent allocable or identifiable to the supply of such Licensed Antibody or Licensed Product [***]; or

(b) if such quantity of Licensed Antibody or Licensed Product (or any precursor or intermediate thereof, including cell lines and resins used in the production of the foregoing) is manufactured by Zymeworks or an Affiliate of Zymeworks, the actual, fully burdened documented and verifiable direct and indirect costs and expenses incurred and recorded in manufacturing such quantity of Licensed Antibody or Licensed Product [***].

1.36 **"GAAP"** means United States generally accepted accounting principles, consistently applied.

1.37 **"GCP"** means all applicable Good Clinical Practice standards for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of Clinical Trials, including, as applicable (a) as set forth in the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use Harmonized Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95) (the **"ICH Guidelines"**) and any other guidelines for good clinical practice for trials on medicinal products in the Territory, (b) the Declaration of Helsinki (2004) as last amended at the 52nd World Medical Association in October 2000 and any further amendments or clarifications thereto, (c) U.S. Code of Federal Regulations Title 21, Parts 50 (Protection of Human Subjects), 56 (Institutional Review Boards) and 312 (Investigational New Drug Application) Schedule "A", as may be amended from time to time and (d) by the equivalent Applicable Laws in the region in the Territory, each as may be amended and applicable from time to time and in each case, that provide for, among other things, assurance that the clinical data and reported results are credible and accurate and protect the rights, integrity, and confidentiality of trial subjects. Corporation;

1.38 (t) **"GEA Incapacity"** has the meaning given to that term in Section 4.3(c);

(u) **"Incumbent Board"** has the meaning given to that term in Section 1.1(f);

(v) **"Market Price"** means, **gastroesophageal adenocarcinoma, [***].** on any particular day, closing sale price of a Share on the Primary Stock Exchange for such day (or, if such day is not a trading day), the closing sale price reported for the immediately preceding trading day. Notwithstanding the foregoing, the Corporation may convert a Market Price denominated in United States currency to Canadian

-5-

3

currency, or vice-versa, at the Bank of Canada daily average exchange rate on the day prior to the particular day, and the converted amount shall be the Market Price;

1.39 (w) **"GLP Non-Executive Director"** means all applicable Good Laboratory Practice standards, including, as applicable, as set forth in any director of the then-current good laboratory practice standards promulgated Corporation who is not an employee or endorsed by officer of the U.S. Food and Drug Administration, as defined in 21 C.F.R. Part 58, and the equivalent Applicable Laws in the Territory, each as may be amended and applicable from time to time. Corporation or any Affiliate;

1.40 (x) **"Governmental Authority"** means any federal, state, national, state, provincial or local government, or political subdivision thereof, or any multinational organization or any authority, agency or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, or any court or tribunal (or any department, bureau or division thereof, or any governmental arbitrator or arbitral body).

1.41 **"HSR Act NYSE"** means the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder. New York Stock Exchange;

1.42 (y) **"HSR Clearance Date Option"** means the earliest date on which the Parties have actual knowledge an option to purchase a Share that all applicable waiting periods have expired or have been terminated under the HSR Act, with respect is granted to an Eligible Person pursuant to the transactions contemplated under terms of this Agreement. Plan;

1.43 (z) **"Indication Other Award"** means a generally acknowledged disease or condition. an Award granted under Article 5 hereof.

1.44 (aa) **"Invention Participant"** means any Know-How, composition of matter, article of manufacture or other subject matter, whether patentable or not, that is conceived or reduced an Eligible Person to practice under this Agreement and as a result of the Development, manufacture, or Commercialization of a Licensed Product under this Agreement, whom an Award has been

1.45 **"Jazz IP"** means all Patent Rights and Know-How that (a) are Controlled by Jazz as of the Execution Date or (b) thereafter during the Term come into Jazz's Control independent of this Agreement, and in each case (a) and (b), that are used or applied by or on behalf of Jazz or its Affiliates or sublicensees in the Development, or Commercialization of Licensed Products, but excluding any Jazz Manufacturing IP; [***]. granted;

1.46 **"Jazz Manufacturing IP"** means (a) all Patent Rights and Know-How that (i) are Controlled by Jazz as of the Execution Date or (ii) thereafter during the Term come into Jazz's Control independent of this Agreement, and in each case (i) and (ii), that are used or applied by or on behalf of Jazz or its Affiliates or sublicensees in the manufacture of Licensed Antibody or Licensed Products and that [***] and (b) all Inventions that are owned solely by Jazz pursuant to Section 14.1(a) to the extent they are [***].

1.47 **"Jazz Patent Rights"** means all Patent Rights in the Jazz IP.

1.48 **"Know-How"** means all technical information, know-how, data, inventions, discoveries, trade secrets, specifications, instructions, processes, formulae, methods, protocols, expertise and other technology applicable to formulations, compositions or products or to their manufacture, development, registration, use or marketing or to methods of assaying or testing them, and all biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical, physical and analytical, safety, quality control, manufacturing, preclinical and clinical data relevant to any of the foregoing. For clarity, Know-How excludes Patent Rights and physical substances.

1.49 **"Knowledge"** means, with respect to Zymeworks, [***].

1.50 "Licensed Antibody" means (a) Zymeworks' proprietary bispecific antibody, zanidatamab, [***]("Zanidatamab") or [***]. Notwithstanding the foregoing, Licensed

-6-

Antibody expressly excludes all antibody-drug conjugates of the foregoing, including Zymeworks' proprietary antibody-drug conjugate, ZW49 (or Zanidatamab Zovodotin).

1.51 "Licensed Product" means any pharmaceutical product that contains, incorporates or comprises a Licensed Antibody, alone or in combination with one or more Active Ingredients, in any presentation, formulation or dosage form; provided that Licensed Products expressly exclude antibody-drug conjugates incorporating any Licensed Antibody, including Zymeworks' proprietary antibody-drug conjugate, ZW49 (or Zanidatamab Zovodotin).

1.52 "Major European Market" means [***].

1.53 "Major Market Country" means [***].

1.54 "Net Sales" means the gross amount invoiced [***]

Each of the foregoing deductions shall be determined in accordance with applicable accounting requirements [***].

For purposes of this Agreement, a "sale" or "transfer" shall mean any transfer or other distribution or disposition [***].

[***]

Net Sales for a Combination Product in a country shall be calculated as follows:

(i) If the Licensed Product and Additional Active each are sold separately in such country, Net Sales will be calculated by multiplying the total Net Sales (as described above) of the Combination Product by the fraction $A/(A+B)$, where A is the public or list price in such country of the Licensed Product sold separately in the same formulation and dosage, and B is the (sum of the) public or list price(s) in such country of the Additional Active sold separately in the same formulation and dosage, during the applicable Calendar Year.

(ii) If the Licensed Product is sold independently of the Additional Active in such country, but the public or list price of the Additional Active cannot be determined, Net Sales will be calculated by multiplying the total Net Sales (as described above) of such Combination Product by the fraction A/C , where A is the public or list price in such country of such Licensed Product sold independently and C is the public or list price in such country of the Combination Product.

(iii) If the Additional Active is sold independently of the Licensed Product therein in such country, but the public or list price of such Licensed Product cannot be determined, Net Sales will be calculated by multiplying the total Net Sales (as described above) of such Combination Product by the fraction $1-B/C$, where B is the (sum of the) public or list price in such country of the Additional Active and C is the public or list price in such country of the Combination Product.

(iv) If the Licensed Product and Additional Active are not sold independently in such country, Net Sales will be calculated by multiplying the total Net Sales (as described above) of such Combination Product by a fraction [***]. If [***].

1.55 "Patent Prosecution" means activities directed to (a) preparing, filing and prosecuting applications (of all types) for any Patent Rights, (b) managing any interference, opposition, re-issue, reexamination, supplemental examination, administrative invalidation proceedings (including *inter partes* or post-grant review proceedings), revocation, nullification,

-7-

or cancellation proceeding relating to the foregoing, (c) abandoning or maintaining Patent Rights, and (d) settling any interference, opposition, reexamination, administrative invalidation, revocation, nullification or cancellation proceeding, and any appeals therefrom. [***]

1.56 "Patent Rights" means the rights and interests in and to issued patents and pending patent applications (which, for purposes of this Agreement, include certificates of invention, applications for certificates of invention and priority rights) in any country or region, including all provisional applications, substitutions, continuations, continuations-in-part, continued prosecution applications including requests for continued examination, divisional applications and renewals, and all letters patent or certificates of invention granted thereon, and all reissues, reexaminations, extensions (including pediatric exclusivity patent extensions), term restorations, renewals, substitutions, confirmations, registrations, revalidations, revisions and additions of or to any of the foregoing, in each case, in any country.

1.57 (bb) "Person" means any individual, partnership, corporation, company, partnership, association, joint-stock trust, joint venture, limited liability company, trust, unincorporated organization, entity or division or any government, governmental department or agency or political subdivision thereof, thereof;

(cc) **"Plan"** means this Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan, originally effective January 5, 2022, as amended through the Arrangement Effective Time and as it may be further amended from time to time;

1.58 (dd) "PMDA Primary Stock Exchange" means a Stock Exchange where the majority of the trading volume and value of the Shares has occurred for the five (5) trading days immediately preceding the relevant date;

(ee) **"Rule 303A.08"** means the Pharmaceuticals NYSE Listed Company Manual Rule 303A.08. Reference to Rule 303A.08 will include the terms and Medical Devices Agency (of Japan), conditions of Rule 303A.08 and any applicable interpretive material and other guidance issued under Rule 303A.08.

(ff) **"Share"** means a share of common stock of the Corporation;

(gg) **"Share Compensation Arrangement"** means any stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any successor agency thereto performing similar functions, other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of securities of the Corporation from treasury, including without limitation a Share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, but does not include any such arrangement which does not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation;

1.59 (hh) "Shareholders" means holders of Shares;

(ii) **"PRC Stock Exchange"** means the People's Republic of China, which NYSE and, if the Shares are listed and posted for trading on another stock exchange, the purposes of this Agreement shall exclude Hong Kong, Macau and Taiwan.

1.60 "Region" means [***].

1.61 "Regulatory Approval" means all approvals from the relevant Regulatory Authority necessary to initiate marketing and selling a product (including Licensed Product) in any country.

1.62 "Regulatory Authority" means any competent Governmental Authority with authority over the authorization, approval, distribution, importation, exportation, manufacture, production, use, storage, transport, clinical testing, promotion or sale of a pharmaceutical product (including any Licensed Product) and over interactions with healthcare professionals and healthcare organizations, which may include the authority to grant the required reimbursement and pricing approvals for such sale.

1.63 "Regulatory Exclusivity" means any exclusive marketing rights or data exclusivity rights conferred by any applicable Regulatory Authority with respect to a Licensed Product in a country, other than an issued and unexpired Patent Right, [***] which grant an exclusive commercialization period during which Jazz, its Affiliates or sublicensees have the exclusive right to market and sell such Licensed Product in such country.

1.64 "Regulatory Submissions" means any filing, application or submission with any Regulatory Authority, including authorizations, approvals or clearances arising from the foregoing, including Regulatory Approvals and any pricing or reimbursement approvals, as applicable.

1.65 "Second Payment Trigger" means the later of the (a) HSR Clearance Date and (b) the date stock exchange(s) on which Zymeworks delivers to Jazz a data package that includes (i) the top-line data from the locked and cleaned trial database Shares are listed or posted for the Zymeworks Ongoing Study known as ZWI-ZW25-203 as well as all data, analyses and other information set forth on trading; **Exhibit 1.65** (the "BTC Data Package") [***].

-8-

4

1.66 (jj) "Segregate Surrender" means, with respect has the meaning given to a Jazz Competing Product or a Zymeworks Competing Product, [***], that term in Section 4.1(c);

1.67 (kk) "Territory Surrender Notice" has the meaning given to that term in Section 4.1(c);

(ll) "Termination Date" has the meaning given to that term in Section 4.3(c);

(mm) "Transaction Agreement" means the world, excluding PRC, Australia, New Zealand, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Hong Kong, Taiwan, Macau, Mongolia, South Korea, Brunei Darussalam, Cambodia, Indonesia, Papua New Guinea, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Restated and Vietnam (such excluded countries), Amended Transaction Agreement dated August 18, 2022 by and among the "Ex-Territory" Corporation (then-referred to as Zymeworks Delaware Inc.), Zymeworks Inc., a company then-existing under the Business Corporations Act (British Columbia), Zymeworks Callco ULC, and Zymeworks ExchangeCo Ltd. as the same may be amended, modified or supplemented from time to time in accordance therewith, prior to the Arrangement Effective Time; and

1.68 (nn) "Third Indication" [***].

1.69 "Third Party" means any Person other than a Party or an Affiliate of a Party.

1.70 "Third Party In-License Agreements Vesting Date" means the license agreements between Zymeworks date or dates determined in accordance with the terms of the Grant Agreement entered into in respect of such Award (with respect to Options as described in Section 3.3), on and Third Parties listed on Schedule 1.70, after which a particular Award, or any part thereof, becomes non- forfeitable and/or may be exercised (as the case may be), subject to amendment or acceleration from time to time in accordance with the terms hereof or the terms of the Grant Agreement.

1.71 Section 1.2 " Interpretation

(a) "United States" Whenever the Board is to exercise discretion or "US" authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the United States sole and absolute discretion of America and its territories and possessions. the Board.

1.72 (b) " In the Plan, words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.

(c) "USD" means United States Unless otherwise specified in the Participant's Grant Agreement, all references to money amounts are to (x) with respect to Awards granted prior to the Arrangement Effective Time, Canadian currency, and (y) with respect to Awards granted on or after the Arrangement Effective Time, U.S. dollars.

1.73 (d) " As used herein, the terms "Article" and "Section" mean and refer to the specified Article and Section of this Plan, respectively.

(e) "Valid Claim" The words "including" and "includes" mean "including (or includes) without limitation".

ARTICLE II

GENERAL PROVISIONS

Section 2.1 " means any claim of Administration

(a) an issued and unexpired patent The Board shall administer this Plan. Nothing contained herein shall prevent the Board from adopting other or (b) a pending patent application, [***]; provided that such claim has not been abandoned, revoked, or held unenforceable, invalid or unpatentable by a court additional Share Compensation Arrangements or other government body of competent jurisdiction with no further possibility of appeal and which claim has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, re-examination or disclaimer or otherwise[***]. compensation arrangements.

1.74 "Zanidatamab Collaboration IP" means all Inventions that [***].

1.75 "Zymeworks IP" means, collectively, Zymeworks Know-How and Zymeworks Patent Rights.

1.76 "Zymeworks Know-How" means all Know-How, which: (a) is Controlled by Zymeworks or any of its Affiliates as of the Execution Date, between the Execution Date and the Closing Date, or during the Term of this Agreement and (b) is necessary or useful for the research, Development, manufacture or Commercialization of Licensed Antibody or Licensed Products in the Field, including (i) all Know-How included as part of Zymeworks Collaboration IP or the Zanidatamab Collaboration IP, (ii) Zymeworks' interest in the Joint Collaboration IP, and [***].

1.77 "Zymeworks Korean Studies" means any and all Clinical Trials initiated by Zymeworks in South Korea prior to the Execution Date, pursuant to rights granted to Zymeworks under the ELA.

1.78 "Zymeworks Ongoing Studies" means any and all Clinical Trials that were initiated by Zymeworks prior to the Execution Date, other than the Zymeworks Korean Studies.

1.79 "Zymeworks Patent Rights" means all Patent Rights which (a) are Controlled by Zymeworks or any of its Affiliates as of the Execution Date, between the Execution Date and the Closing Date, or at any time during the Term and (b) are necessary or useful (or, with respect to patent applications, would be necessary or useful if such patent applications were to issue as patents) for the research, Development, manufacture or Commercialization of Licensed Antibody or Licensed Products in the Field, including (i) all Patent Rights in the Territory claiming

-9-

Zanidatamab Collaboration IP

(b) Subject to the terms and conditions set forth herein, the Board has the authority: (i) to grant Awards to Eligible Persons (which Awards will be intended as a material inducement to the individual becoming an Eligible Person, including grants to new employees); (ii) to determine the terms, including the limitations, restrictions, vesting period and conditions, if any, of such grants; (iii) to interpret this Plan and all agreements entered into hereunder; (iv) to adopt, amend and rescind such administrative guidelines and other rules relating to this Plan as it may from time to time deem advisable; and (v) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board's guidelines, rules, interpretations and determinations shall be conclusive and binding upon the Corporation, its subsidiaries and all Participants, Eligible Persons and their legal, personal representatives and beneficiaries.

(c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee thereof. For greater certainty, any such delegation by the Board may be revoked or amended at any time at the Board's sole discretion.

(d) No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification by the Corporation with respect to any such action or determination.

(e) The Board may adopt such rules or regulations and vary the terms of this Plan and any grant hereunder as it considers necessary to address tax or other requirements of any applicable U.S. or non-U.S. jurisdiction.

(f) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Corporation other than as specifically provided for in the Plan.

Section 2.2 Shares Reserved

(a) Subject to the other provisions of this Section 2.2, the maximum number of Shares that may be delivered pursuant to Awards granted under the Plan shall be 750,000.

(b) For the purposes of calculating the maximum aggregate number of Shares which may be delivered under this Plan pursuant to Section 2.2(a), following the Expiry, cancellation or other termination of any Awards under this Plan, a number of Shares equal to the number of shares subject to such Awards, cancelled or terminated shall immediately and automatically become available for issuance in respect of Awards that may be subsequently granted under this Plan.

(c) The Corporation shall at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of this Plan.

(d) If there is a change in the outstanding Shares by reason of any stock dividend or split, or in connection with a reclassification, reorganization or other change of Shares, consolidation, distribution (other than an ordinary course dividend in cash or Shares, but including

for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), merger or amalgamation or similar corporate transaction, the Board shall make, subject to any required approval of the Stock Exchange, the appropriate substitution or adjustment in order to maintain the Participants' economic rights in respect of their Awards in connection with such change, including without limitation:

(i) adjustments to the Exercise Price without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option;

(ii) adjustments to the number of Shares to which a Participant is entitled upon exercise or vesting of an Award;

(iii) adjustments permitting the immediate exercise of any outstanding Options that are not otherwise exercisable or the Zymeworks Collaboration IP immediate vesting of Other Awards; and

(iv) adjustments to the number or kind of Shares or other securities reserved for issuance pursuant to the Plan and to the number or kind of Shares or other securities or other property issuable upon the exercise or vesting of Awards.

Section 2.3 Amendment and Termination

(a) The Board may, in its sole discretion, suspend or terminate the Plan at any time or from time to time and/or amend or revise the terms of the Plan or of any Award granted under the Plan and any Grant Agreement relating thereto, provided that such suspension, termination, amendment or revision shall:

(i) not adversely alter or impair any Award previously granted except as permitted by the terms of this Plan;

(ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; or

(iii) be subject to Shareholder approval, where required by law, the requirements of the Stock Exchange or this Plan.

(b) If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force with respect to outstanding Awards will continue in effect as long as any such Award or any rights pursuant thereto remain

outstanding and, notwithstanding the termination of the Plan, the Board will remain able to make such interpretations and amendments to the Plan or the Awards as they would have been entitled to make if the Plan were still in effect.

(c) Subject to Section 2.3(a), the Board may from time to time, in its discretion, make changes to the Plan or any Award, which may include but are not limited to:

7

(i) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;

(ii) a change to the vesting provisions of the Plan or any Award;

(iii) a change to the provisions governing assignability and the effect of termination of a Participant's employment, contract or office;

(iv) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted;

(v) a change to advance the date on which any Option may be exercised under the Plan; and

(vi) an amendment of the Plan or an Award as necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, the Plan, the Participants or the Shareholders.

(d) Shareholder approval is required for any reduction in the Exercise Price of an Option after the Option has been granted or any cancellation of such Option and the substitution of that Option with a new Option with a reduced Exercise Price, except in the case of an adjustment pursuant to Section 2.2(d).

Section 2.4 Compliance with Legislation

(a) The Plan (including any amendments thereto), the terms of the grant of any Award under the Plan, the grant and exercise of any Award and the Corporation's obligation to sell and deliver Shares upon the vesting or exercise of any Award, shall be subject to all applicable U.S. and non-U.S. federal, provincial, state and local laws, rules and regulations, the rules and regulations of the Stock Exchange and any other stock exchange on which the Shares are listed or posted for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals.

(b) No Award shall be granted, and no Shares shall be issued or sold hereunder, where such grant, issue or sale would require registration of the Plan or of Shares under the securities laws of any non-U.S./non-Canadian jurisdiction, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.

(c) The Corporation shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with the Stock Exchange (and any other stock exchange on which the Shares are listed or posted for trading). Shares issued and sold to Participants pursuant to the exercise or vesting of Awards may be subject to limitations on sale or resale under applicable securities laws.

8

(d) If Shares cannot be issued to a Participant upon the exercise or vesting of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of an Option will be returned to the applicable Participant as soon as practicable.

Section 2.5 Effective Time and Termination

The Plan became effective at the time (the “**Effective Time**”) it was originally approved by the Board of Zymeworks. No Awards may be issued under the Plan from and after the tenth anniversary of the Effective Time, provided that Awards issued prior to such date shall remain in effect following such date in accordance with their terms. The amendment and restatement through the Arrangement Effective Date is effective as of, and contingent upon, the Arrangement Effective Time, except that the changes to Section 1.1(g)(vi) are effective as of immediately prior to, and contingent upon, the Arrangement Effective Time.

Section 2.6 Tax Withholdings and Deductions

The Corporation shall have the authority and the right to deduct or withhold from any amount otherwise payable to a Participant, or require a Participant to remit to the Corporation, an amount sufficient for the Corporation to be able to comply with the applicable provisions of any U.S. or non-U.S. federal, provincial, state or local law relating to the withholding of tax or other required deductions (“Tax Obligations”) arising as a result of any Award. Notwithstanding any other provision contained herein, the delivery of Shares with respect to any Award granted under this Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of the Tax Obligations is necessary or desirable in respect of such delivery, such delivery is not required unless provision for the Tax Obligation has been made to the satisfaction of the Corporation. In such circumstances, the Corporation may require that a Participant pay to the Corporation, in addition to the Exercise Price for the Shares (if applicable), such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the Award. Any such additional payment is due no later than the date as of which any amount with respect to the Award first becomes includable in the gross income of the Participant for tax purposes. To the extent permitted by the Board, a Participant may direct a portion of the Shares acquired to be sold by a broker to satisfy the Tax Obligations and the funds from such sale to be paid to the Corporation to be remitted to the relevant taxing authority.

Section 2.7 Non-Transferability

Except as set forth herein, Awards are not transferable. Options may be exercised only by:

- (a) the Participant to whom the Options were granted;
- (b) with the Board's prior written approval and subject to such conditions as the Corporation may stipulate (which may include conditions with respect to compliance with applicable securities law), such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant;
- (c) upon the Participant's death, by the legal representative of the Participant's estate; or
- (d) upon the Participant's Incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Option. A person exercising an Option may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

Section 2.8 Participation in this Plan

(a) No Participant has any claim or right to be granted an Award (including, without limitation, an Award granted in substitution for any Award that has expired pursuant to the terms of this Plan), and the granting of any Award does not and is not to be construed as giving a Participant a right to continued employment or to remain an employee of the Corporation or an Affiliate of the Corporation. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment, retention or termination of any such person.

(b) No Participant has any rights or privileges as a shareholder of the Corporation in respect of Shares with respect to any Award until the allotment and issuance to the Participant of certificates representing such Shares or the entry of such Participant's name on the share register of the Corporation as the holder of Shares and that person becomes the holder of record of those Shares. The Participant or the Participant's legal representative shall not, by reason of the grant of any Award (other than an Award of Restricted Stock as set forth in Article 5), be considered to be a shareholder of the Corporation until shares have been issued in respect thereof.

(c) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting the Participant resulting from the grant, vesting or delivery of an Award or transactions in the Shares. With respect to any fluctuations in the market price of Shares, neither the Corporation, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation does not assume responsibility for the income or other tax consequences resulting to the Participant and they are advised to consult with their own tax advisors.

Section 2.9 Notice

Each notice relating to an Award, including the exercise of an Option, must be in writing. All notices to the Corporation must be delivered personally, by prepaid registered mail or by email and must be addressed to the secretary of the Corporation. All notices to the Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the

10

Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received: (i) if delivered personally, on the date of delivery; (ii) if sent by prepaid, registered mail, on the fifth Business Day following the date of mailing; or (iii) if sent by email, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes hereof. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

Section 2.10 Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, repurchasing Shares or varying or amending its share capital or corporate structure.

Section 2.11 Quotation of Shares

So long as the Shares are listed on a Stock Exchange, the Corporation must apply to the Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise or delivery of all Awards granted under the Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on the Stock Exchange or any other stock exchange.

Section 2.12 No Fractional Shares

No fractional Shares shall be issued upon the exercise or delivery of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or delivery of an Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 2.13 Governing Law

With respect to Awards granted prior to the Arrangement Effective Time, the Plan shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. With respect to Awards granted on or after the Arrangement Effective Time, the Plan shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof and the federal laws of the United States applicable therein, without giving effect to the principles of conflicts of law thereof.

ARTICLE III

OPTIONS

Section 3.1 Grant

(a) Subject to the provisions of this Plan, the Board may grant Options to any Eligible Person upon the terms, conditions and limitations set forth herein or such other terms,

11

conditions and limitations as the Board may determine and set forth in the Grant Agreement; provided each Option granted under the Plan shall be a Non-Qualified Option.

(b) An Option shall be evidenced by a Grant Agreement, signed on behalf of the Corporation.

(c) The grant of an Option to, or the exercise of an Option by, a Participant under the Plan shall neither entitle such Participant to receive nor preclude such Participant from receiving subsequently granted Options.

Section 3.2 Exercise Price

An Option may be exercised at a price that shall be fixed by the Board at the time that the Option is granted, but in no event shall it be less than the Fair Market Value of the Shares on the Date of Grant (the “**Exercise Price**”). The Exercise Price shall be subject to adjustment in accordance with the provisions of Section 2.2(d) hereof.

Section 3.3 Vesting

(a) All Options granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Options. The Board has the right to accelerate the date upon which any Option becomes exercisable notwithstanding the vesting schedule set forth for such Option, regardless of any adverse or potentially adverse tax consequences resulting from such acceleration.

(b) The vesting of any Options granted hereunder shall continue to vest during any period of Authorized Leave.

ARTICLE IV

EXERCISE & EXPIRY & CHANGE OF CONTROL

Section 4.1 Conditions of Exercise

(a) Vested Options may only be exercised during the Exercise Period by the Participant or upon the Participant's death or Incapacity, his or her legal representative (provided that such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise such vested Options). Subject to the restrictions set out in this Plan and to any alternative exercise procedure which may be established from time to time by the Board, Options to acquire Shares may be exercised by delivering to the Corporation an Exercise Notice, together with a bank draft, certified cheque or other form of payment acceptable to the Corporation in an amount equal to the aggregate Exercise

Price of the Shares to be purchased pursuant to the exercise of the Options and, if required by Section 2.6, the amount necessary to satisfy any source deductions or withholding taxes.

(b) Pursuant to the Exercise Notice, a Participant may choose to undertake a "cashless exercise" with the assistance of a broker in order to facilitate the exercise of such Participant's Options. The "cashless exercise" procedure may include a sale of such number of

12

Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice. The Participant shall also comply with Section 2.6 of this Plan with regards to any applicable withholding tax and shall comply with all such other procedures and policies as the Corporation may prescribe or determine to be necessary or advisable from time to time in connection with such "cashless exercise."

(c) In addition, in lieu of exercising any vested Option in the manner described in this Article 4, and pursuant to the terms of this Article 4, a Participant may provide a properly endorsed notice of surrender to the Secretary of the Corporation, substantially in the form of Exhibit "C" to the Grant Agreement (a "**Surrender Notice**") pursuant to which the Participant agrees to transfer, dispose and surrender an Option ("**Surrender**") to the Corporation and elects to receive that number of Shares calculated using the following formula, after deduction of any income tax and other amounts required by law to be withheld pursuant to Section 2.6:

$$X = Y * (A-B) / A$$

Where:

X = the number of Shares to be issued to the Participant

Y = the number of Shares underlying the Options to be Surrendered

A = the Fair Market Value of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

The decision of whether or not to permit Surrender for any Option is at the sole discretion of the Corporation and will be made on a case by case basis.

(d) Where Shares are to be issued to the Participant pursuant to the terms of this Section 4.1, as soon as practicable following the receipt of the Exercise Notice and, if Options are exercised only in accordance with the terms of Section 4.1(a), the required bank draft, certified cheque or other acceptable form of payment, the Corporation shall duly issue such Shares to the Participant as fully paid and non-assessable.

Section 4.2 Exercise Period

(a) The Exercise Period shall be determined by the Board in its sole and absolute discretion at the time the Option is granted and:

(i) each Option shall Expire not later than ten (10) years after the Date of Grant; and

(ii) unless otherwise provided in the Participant's Grant Agreement, the Exercise Period shall be automatically reduced or the Expiry Date postponed in accordance with this Article 4 upon the occurrence of any of the events referred to herein.

(b) Notwithstanding any other provision of the Plan, if the Expiry Date of an Option falls on a date upon which such Participant is prohibited from exercising such Option due to a blackout period or other trading restriction imposed by the Corporation, then the Expiry Date of such Option shall be automatically extended to the tenth (10th) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed; provided, however, that notwithstanding the foregoing, the Expiry Date of an Option shall in no case extend beyond the tenth (10th) anniversary of the date on which it is granted.

Section 4.3 Termination Date

(a) Subject to Section 4.2, unless otherwise provided in the Participant's Grant Agreement, employment agreement:

(i) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's retirement with the concurrence of the Board, any Options granted to such Participant and vested as of the Termination Date (as defined below) shall remain exercisable by such Participant until the earlier of:

(i) 90 days following the Termination Date; and (ii) Zymeworks' interest the Expiry Date. As of the Termination Date, all unvested Options of such Participant shall Expire and such Participant shall no longer be eligible for a grant of Options;

(ii) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's death or Incapacity, any Options granted to such Participant and vested as of the Termination Date shall remain exercisable by such Participant (or, in accordance with Section 2.7, the Joint Patent Rights; [***], Participant's legal representative) until the earlier of: (i) one year following the date of death or the date on which the Board determines that the Incapacity will prevent the employee from fulfilling his or her duties with the Corporation; and (ii) the Expiry Date. As of the Termination Date, all unvested Options of such Participant shall Expire;

1.80 (iii) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's termination for cause, as determined by the Board, in its discretion, then, as of the Termination Date, the vested and unvested Options granted to such Participant shall Expire and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of Options;

(iv) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's resignation, then any Options granted to such Participant and vested as of the Termination Date shall remain exercisable by such Participant until the earlier of: (i) 90 days following the Termination Date; and (ii) the Expiry Date. As of the Termination Date, all unvested Options granted to such Participant shall Expire and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of Options; and

(v) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's dismissal without cause, any

Options granted to such Participant and vested as of the Termination Date shall remain exercisable by such Participant until the earlier of: (i) ninety (90) days following the Termination Date; and (ii) the Expiry Date. As of the Termination Date, all unvested Options of such Participant shall Expire (for certainty, without regard to any period of reasonable notice that the Corporation or a subsidiary, as the case may be, may be required at law to provide to the Participant) and such Participant shall no longer be eligible for a grant of Options.

(b) Notwithstanding any other provisions of this Section 4.3, the Board may extend the expiration date of vested and unvested Options of a Participant beyond the Expiry Dates set out above, provided that such extended dates are not later than the initial assigned maximum Expiry Date of any such Option.

(c) For purposes of the foregoing:

"Zymerworks Platform" means Zymerworks' proprietary Azymetric™ platform.

1.81 "Zymerworks Trademarks Incapacity" means the trademarks specific permanent and total incapacity of a Participant as determined in accordance with procedures established by the Board for purposes of this Plan; and

"Termination Date" means in the case of a Participant whose employment or term of office with the Corporation or a subsidiary terminates in the circumstances set out in Section 4.3, the date that is designated by the Corporation or a subsidiary, as the case may be, as the last day of the Participant's employment or term of office with the Corporation or a subsidiary, as the case may be, provided that in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and, in the case of a termination by the Corporation without cause, "Termination Date" specifically does not mean the date on which any period of reasonable notice that the Corporation or a subsidiary, as the case may be, may be required at law to provide to the Licensed Product Participant, would expire.

Section 4.4 Change of Control

(a) Notwithstanding anything else in this Plan or any Grant Agreement, the Board has the right to provide for the conversion or exchange of any outstanding Awards into or for options, rights or other securities in any entity participating in or resulting from a Change of Control, cash or other property.

(b) Upon the Corporation entering into an agreement relating to a transaction which, if completed, would result in a Change of Control, or otherwise becoming aware of a pending Change of Control, the Corporation shall give written notice of the proposed Change of Control to the Award holders, together with a description of the effect of such Change of Control on outstanding Awards, not less than seven (7) days prior to the closing of the transaction resulting in the Change of Control.

(c) The Board may, in its sole discretion, accelerate the vesting and/or the Expiry Date of any or all outstanding Awards to provide that, notwithstanding the vesting provisions of such Awards or any Grant Agreement, such designated outstanding Awards shall be

15

fully vested and conditionally exercisable (in the case of Options) upon (or prior to) the completion of the Change of Control provided that the Board shall not, in any case, authorize the exercise of Options pursuant to this Section 4.4(c) beyond the Expiry Date of the Options. If the Board elects to accelerate the vesting and/or the Expiry Date of the Options, then if any of such Options are not exercised within seven (7) days after the applicable holders are given the notice contemplated in Section 4.4(b) (or such later Expiry Date as the Board may prescribe), such unexercised Options shall, unless the Board otherwise determines, terminate and Expire following the completion of the proposed Change of Control. If, for any reason, the Change of Control does not occur within the contemplated time period, the acceleration of the vesting and the Expiry Date of the Awards shall be retracted and vesting shall instead revert to the manner provided in the Grant Agreement.

(d) To the extent that the Change of Control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the share capital of the Corporation (and the Board does not accelerate the vesting and/or the Expiry Date of Awards pursuant to Section 4.4(c)), the Corporation shall make adequate provisions to ensure that, upon completion of the proposed Change of Control, the number and kind of shares subject to outstanding Awards and, if applicable, the Exercise Price per share of Options shall be appropriately adjusted (including by substituting the Awards for awards with respect to securities in any successor entity to the Corporation) in such manner as the Board considers equitable to prevent substantial dilution or enlargement of the rights granted to Award holders. The Board may make changes to the terms of the Awards or the Plan to the extent necessary or desirable to comply with any rules, regulations or policies of any stock exchange on

which any securities of the Corporation may be listed, provided that the value of previously granted Awards and the rights of Award holders are not materially adversely affected by any such changes.

(e) Notwithstanding anything else to the contrary herein, in the event of a potential Change of Control, the Board shall have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards (including, for greater certainty, to cause the vesting of all unvested Awards) to assist the Participants to tender into a take-over bid or other transaction leading to a Change of Control. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to permit Participants to conditionally exercise their Options, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change of Control). If, however, the potential Change of Control referred to in this Section 4.4(e) is not completed within the time specified therein (as the same may be extended), then notwithstanding this Section 4.4(e) or the definition of "Change of Control": (i) any conditional exercise of vested Options shall be deemed to be null, void and of no effect, and such conditionally exercised Options shall for all purposes be deemed not to have been exercised; (ii) Shares which were issued pursuant to exercise of Options which vested pursuant to this Section 4.4 shall be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares; and (iii) the original terms applicable to Options which vested pursuant to this Section 4.4 shall be reinstated.

16

ARTICLE V

OTHER AWARDS

Section 5.1 General

In addition to Awards of Options hereunder, the Board may grant the types of Awards described in this Article 5 ("Other Awards"), in accordance with the terms of this Article and the Plan.

The Board has the right to accelerate the date upon which any Other Award vests notwithstanding the vesting schedule set forth for such Other Award, regardless of any adverse or potentially adverse tax consequences resulting from such acceleration.

Section 5.2 Restricted Stock

The Board may grant or award Shares to Eligible Persons that are **Controlled** subject to transfer, vesting and forfeiture restrictions ("**Restricted Stock**") in respect of such number of Shares, and subject to such terms or conditions, as it shall determine and specify in a Grant Agreement, and may provide in a Grant Agreement for an Option to be exercisable for Restricted Stock. A holder of Restricted Stock shall have all of the rights of a shareholder of the Corporation, including the right to vote the shares, unless the Board shall otherwise determine at the time of grant; provided that unless the Board determines otherwise any dividends paid on Restricted Stock will be held in escrow until all restrictions on such Shares have lapsed. Unless a Participant's Grant Agreement provides to the contrary, unvested Restricted Stock shall not be transferred without the written consent of the Board. In addition, at the time of termination for any reason of a Participant's employment or other service relationship with the Corporation or a subsidiary, unvested Restricted Stock shall be forfeited to the Corporation for no consideration, unless otherwise determined by **Zymeworks** the Board. Share certificates, if any, representing Awards of Restricted Stock (which may also be held in book entry or **its Affiliates, whether registered** similar form) shall be imprinted with a legend to the effect that the Shares represented may not be sold, exchanged, transferred, pledged, hypothecated or **unregistered** otherwise disposed of except in **any country** accordance with the terms of the Grant Agreement and, if the Board so determines, the holder may be required to deposit the share certificates or other evidence of legal and beneficial ownership with the President, Chief Financial Officer, Secretary or other officer of the Corporation or with an escrow agent designated by the Board, together with a stock power or other instrument of transfer appropriately endorsed in blank. In the event that the Restricted Stock is not represented by a share certificate, the Corporation shall direct the Corporation's registrar and transfer agent to make an appropriate notation of the restrictions on transfer to which the Restricted Stock is subject in the **Territory, including** stock books and records of the **trademarks set forth on Exhibit C hereto**. Corporation.

1.82 Section 5.3 Additional Definitions: Restricted Stock Units

The Board may grant Awards payable in Shares upon vesting (“**The following table identifies Restricted Stock Units**”) to Eligible Persons hereunder, in respect of such number of Shares, and subject to such terms or conditions, as it shall determine and specify in a Grant Agreement. A Restricted Stock Unit represents the **location of definitions** right to receive, without payment to the Corporation, a Share. Restricted Stock Units shall become vested as determined by the Board as set forth in **various Sections** the applicable Grant

17

Agreement, unless otherwise described in the Plan. Amounts payable in connection with a Restricted Stock Unit shall be paid to the holder thereof as set forth in the applicable Grant Agreement, but in no event later than two and one-half months following the end of the calendar year in which the applicable vesting condition is met (unless receipt is deferred in accordance with procedures adopted by the Board, any of which shall comply with the requirements of Section 409A of the Code if the Participant is a United States taxpayer). Restricted Stock Units shall not constitute or be treated as property or as a trust fund of any kind. All amounts at any time attributable to the Restricted Stock Units shall be and remain the sole property of the Corporation and all holders' rights thereunder are limited to the rights to receive Shares as provided in the Plan and the applicable Grant Agreement.

Section 5.4 Other Share-Based Awards: Performance Vesting

The Board may grant such Other Awards payable in Shares as the Board may determine to be necessary or appropriate, including awards of Shares that are not subject to vesting or forfeiture restrictions. The vesting of Other Awards hereunder may be made subject to the attainment of performance goals, as the Board may determine in its discretion.

18

APPENDIX 1

US RESIDENT EMPLOYEES

The terms of the Plan are hereby modified with respect to those Participants who are U.S. Participants:

SPECIAL APPENDIX

to the

Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan

Special Provisions Applicable to Participants Subject to the United States Internal Revenue Code

This Appendix sets forth special provisions of the Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan (the “**Plan**”) that apply to U.S. Participants. All Options issued under the Plan to U.S. Participants are intended to be exempt from Section 409A of the Code, or any successor thereto, and all provisions hereunder shall be read, interpreted, and applied with that purpose in mind. Terms used herein that are defined in the Plan shall have the meanings set forth in the Plan, as amended from time to time.

1. Interpretation

- (a) For the purposes of this Agreement: Appendix, the following terms have the following meanings:
- (i) **"Code"** means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;
 - (ii) **"Incentive Stock Option"** means any Option that qualifies as an incentive stock option within the meaning of Section 422 of the Code or any successor thereto and which also satisfies the requirements of such section (including, without limitation, the requirement that the Participant is employed by the Corporation or a "parent corporation" or "subsidiary corporation" of the Corporation (as such terms are defined in Section 424 of the Code));
 - (iii) **"Non-Qualified Option"** means any Option granted under the Plan to a U.S. Participant which is not an Incentive Stock Option;
 - (iv) **"Option"** means an option to purchase a Share that is granted to an Eligible Person pursuant to the terms of this Plan, provided that all Options granted under the Plan and this Appendix will be Non-Qualified Options.
 - (v) **"Separation From Service"** shall have the meaning as set forth in United States Treasury Regulation Section 1.409A-1(h) (after giving effect to the presumptions contained therein); and
 - (vi) **"U.S. Participant"** shall have the meaning set forth in Section 2(a), below.

19

- (b) The Plan and this Appendix are complementary to each other and shall, with respect to Options granted to U.S. Participants, be read and deemed as one. In the event of any contradiction, whether explicit or implied, between the provisions of this Appendix and the Plan, the provisions of this Appendix shall prevail with respect to Options granted to U.S. Participants. All Options granted under the Plan and this Appendix will be Non-Qualified Options.

2. Application

- (a) The following special rules and limitations are applicable to Options issued under the Plan to Participants subject to taxation in the United States (referred to hereunder as **"U.S. Participants"**) at the time of grant.
- (b) Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate of the Corporation shall have any obligation to pay, indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.
- (c) The Corporation and its Affiliates, if applicable, shall withhold taxes according to the requirements of applicable laws, rules and regulations, including the withholding of taxes at source to satisfy any applicable U.S. and non-U.S. federal, provincial, state or local tax withholding obligation and employment taxes.
- (d) Each recipient of an Option hereunder who is or who becomes a U.S. Participant is advised to consult with his or her personal tax advisor with respect to the tax consequences under federal, state, local and other tax laws of the receipt and/or exercise of an Option hereunder.
- (e) Without derogating from the powers and authorities of the Board detailed in the Plan, and unless specifically required under applicable law, the Board shall also have the sole and full discretion and authority to administer the provisions of this Appendix and all actions related thereto including, in addition to any powers and authorities specified in the Plan, the performance, from time to time and at any time, of adopting standard forms of Grant Agreements to be applied with respect to U.S. Participants, incorporating and reflecting, inter alia, relevant provisions regarding the grant of Options in accordance with this Appendix and amending or modifying the terms of such standard forms from time to time.

3. Exercise Price

The Exercise Price of each Option granted under the Plan to a U.S. Participant shall not be less than the Fair Market Value of a Share on the date such Option is granted. Notwithstanding any other provision of the Plan, in determining the Fair Market Value of a Share under the Plan in connection with the grant of an Option to a U.S. Participant, the Board will make the determination of Fair Market Value in good faith consistent with the rules of Section 409A of the Code and the rules of the NYSE, to the extent applicable.

20

4. Expiry of Option

Notwithstanding any other provision of the Plan and any provisions of the Grant Agreement to the contrary, Options granted to U.S. Participants may not be exercised under any circumstance following the ten (10) year anniversary of the date of grant.

5. Adjustments to Options

In the event of a corporate transaction requiring the adjustment of an Option held by a U.S. Participant, the number of Shares deliverable on the exercise of an Option held by a U.S. Participant and the Exercise Price of an Option held by a U.S. Participant shall be adjusted in a manner intended to keep the Options exempt from Section 409A of the Code.

6. Amendment of Appendix

The Board shall retain the power and authority to amend or modify this Appendix and any Option issued hereunder to the extent the Board in its sole discretion deems necessary or advisable to comply with law or regulation, including to comply with any guidance issued under Section 409A of the Code. Such amendments may be made without the approval of any U.S. Participant.

21

SCHEDULE "A"

ZYMEWORKS INC. STOCK OPTION GRANT AGREEMENT

This agreement (the "Grant Agreement") evidences the Options granted by Zymeworks Inc. (the "Corporation") to the undersigned (the "Participant"), pursuant to and subject to the terms of the Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan (the "Plan"), which is incorporated herein by reference. The Schedules attached to this Stock Option Grant Agreement shall form an integral part of this Stock Option Grant Agreement.

The Corporation hereby grants to the Participant on the Date of Grant such number of Options as set forth in the attached Schedule "A", as may be amended from time to time, with each Option representing the right to purchase, on the terms provided herein and in the Plan (including, without limitations, the applicable exercise provisions), a Share with an Exercise Price per Share as set forth in the attached Schedule "A", as may be amended from time to time, in each case subject to adjustment in accordance with the provisions of the Plan.

ARTICLE 1 INTERPRETATION

(a) Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

- (b) Words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.
- (c) Unless otherwise specified herein, all references to money amounts are to U.S. dollars.
- (d) The words "including" and "includes" mean "including (or includes) without limitation".

ARTICLE 2 VESTING

Section 2.1 Options

Unless earlier terminated, relinquished or expired, Options granted pursuant to this Grant Agreement shall vest in accordance with the provisions set forth in the attached Schedule "A" as may be amended from time to time.

ARTICLE 3 GENERAL PROVISIONS

Section 3.1 Participation in the Plan

No Participant has any claim or right to be granted an Option (including, without limitation, an Option granted in substitution for any Option that has expired pursuant to the terms of this Plan), and the granting of any Option is not to be construed as giving a Participant a right to continued employment or to remain an employee of the Corporation or an Affiliate of the

A-1

Corporation. Nothing contained in this Grant Agreement or the Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment or termination of any such person. Upon any such termination, a Participant's rights to exercise Options will be subject to restrictions and time limits for the exercise of Options. Complete details of such restrictions are set out in the Plan, and in particular in Article 4 thereof (except to the extent that such provisions are varied in accordance with Schedule "A" hereto). The Participant hereby agrees that any rule, regulation or determination, including the interpretation by the Board of the Plan, the Option granted hereunder and the exercise thereof, is final and conclusive for all purposes and binding on all persons including the Corporation and the Participant.

Section 3.2 Binding Agreement

The exercise of the Options granted hereby, issuance of Shares and ownership of the Shares are subject to the terms and conditions of the Plan (all of which are incorporated into and form part of this Grant Agreement) and this Grant Agreement. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

Section 3.3 Governing Law

This Grant Agreement shall be governed by the laws of the State of Delaware and the federal laws of the United States, in each case, without giving effect to the principles of conflicts of law thereof.

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A-2

By acceptance of these Options, the undersigned acknowledges receipt of the Plan text and agrees hereby to be subject and bound to the terms of the Plan. The undersigned further acknowledges and agrees that the Participant's abovementioned participation is voluntary and has not been induced by expectation of engagement, appointment, employment, continued engagement or continued employment, as the case may be.

Accepted and agreed to this day of , . Corporation: ZYMEWORKS INC.

By:

Name:

Title:

Participant:

Signature of Option Holder

Name of Option Holder (Please Print)

Address:

A-3

EXHIBIT "A" OPTION GRANT

Definition	Section
Accounting Firm	9.10(b)(i)
ADC Infringement	14.4(b)(iii)
Additional Active	1.16
Agreement	Preamble
Alliance Manager	3.1
Anti-Corruption Laws	12.7(a)(i)
Audited Party	9.10(b)(i)
Auditing Party	9.10(b)(i)
Breach Notification	15.2(b)(i)
BTC Data Package	1.65
Claims	13.1
Clinical Supply Agreement	7.3(b)
CMO	7.2
Commercial Supply Agreement	7.3(c)
Commercialization Milestone Event	9.4
Commercialization Milestone Payment	9.4
Commitments Log	4.1
Confidentiality Agreement	17.11
Continuing Technology Transfer	4.1
Disclosing Party	1.21
Dispute	17.5(a)
DMF	6.3
DOJ	16.2(a)
Excluded Claim	1.1(e)
Execution Date	Preamble
Executive Officers	17.5(a)
Executive Sponsors	3.2(f)
Existing Regulatory Materials	12.2(s)
Ex-Territory	1.67
Ex-Territory Infringement	14.4(a)
First BLA	6.2(b)

-10-

Participant:

[]

FTC Number of Options:

16.2(b) []

Global Brand

8.3(c) []

Elements Exercise Price:

USF Filing Date of Grant:

16.1(a) []

ICH Guidelines Vesting Schedule:

Indemnified Party []	13.3
Indemnifying Party	13.3
Initial Technology Transfer	4.1
Jazz	Preamble
Jazz Collaboration IP	14.1(a)
Jazz Collaboration Patent Rights	14.3(d)
Jazz Competing Product	1.1(a)
Jazz Indemnitee(s)	13.2
Jazz Publication	11.1(b)
Joint Collaboration IP	14.1(a)
Joint Patent Rights	14.1(d)
JSC	3.2(a)
License	2.1(b)
Losses	13.1
Manufacturing Technology Transfer	7.2
Manufacturing Technology Transfer Plan	7.2
Manufacturing Transition Date	7.3(a)
Manufacturing Working Group	3.2(g)(ii)
Negotiation Period	2.8
Notice of Dispute	17.5(a)
Offered Rights	2.8
Parties	Preamble
Party	Preamble
Patent Liaison	14.2
[***]	***]
Post-Approval Commitments	6.7(b)
PPQ	7.4(a)
Product Infringement	14.4(a)
Product Marks	14.9(a)
Public Official	12.7(d)
Publication	11.1(c)
Quality Technical Agreement	7.3(d)
Receiving Party	1.21
Regulatory Milestone Event	9.3
Regulatory Milestone	

Payment	9.3
Regulatory Working Group	3.2(g)(iii)
Request Period	2.8

-11-

Expiry Date:1

[
]

Review Period	11.1(b)
Royalty Floor	9.6(c)(iii)
Royalty Term	9.6(b)
Safety Working Group	3.2(g)(iv)
SDEA Agreement	6.4
SEC	11.3(c)
Second Payment	9.1(b)
Second Payment Due Date	9.1(b)
Second Request	16.1(b)
Securities Regulators	11.3(c)
Technology Transfer	4.1
Term	15.1
Territory Development Plan	5.4
Upfront Payment	9.1(a)
Western Europe	1.60
Working Group	3.2(g)(i)
***	***]
Zanidatamab	1.50
Zymeworks	Preamble
Zymeworks Collaboration IP	14.1(a)
Zymeworks Competing Product	1.1(b)
Zymeworks Development Plan	5.2(a)
Zymeworks Domain Names	14.9(b)(v)
Zymeworks Indemnatee(s)	13.1
Zymeworks Manufacturing IP	7.2
Zymeworks Platform Patents	1.79
Zymeworks Publication	11.1(c)

1.83 Interpretation. The captions and headings to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement. Unless specified to the contrary, references to Articles, Sections or Exhibits mean the particular Articles, Sections or Exhibits to this Agreement and references to this Agreement include all Exhibits hereto. In the event of any conflict between the main body of this Agreement and any Exhibit hereto, the main body of this Agreement shall prevail. Unless context otherwise clearly requires, whenever used in this Agreement: (a) the words “include” or “including” shall be construed as incorporating, also, “but not limited to” or “without limitation;” (b) the word “day” or “year” means a calendar day or year unless otherwise specified; (c) the word “notice” shall mean notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement; (d) the words “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement as a whole and not merely to the

particular provision in which such words appear; (e) the words “shall” and “will” have interchangeable meanings for purposes of this Agreement; (f) the word “or” shall have the inclusive meaning commonly associated with “and/or”; (g) provisions that require that a Party, the Parties or a committee hereunder “agree,” “consent” or “approve” or the like shall require that such agreement, consent or approval be

-12-

specific and in writing, whether by written agreement, letter, approved minutes or otherwise; (h) words of any gender include the other gender; (i) words using the singular or plural number also include the plural or singular number, respectively; (j) references to any specific law, rule or regulation, or article, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement law, rule or regulation thereof; (k) neither Party or its Affiliates shall be deemed to be acting “under authority of” or “on behalf of” the other Party.

Article 2

LICENSE

2.1 License Grants to Jazz. Subject to the terms and conditions of this Agreement and effective on the Closing Date, Zymeworks hereby grants to Jazz:

(a) an exclusive (subject to Zymeworks’ retained rights as set forth in Section 2.3), royalty-bearing license, with the right to grant sublicenses solely in accordance with Section 2.2, under the Zymeworks IP and (subject to Section 14.9(b)) the Zymeworks Trademarks, to (i) research, Develop, make and have made (subject to Zymeworks’ right to make and have made Licensed Antibodies and Licensed Products pursuant to Article 7), use, and import Licensed Antibodies in the Field in the Territory solely for incorporation into Licensed Products, (ii) research, Develop, distribute, make and have made (subject to Zymeworks’ right to make and have made Licensed Antibodies and Licensed Products pursuant to Article 7), use, sell, offer for sale, import and otherwise Commercialize Licensed Products in the Field in the Territory and (iii) to make and have made (subject to Zymeworks’ right to make and have made the Licensed Antibody and Licensed Product pursuant to Article 7) Licensed Antibodies and Licensed Products outside of the Territory, solely for research, Development, distribution, use, sale, offering for sale, importation or other Commercialization in the Field in the Territory; and

(b) a non-exclusive license, with the right to grant sublicenses solely in accordance with Section 2.2, under the Zymeworks IP, to research and preclinically Develop Licensed Antibodies and Licensed Products in the Field outside of the Territory, solely for the furtherance of Development and Commercialization of Licensed Antibodies and Licensed Products in the Field in the Territory, in accordance with the Territory Development Plan ((a) and (b), the “License”).

Notwithstanding the foregoing, (i) the License, to the extent granted under certain Patent Rights and Know-How that Zymeworks Controls pursuant to Third Party In-License Agreements, is (1) subject to the terms and conditions of separate sublicense agreements that are set forth on **Exhibit 2.1** hereto and (2) exclusive under Zymeworks’ rights to such Patent Rights and Know-How, even if such rights, as between Zymeworks and the applicable Third Party, are non-exclusive and (ii) the License, with respect to any Patent Rights and Know-How to which Zymeworks or its Affiliates obtained a sublicensable license pursuant to the ELA, shall [***]. For clarity, Jazz is not granted any rights hereunder to Commercialize Licensed Antibodies or Licensed Products outside of the Territory.

2.2 Right to Sublicense.

(a) Subject to the terms and conditions of this Agreement (including Section 2.2(b)), Jazz shall have the right to grant sublicenses under the License through multiple tiers to its Affiliates and to Third Parties.

(b) Each sublicense shall be subject to a written agreement that is consistent with the terms and conditions of this Agreement, and Jazz shall ensure that its sublicensees

-13-

comply with the terms and conditions of such agreement. Jazz will remain directly responsible for all its obligations under this Agreement, regardless of whether any such obligation is delegated, subcontracted or sublicensed to any of its Affiliates or sublicensees. [***]

2.3 Zymeworks Retained Rights. Notwithstanding the exclusive nature of the License granted pursuant to Section 2.1(a), Zymeworks expressly retains the rights to use the Zymeworks IP and the Zymeworks Trademarks in the Field in the Territory in order to (a) perform its obligations under this Agreement, which for clarity do not include Commercialization of Licensed Antibodies or Licensed Products in the Territory, (b) to conduct the Zymeworks Ongoing Studies, and (c) to make and have made Licensed Antibody and Licensed Product, in the Territory or outside of the Territory, in each case whether directly or through its Affiliates, licensees or contractors, which rights shall be exclusive with respect to (c) for purposes of clinically Developing and Commercializing Licensed Products outside the Territory, and which rights shall be non-exclusive and subject to Article 7 for purposes of Developing and Commercializing Licensed Products in the Territory and for purposes of researching and preclinically Developing Licensed Antibody and Licensed Products outside of the Territory. For clarity, Zymeworks retains the exclusive right to practice, license and otherwise exploit the Zymeworks IP outside the scope of the License.

2.4 License Grants to Zymeworks. Subject to the terms and conditions of this Agreement and effective on the Closing Date, Jazz hereby grants to Zymeworks:

(a) a non-exclusive, fully-paid, royalty-free, and sublicensable (through multiple tiers) license, under the Jazz IP, solely to (i) Develop, make, have made, and Commercialize Licensed Antibodies and Licensed Products (A) outside the Territory and (B) in the Territory solely as necessary for Zymeworks to perform its obligations under this Agreement (including pursuant to Article 7) and to conduct research and Development activities under the Zymeworks Development Plan, (ii) otherwise make and have made Licensed Antibodies and Licensed Products in the Territory solely for Development and Commercialization of the Licensed Product outside of the Territory, and (iii) make, have made, use, sell, import and otherwise exploit ZW49 (or Zanidatamab Zovodotin), including to make and have made Zanidatamab for incorporation into ZW49 (or Zanidatamab Zovodotin) for development and commercialization in and outside of the Territory;

(b) an exclusive, fully-paid, royalty-free and sublicensable (through multiple tiers) license, under the Jazz Collaboration IP (excluding Jazz Manufacturing IP) and Jazz's interest in the Joint Collaboration IP, solely to Develop, make, have made and Commercialize Licensed Antibodies and Licensed Products outside the Territory; provided, however, that Jazz expressly retains (on behalf of itself, its Affiliates and its licensees) the right under the Jazz Collaboration IP (excluding Jazz Manufacturing IP) and Jazz's interest in the Joint Collaboration IP to research, preclinically Develop, make and have made Licensed Products outside of the Territory solely for the furtherance of Development and Commercialization of Licensed Antibodies and Licensed Products in the Territory;

(c) a non-exclusive, fully-paid, royalty-free and sublicensable (through multiple tiers) license, under the Jazz Collaboration IP (excluding Jazz Manufacturing IP), solely (i) to Develop, use, make and have made, and import Licensed Antibodies and Licensed Products in the Territory solely as necessary for Zymeworks to perform its obligations under this Agreement (including pursuant to Article 7), (ii) to conduct Development activities under the Zymeworks Development Plan, (iii) to make and have made Licensed Antibodies and Licensed Product in the Territory or the outside the Territory solely for Development and Commercialization of the Licensed Product outside of the Territory, and (iv) make, have made, use, sell, import and otherwise exploit ZW49 (or Zanidatamab Zovodotin), including to make

-14-

and have made Zanidatamab for incorporation into ZW49 (or Zanidatamab Zovodotin) for development and commercialization in and outside of the Territory; and

(d) a non-exclusive, fully-paid, royalty-free and sublicensable (through multiple tiers) license, under the Global Brand Elements, to Develop, make, have made, and Commercialize Licensed Products outside of the Territory.

2.5 No Implied Licenses. Except as expressly set forth herein, neither Party shall acquire any license or other intellectual property interest, by implication or otherwise, under any trademarks, Patent Rights, Know-How or other intellectual property of the other Party.

2.6 Non-Compete.

(a) Subject to Section 2.7 and except as otherwise agreed by the Parties, during the Term, Jazz shall not, and shall ensure that its Affiliates do not and shall include in its sublicense agreements executed pursuant to Section 2.2 an obligation (and enforce such obligation) to not, independently or for or with any Third Party, perform any clinical development of, or commercialize, any pharmaceutical product containing a bispecific antibody Directed To the ECD2 and ECD4 domains of HER2 (each, a “**JazzCompeting Product**”) in the Territory, other than Licensed Products as expressly permitted in and in accordance with this Agreement.

(b) Subject to Section 2.7 and except as otherwise agreed by the Parties, during the Term, Zymeworks shall not, and shall ensure that its Affiliates do not, independently or for, with or through any Third Party, whether directly or indirectly, perform any pre-clinical development (except for independent, internal pre-clinical development by Zymeworks or its Affiliates that is not for, with or through any Third Party other than any contract research organization or contract manufacturing organization working on behalf of Zymeworks or its Affiliate) or clinical development of, or commercialize, any pharmaceutical product that is Directed To HER2 (each, a “**Zymeworks Competing Product**”) in the Field in the Territory, other than Licensed Products as expressly permitted in and in accordance with this Agreement, provided that, for purposes of this Section 2.6(b), Zymeworks' proprietary antibody-drug conjugate ZW49 (or Zanidatamab Zovodotin) shall not be a Zymeworks Competing Product. Notwithstanding the foregoing, this Section 2.6(b) shall not limit Zymeworks' ability to (i) grant Third Parties rights to apply any or all of the Zymeworks platforms to derive or generate, without any assistance from Zymeworks, antibodies Directed To any biological target wherein Zymeworks is not aware of the identity of any such target or (ii) fulfill its obligations, under any agreement with a Third Party that is in effect as of the Execution Date, to apply any or all of the Zymeworks platforms to derive or generate antibodies from complementarity determining region (CDR) sequences provided to Zymeworks by a Third Party for purposes of further development and commercialization by such Third Party[***]. Zymeworks shall ensure that all agreements with Third Parties relating to the use of any Zymeworks platform that are entered into, extended or renewed after the Execution Date do not (with respect to agreements entered into after the Execution Date) require or permit, or (with respect to agreements entered into prior to the Execution Date and extended or renewed after the Execution Date) add, pursuant to such extension or renewal, requirements or permissions for, Zymeworks to generate antibodies that are Zymeworks Competing Products or to grant development or commercialization licenses with respect to antibodies that are Zymeworks Competing Products.

2.7 [*].** Notwithstanding Section 2.6, if at any time during the Term:

(a) a Party or any of its Affiliates [***] through the acquisition of a Third Party (whether by merger or acquisition of all or substantially all of the stock or assets of a Third Party or of any operating or business division of a Third Party or similar transaction), such

-15-

acquisition, and [***] thereafter, shall not constitute a breach of [***] if such Party or such Affiliate, as applicable, [***]; or

(b) a Third Party, that is (at the time of such acquisition or thereafter) [***] acquires Zymeworks, or [***] acquires Jazz, (in each case whether by merger or acquisition of all or substantially all of the stock or of all or substantially all of the assets of such Party or of any operating or business division of such Party or similar transaction), such acquisition, [***] by such relevant acquiring Third Party or any of its Affiliates shall not constitute a breach of Section 2.6(a) or 2.6(b), as applicable; provided that [***].

2.8 Right of Negotiation. Zymeworks shall promptly notify Jazz if the ELA is terminated in whole or in part. If Zymeworks or its Affiliate subsequently decides to initiate a process, or otherwise engages in discussions or negotiations, regarding the grant to a Third Party of a license or other right to Develop or Commercialize any Licensed Product in any country in the Ex-Territory (the “**Offered Rights**”), then Zymeworks shall notify Jazz within [***] of such decision or initial engagement, whichever is sooner. Upon Jazz's written request that is provided within [***] after Jazz's receipt of such notice (the “**Request Period**”), Zymeworks will engage in exclusive, good faith negotiations with Jazz for a period of [***] after such request (which may be extended by mutual agreement of the Parties) (the “**Negotiation Period**”) regarding an agreement (or amendment hereto) setting forth the commercially reasonable terms for Jazz to obtain an exclusive license to Develop, manufacture and Commercialize the Licensed Products in the Ex-Territory (or, if the ELA has been terminated in part, the countries of the Ex-Territory to which such termination applied), consistent

with the scope of the Offered Rights. If Jazz fails to request such a negotiation during the Request Period, or the Parties fail to execute an agreement or amendment governing the Offered Rights during the Negotiation Period, then Zymeworks shall have no further obligation, and Jazz shall have no further rights, under this Section 2.8.

Article 3

GOVERNANCE

3.1 Alliance Managers. Each Party shall appoint an individual, who is an employee or consultant of such Party or its Affiliate, to act as its alliance manager under this Agreement as soon as practicable after the Closing Date (the “**Alliance Manager**”). The Alliance Managers shall: (a) serve as the primary points of contact between the Parties for the purpose of providing the other Party with information on the progress of a Party's activities under this Agreement; (b) be responsible for facilitating the flow of information and otherwise promoting communication, coordination and collaboration between the Parties; (c) facilitate the prompt resolution of any disputes; and (d) attend JSC (as a non-voting participant) meetings. An Alliance Manager may also bring any matter to the attention of the JSC, if such Alliance Manager reasonably believes that such matter warrants such attention. Each Party may replace its Alliance Manager at any time upon written notice to the other Party.

3.2 Joint Steering Committee.

(a) Formation. No later than [***] following the Closing Date, the Parties shall establish a joint steering committee (the “**JSC**”) to (i) monitor and coordinate the Development of Licensed Products in the Field in the Territory and the Development outside of the Territory [***] pursuant to the Zymeworks Development Plan and (ii) provide a forum for Zymeworks to provide updates with respect to the Commercialization of Licensed Products by the Ex-Territory Partner in the Ex-Territory to the extent necessary or useful for Jazz in its Commercialization of Licensed Products in the Field in the Territory. The JSC will be composed of an equal number of representatives from each Party and a minimum of [***] and no more than

-16-

[***] representatives of each Party. Each representative to the JSC shall be an employee or consultant of the applicable Party or its Affiliate, unless otherwise agreed by both Parties.

(b) Role. The JSC shall (i) provide a forum for the discussion of the Parties' activities under this Agreement; (ii) review and discuss the overall strategy for the Development of Licensed Products in the Field in the Territory; (iii) review, discuss and approve any amendments to the Zymeworks Development Plan, including the budget set forth therein; (iv) monitor and coordinate manufacture and supply of Licensed Antibodies and Licensed Product in accordance with Article 7; (v) establish and oversee the Working Groups as necessary or advisable to further the purpose of this Agreement; (vi) provide a forum for discussion of Development and clinical trial activities by Zymeworks and its Affiliates and Ex-Territory Partner for the Licensed Product outside of the Territory; (vii) review, discuss, coordinate and share information regarding the progress of the Regulatory Approvals and Regulatory Submissions for Licensed Products in the Territory and outside the Territory, including discussing relevant CMC information; (viii) provide a forum for discussion of safety governance matters relating to Licensed Products and resolve disputes referred to it by the Safety Working Group; (ix) review, discuss and share information regarding (1) Commercialization of Licensed Products in the Territory; and (2) commercial issues relevant to the Commercialization of Licensed Products in the Territory and Zymeworks' or its Ex-Territory Partner's commercialization of Licensed Products outside of the Territory and global harmonization of such activities; (x) review, discuss and approve the Manufacturing Technology Transfer Plan; (xi) foster a collaborative environment between the Parties; and (xii) perform such other functions as expressly set forth in this Agreement or allocated to the JSC by the Parties' written agreement. [***]

(c) Limitation of Authority. The JSC shall only have the powers expressly assigned to it in this Article 3 and elsewhere in this Agreement and shall not have the authority to: (i) modify or amend the terms and conditions of this Agreement; (ii) waive either Party's compliance with the terms and conditions of this Agreement; or (iii) determine any issue in a manner that would conflict with the express terms and conditions of this Agreement.

(d) Meetings. The JSC shall hold meetings at such times as it elects to do so, but shall meet no less frequently than [***], unless otherwise agreed by the Parties. In addition, special meetings of the JSC may be convened by either Alliance Manager upon not less than [***] (or, if such meeting is proposed to be conducted by teleconference, as soon as reasonably practicable) written notice to the other Alliance Manager. The

JSC may meet in person or by means of teleconference, Internet conference, videoconference or other similar communication method; provided that [***], such meetings will be conducted in person at locations selected alternatively by Zymeworks and Jazz or such other location as the Parties may agree. Each Party shall bear its own expenses related to participation in and attendance at such meetings by its respective JSC representatives. The Alliance Managers shall jointly prepare and circulate minutes for each JSC meeting within [***] of each such meeting and shall ensure that such minutes are reviewed and approved by their respective companies within [***] thereafter; provided that such minutes will be deemed to be accepted if a Party does not object in writing to such minutes within such [***].

(e) **Non-Member Attendance.** Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend a meeting of the JSC (in a non-voting capacity) or Working Group in the event that the planned agenda for such JSC or Working Group meeting would require such participants' expertise; provided that if either Party intends to have any Third Party (including any consultant (other than a consultant then serving as such Party's Alliance Manager or representative on the JSC or a Working Group)) attend such a meeting, such Party shall provide prior written notice to the other Party, shall obtain approval from such other Party for such Third Party to attend, and shall ensure that such

-17-

Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

(f) **Decision-Making.** All decisions of the JSC shall be made by consensus, with each Party's representatives having, collectively, one vote. If after reasonable discussion and good faith consideration of each Party's view on a particular matter before the JSC, the JSC cannot reach consensus as to such matter within [***] after such matter was brought to the JSC for resolution (or [***] if the particular matter is with respect to any issue under consideration by the JSC pursuant to Sections 3.2(b)(iii), (iv) or (v)), such matter shall be referred to a representative of each Party, reporting directly to such Party's Executive Officer, who has the power and authority to resolve such matter (collectively, the "**Executive Sponsors**") for resolution. If the Executive Sponsors cannot resolve such matter within [***] after such matter has been referred to them, then:

- (i) Jazz shall have the final decision-making authority for matters [***].
- (ii) Zymeworks shall have the final decision-making authority for matters [***].
- (iii) Neither Party shall have final decision-making authority for matters [***].

(g) **Working Groups.**

(i) From time to time, the JSC may establish one (1) or more joint working groups (each, a "**Working Group**") on an "as-needed" basis to oversee specific functional areas or activities and coordinate the day-to-day performance of such activities under this Agreement, which establishment of Working Groups shall be reflected in the minutes of the meetings of the JSC. Each such Working Group shall be constituted, shall meet as frequently and in such manner as, and shall operate as, the JSC may determine. Each Working Group and its activities shall be subject to the oversight of, and shall report to, the JSC, and the JSC shall resolve all disputes that arise within a Working Group within [***] after any such matter is brought to the JSC for resolution. In no event shall the authority of any Working Group exceed the authority of the JSC. Each Party shall be responsible for all of its own expenses of participating in any Working Group.

(ii) Within [***] after formation of the JSC, the JSC shall establish a manufacturing working group (the "**Manufacturing Working Group**") to oversee the management of, and regulatory compliance relating to, the supply of Licensed Antibody and Licensed Product. The Manufacturing Working Group will include an equal number of representatives of each Party and shall meet at least [***]. The Manufacturing Working Group will serve as a forum (A) to review and discuss (1) Commercialization plans and forecasts for the Licensed Antibody and Licensed Products, (2) actions by or notices from any Regulatory Authority relating to the manufacture and supply of Licensed Antibody and Licensed Product (including any post-approval changes to CMC required or requested by any Regulatory Authority) and (3) any other event that would reasonably be expected to have manufacturing compliance or quality consequences for Licensed Antibody or Licensed Products that will be made by or on behalf of either Party or for which Jazz will need to interact with Regulatory Authorities, (B) to review and discuss any material changes proposed by a Party to its Licensed Antibody or Licensed Product manufacturing process [***], (C) to address potential risks to quality or supply impacting either Party and (D) to develop remediation programs as a result of any inspection or audit of a manufacturing facility (whether by a Regulatory Authority or by the Parties).

(iii) Within [***] after formation of the JSC, the JSC shall establish a regulatory working group (“**Regulatory Working Group**”) to facilitate (A) planning for preparation of the First BLA, (B) preparation for interactions with the FDA in connection the First BLA, (C) planning for any supplemental Biologics License Application to the First BLA, (D) Zymeworks’ assistance in connection with any other applications for Regulatory Approval pursuant to Section 6.2(b), and (E) any other matter assigned to it in this Agreement. The Regulatory Working Group will include an equal number of representatives of each Party and shall meet at least [***].

(iv) Within [***] after formation of the JSC, the JSC shall establish a pharmacovigilance and drug safety working group (the “**Safety Working Group**”) to address safety governance issues arising in connection with the Zymeworks Ongoing Studies. The Safety Working Group will include an equal number of representatives of each Party and shall meet at least [***].

(h) **Discontinuation of JSC.** The activities to be performed by the JSC shall solely relate to governance under this Agreement, and are not intended to be or involve the delivery of services. The JSC shall continue to exist until the Parties mutually agree to disband the JSC or Zymeworks terminates its participation in the JSC, which it may do at any time following [***]; provided that, following disbandment of the JSC, (i) the Manufacturing Working Group shall continue to meet at least [***] until Jazz terminates its participation in the Manufacturing Working Group, which it may do at any time following [***], and (ii) the Parties will continue to exchange information as previously exchanged under the JSC and Working Groups. Once the JSC is disbanded, the JSC shall have no further obligations under this Agreement and, thereafter, the Alliance Managers shall be the points of contact for the exchange of information under this Agreement and decisions of the JSC shall be decisions between the Parties, subject to the same respective decision-making rights and limitations set forth in Section 3.2(f) and the other terms and conditions of this Agreement. With the exception of the Manufacturing Working Group, any Working Groups shall disband upon the disbandment of the JSC or earlier, as determined by the JSC.

(i) **[***] Meeting.** Without limiting any of the foregoing in this Article 3, the Executive Sponsors shall meet [***] during the Term for purposes of [***]. Each such meeting may be conducted in person, by telephone or videoconference as agreed by the Executive Sponsors.

Article 4

TECHNOLOGY TRANSFER

4.1 Technology Transfer. Within [***] after the Closing Date, Zymeworks will make the contents of all data rooms generated by or on behalf of Zymeworks to which it provided Third Parties access prior to the Closing Date, [***] with respect to the Licensed Product for any transaction in the Territory, available to Jazz for downloading. In addition, within [***] after the Closing Date, Zymeworks will provide and transfer to Jazz [***] the Zymeworks Know-How that exists on the Closing Date and was not previously provided to Jazz or included in the data rooms described above (including all non-clinical data and Clinical Data regarding the Licensed Product that is included in the Zymeworks Know-How that exists as of the Closing Date) (the “**Initial Technology Transfer**”). [***] As part of the Initial Technology Transfer, Zymeworks shall provide Jazz with [***] (the “**Commitments Log**”); Zymeworks shall fulfill any outstanding commitments that are or should have been set forth on the Commitments Log in accordance with Section 7.4(b). In addition, during the Term, Zymeworks shall (a) at each meeting of the JSC [***], provide Jazz with a summary of additional Zymeworks Know-How or materials, if any, developed since the last meeting of the JSC, (b)

transfer any such Zymeworks Know-How to Jazz promptly following Jazz’s reasonable request, (c) provide Jazz with a [***] summary of material manufacturing or materials changes Zymeworks anticipates will be required for the manufacture of Licensed Antibody and Licensed Products for

discussion by the Manufacturing Working Group [***], and (d) provide Jazz with reasonable access to Zymeworks personnel involved in the research and Development of Licensed Products, either in-person at Zymeworks' facility or by teleconference (the "Continuing Technology Transfer," and together with the Initial Technology Transfer, the "Technology Transfer"). [***]

4.2 Updates by Jazz. During the Term, Jazz shall (a) at each meeting of the JSC [***], provide Zymeworks with a summary of any Jazz Collaboration IP (excluding Jazz Manufacturing IP), Joint Collaboration IP and the Jazz IP, if any, developed since the last meeting of the JSC, (b) transfer any Know-How within such Jazz Collaboration IP (excluding Jazz Manufacturing IP), Joint Collaboration IP and the Jazz IP to Zymeworks promptly following Zymeworks' reasonable request, and (c) provide Zymeworks with reasonable access to Jazz personnel involved in the research and Development of Licensed Products, either in-person at Jazz's facility or by teleconference. [***]

Article 5

DEVELOPMENT PROGRAM

5.1 Diligence and Responsibilities.

(a) Except for the Zymeworks Ongoing Studies, Jazz shall be responsible for the Development of the Licensed Products in the Field in the Territory in accordance with this Article 5. Jazz shall use Commercially Reasonable Efforts to (i) Develop a Licensed Product in the Field in each of the Major Market Countries, and (ii) seek to obtain Regulatory Approval for a Licensed Product in the Field in each of the Major Market Countries, in each case of (i) and (ii) for the treatment of [***]. Jazz shall conduct such tasks in a timely, professional manner and in compliance with the Territory Development Plan, as applicable, and all Applicable Laws, including GLP and GCP.

(b) Zymeworks shall be responsible for conducting the Zymeworks Ongoing Studies and the Zymeworks Korean Studies in accordance with this Article 5, at Jazz's cost and expense as specified in Sections 5.5 and 9.2. Zymeworks shall complete the Zymeworks Ongoing Studies and Zymeworks Korean Studies in accordance with the Zymeworks Development Plan[***]. [***] Zymeworks shall conduct such tasks in a timely, professional manner and in compliance with the Zymeworks Development Plan and all Applicable Laws, including GCP and cGMP. Jazz shall not amend the Zymeworks Development Plan to remove any of the Zymeworks Ongoing Studies or Zymeworks Korean Studies[***].

5.2 Zymeworks Development Plan.

(a) The Zymeworks Ongoing Studies and Zymeworks Korean Studies will be conducted pursuant to a written development plan (as amended from time to time in accordance with this Section 5.2, the "Zymeworks Development Plan"). The Zymeworks Development Plan shall include [***]. The initial Zymeworks Development Plan is attached hereto as **Exhibit 5.2**. From time to time, either Party may propose amendments to the then-current Zymeworks Development Plan, by submitting such proposed amendment to the JSC. Except as set forth in the Zymeworks Development Plan or otherwise agreed in writing by the Parties, Zymeworks will not conduct any Development activities with respect to the Licensed Products in the Territory. Except as agreed in writing by the Parties, Jazz will not conduct any clinical Development activities with respect to the Licensed Products outside of the Territory. [***].

-20-

(b) Except as set forth below in this Section 5.2(b), Zymeworks will have the sole right to conduct (and manufacture Licensed Product for) the Zymeworks Ongoing Studies and the Zymeworks Korean Studies, in accordance with the Zymeworks Development Plan, at Jazz's cost and expense as specified in Sections 5.5 and 9.2. As between the Parties, Zymeworks, or its designee [***], will hold or be responsible for all Regulatory Submissions for the Zymeworks Ongoing Studies and Zymeworks Korean Studies, and will be responsible for all correspondence and interactions with Regulatory Authorities with respect thereto, in each case in accordance with Section 6.2[***]. [***]

(c) Jazz acknowledges and agrees that the Ex-Territory Partner will perform certain activities in connection with the Zymeworks Ongoing Studies to support the global Development and registration of Licensed Products, including by engaging Clinical Trial sites and recruiting patients in the Ex-Territory as set forth in the Zymeworks Development Plan. Upon Zymeworks' request, Jazz will [***]. Notwithstanding anything herein to the contrary, Jazz's obligations to reimburse costs [***]. Zymeworks will, in a timely manner, [***].

5.3 Companion Diagnostics. With respect to the Third Party engaged by Zymeworks or its Affiliates as of the Execution Date to develop and commercialize a Companion Diagnostic, Zymeworks[***] shall use reasonable efforts to cause such Third Party [***]. In addition, upon Jazz's request, Zymeworks shall introduce Jazz to such Third Party [***].

5.4 Territory Development Plan. Except for the activities to be conducted by Zymeworks pursuant to Sections 5.1(b) and 5.2, as between the Parties, all Development of Licensed Products in the Territory shall be conducted by Jazz. Promptly after Jazz prepares[***] a written plan for its Development of Licensed Products in the Territory and, if applicable, outside the Territory (as amended from time to time in accordance with this Section 5.4 and Section 3.2, the "Territory Development Plan"), Jazz shall provide Zymeworks with a copy of such plan. From time to time thereafter[***] Jazz shall propose amendments to the Territory Development Plan in consultation with Zymeworks and submit such proposed updated or amended Territory Development Plan to the JSC for review and discussion. Once reviewed by the JSC, the amended Territory Development Plan shall become effective. The Territory Development Plan must include, without limitation, [***].

5.5 Development Costs. As between the Parties, Jazz shall be solely responsible for the costs and expenses incurred by Jazz, its Affiliates and sublicensees in the Development of Licensed Products in the Territory, including in the performance of the Development activities under the Territory Development Plan. Jazz shall also be responsible for reimbursing Zymeworks for the FTE costs and out-of-pocket expenses incurred by Zymeworks in the performance of the Zymeworks Ongoing Studies and the Zymeworks Korean Studies, and in preparing the First BLA, in each case in accordance with the Zymeworks Development Plan, including the budgets set forth therein. Zymeworks will invoice Jazz, and Jazz will reimburse Zymeworks[***] for such amounts incurred by or on behalf of Zymeworks or its Affiliates in conducting such activities in accordance with Section 9.2. [***]

5.6 Development Records. Each Party shall maintain reasonably complete, current and accurate records of all Development activities conducted by or on behalf of such Party, its Affiliates or (with respect to Jazz) its sublicensees pursuant to this Agreement and all data and other information resulting from such activities, in each case in accordance with all Applicable Laws. Each Party shall maintain such records during the Term and for a period of time after the Term consistent with Applicable Laws and reasonable industry practices on record retention and destruction (which shall not be less than [***] following completion of the applicable Development activities). Such records shall fully and properly reflect all work done and results achieved by or on behalf of such Party in the performance of the Development activities in the Territory hereunder, in good scientific manner appropriate for regulatory and patent purposes.

-21-

Each Party shall document all non-clinical studies and Clinical Trials of the Licensed Product in formal written study reports in accordance with Applicable Laws and national and international guidelines (e.g., GCP, GLP and cGMP). Upon a Party's request, the other Party and its Affiliates shall, and shall use reasonable efforts to cause its (sub)licensees to, provide the requesting Party with copies of or access to such records maintained by the other Party.

5.7 Clinical Trial Audit Rights.

(a) Upon reasonable request by Jazz [***], Zymeworks will exercise its rights to conduct, or if requested by Jazz, will use reasonable efforts to obtain the right for Jazz to conduct (which may be a joint audit with Zymeworks), an audit of any Clinical Trial sites engaged, or other facilities used, by Zymeworks or its Affiliates or the Ex-Territory Partner, to conduct the Zymeworks Development Plan, to ensure that such Clinical Trials are conducted in compliance with the Zymeworks Development Plan and all Applicable Laws, including GCP[***]. No later than [***] following the completion of any such audit and receipt of the resulting audit report (if provided by a Third Party), the Party conducting such audit will provide the other Party with a written summary of such Party's findings, including any deficiencies or other areas of remediation that such Party reasonably identifies during such audit, and the Parties shall promptly meet to discuss any such deficiencies or other areas of remediation identified by such other Party. Zymeworks will use reasonable efforts[***] to remediate such deficiencies promptly following receipt of such report. Any such remediation done by or on behalf of Zymeworks or its Affiliates will be [***]. [***] If Zymeworks does not remediate such deficiencies within [***] of Jazz's written request to do so, and Jazz reasonably determines, based on such deficiencies, that the continuation of any Clinical Trial activities at such site would reasonably be expected to have an adverse effect on the continued Development or Commercialization of Licensed Products in the Territory, then Zymeworks will wind-down, or will use reasonable efforts to cause the Ex-Territory Partner to wind-down, as applicable, such Clinical Trial at such site as promptly as practicable following Jazz's notice of such determination.

(b) Zymeworks will provide Jazz with copies of all quality oversight or audit reports prepared in connection with any audit that Zymeworks, its Affiliates or (sub)licensees (including the Ex-Territory Partner) conduct of a Clinical Trial site that Zymeworks or its Affiliates, or (subject to confidentiality obligations) the Ex-Territory Partner have engaged or are evaluating to potentially engage under the Zymeworks Development Plan no later than [***] after Zymeworks' receiving or preparing, as applicable, any such report.

5.8 Development Reports. Zymeworks shall provide Jazz with [***] written reports, at each JSC meeting [***], summarizing its, its Affiliates' and the Ex-Territory Partner's Development of Licensed Products, including a summary of the results of such Development. Without limiting the foregoing, such reports shall contain sufficient detail to enable Jazz to assess Zymeworks' compliance with its Development obligations hereunder. Zymeworks shall promptly respond to Jazz's reasonable requests from time to time for additional information regarding material Development activities. Jazz shall provide Zymeworks with [***] written reports summarizing its, its Affiliates and its sublicensees Development of Licensed Products in the Territory, including a summary of the results of such Development [***]. Without limiting the foregoing Jazz shall keep Zymeworks reasonably informed, through the JSC, as to any material developments with respect to the Development of Licensed Products in the Territory. The Parties shall discuss the status, progress and results of Development activities at JSC meetings, and Zymeworks shall keep Jazz reasonably informed through the JSC (or Alliance Managers following any discontinuation of the JSC) as to any material developments with respect to the Development of Licensed Products outside the Territory.

-22-

5.9 Data Exchange and Use. In addition to its adverse event and safety data reporting obligations pursuant to Section 6.4, each Party shall promptly (but in any event no later than [***] from the other Party's request) provide the other Party with copies of all data and results, including all Clinical Data, and all supporting documentation (e.g. protocols, CRFs, analysis plans) Controlled by such Party or its Affiliates that are generated by or on behalf of such Party or its Affiliates or (sub)licensees (including, with respect to Zymeworks, the Ex-Territory Partner), if applicable, in the Development of Licensed Products; provided that Jazz shall only be required to provide Zymeworks such data, results and documentation to the extent it is reasonably necessary or useful for Zymeworks or its Affiliate or (sub)licensees' (including the Ex-Territory Partner's) Development or Commercialization of the Licensed Products in the Field outside the Territory[***]; and provided further that Zymeworks will provide any other such data, results or documentation Controlled by Zymeworks or its Affiliates that is requested by Jazz and reasonably necessary or useful for the Development or Commercialization of the Licensed Products in the Field in the Territory[***]. Jazz shall have the right to use and reference such data and results provided by Zymeworks, pursuant to the licenses granted under Section 2.1, including for the purpose of filing Patent Rights covering Jazz Collaboration IP and Joint Collaboration IP, obtaining and maintaining Regulatory Approval and any pricing or reimbursement approvals, as applicable, of Licensed Products in the Field in the Territory. Zymeworks and its designees shall have the right to use and reference such data and results provided by Jazz, without additional consideration, for the purpose of Developing, manufacturing and Commercializing Licensed Products in accordance with the licenses granted under Section 2.4, including filing Patent Rights covering Zymeworks Collaboration IP, Joint Collaboration IP and Zanidatamab Collaboration IP, obtaining and maintaining Regulatory Approval and any pricing or reimbursement approvals, as applicable, of Licensed Products outside of the Territory. For clarity, any such data or results that are Inventions will be owned in accordance with Section 14.1 and subject to the licenses, rights and obligations set forth herein. The Parties shall adhere to the terms and conditions of the Data Processing Addendum, which is attached hereto as **Exhibit 5.9** and incorporated by reference, in relation to data protection.

5.10 Subcontractors. Each Party shall have the right to engage subcontractors for purposes of conducting activities assigned to it under this Agreement or for which it is responsible under this Agreement; provided that Zymeworks obtains Jazz's written consent, such consent not to be unreasonably withheld, conditioned or delayed, prior to engaging any subcontractor not identified in the Zymeworks Development Plan. Each Party shall cause any subcontractor engaged by it to be bound by written obligations of confidentiality and non-use consistent with this Agreement prior to performing any activities. Each Party shall cause its subcontractors to assign to such Party (or, in the case of academic institutions and Third Party manufacturers, use reasonable efforts to cause such subcontractor to so assign and, if such efforts do not result in obtaining an assignment, such Party shall obtain a fully sublicensable license thereto or, in the case of an academic institution, an exclusive option to obtain such a license) all intellectual property made by such subcontractor in the course of performing such subcontracted work. Each Party shall remain directly responsible for any of its obligations under this Agreement that have been delegated or subcontracted to any subcontractor and shall be directly responsible for the performance of its subcontractors.

Article 6

REGULATORY

6.1 Holder of Regulatory Approvals and Regulatory Submissions. As between the Parties, Jazz shall be the holder of Regulatory Approvals and Regulatory Submission for Licensed Products in the Field in the Territory, except as expressly set forth in Section 5.2(b) with respect to the Zymeworks Ongoing Studies or in Section 6.2(b) with respect to the First

-23-

BLA. At Jazz's reasonable request [***], Zymeworks shall cooperate with Jazz to enable Jazz to obtain any or all such Regulatory Approvals and Regulatory Submissions.

6.2 Review of Regulatory Submissions.

(a) Zymeworks shall provide to Jazz (i) all material Regulatory Submissions prepared by or on behalf of Zymeworks with respect to the Zymeworks Ongoing Studies at least [***] prior to submission (or such shorter time period required for timely response to a Regulatory Authority) and shall incorporate reasonable comments received from Jazz with respect thereto, (ii) all material correspondence or communication between Zymeworks and a Regulatory Authority in the Territory with respect to the Zymeworks Ongoing Studies, as well as minutes of any material meetings, telephone conferences or discussions that Zymeworks has with such Regulatory Authority, in each case, with respect to a Licensed Product (and Zymeworks shall provide Jazz with material correspondence or communications from a Regulatory Authority, including, without limitation, any communications or correspondence relating to label requirements, within [***] of Zymeworks' receipt of such correspondence or communications) and (iii) permission for [***] mutually acceptable representatives of Jazz, including representatives from the relevant functional areas, to attend and participate in any meetings and briefings with a Regulatory Authority in the Territory relating to the Zymeworks Ongoing Studies; provided that attendance and participation by a representative of Jazz is permitted by the applicable Regulatory Authority and the attendance of a representative of Jazz [***]. In addition, Zymeworks shall provide to Jazz all material Regulatory Submissions (including any certified English translations) prepared by or on behalf of the Ex-Territory Partner with respect to the Zymeworks Ongoing Studies or the Licensed Product in the Ex-Territory within [***] after receipt of such Regulatory Submission by Zymeworks, and to the extent that Zymeworks has access and the right to share with Jazz, all material correspondence or communication, as well as minutes of any material meetings, telephone conferences or discussions, between the Ex-Territory Partner and any Regulatory Authority in the Ex-Territory with respect to any Licensed Product and shall provide to the Ex-Territory Partner, for consideration, any reasonable comments received from Jazz with respect thereto.

(b) Zymeworks shall prepare the first Biologics License Application for Regulatory Approval for the Licensed Product for submission to the FDA (the "First BLA"), in accordance with the Zymeworks Development Plan (including the budget identified therein) and at Jazz's cost and expense as specified in Section 9.2, subject to successful completion of the applicable Zymeworks Ongoing Studies. Zymeworks will provide Jazz with each draft of the First BLA for Jazz's review and comment, which drafts shall include, [***]. Zymeworks shall incorporate all comments from Jazz with respect to the First BLA, and upon Jazz's final approval and instructions, submit the First BLA to the FDA. Zymeworks shall notify Jazz of any correspondence from and meetings with the FDA regarding the First BLA in accordance with the terms of this Section 6.2. Zymeworks shall provide Jazz with copies of proposed responses to such correspondence at least [***] prior to submission (or such shorter time period required for timely response to the FDA), Zymeworks shall incorporate all comments from Jazz with respect to such responses. Following Regulatory Approval of the First BLA or earlier upon Jazz's written request, Zymeworks will promptly transfer the First BLA to Jazz. The foregoing preparation and transfer of the First BLA shall be completed in accordance with the timeline set forth in the Zymeworks Development Plan. Jazz will cooperate in good faith with, and provide reasonable assistance to, Zymeworks in Zymeworks' preparation of the First BLA, at Zymeworks' request and Jazz's expense. Zymeworks will cooperate in good faith with, and provide reasonable assistance to, Jazz in Jazz's preparation of any other applications for Regulatory Approval that are based on substantially similar Clinical Data as included in the First BLA, at Jazz's request [***].

-24-

(c) In addition, (i) Jazz shall notify Zymeworks of any material correspondence regarding any Regulatory Submissions that are received by Jazz from any Regulatory Authority in the Territory, (ii) Zymeworks shall notify Jazz of any material correspondence regarding any Regulatory Submissions that are received by Zymeworks from a Regulatory Authority or the Ex-Territory Partner with respect to Clinical Trials conducted pursuant to the Zymeworks Development Plan or outside the Territory, and, in each case (i) and (ii) shall provide the other Party with copies thereof as soon as reasonably practicable, but in all events within [***] of receipt. Each Party will provide [***] updates, at each JSC meeting, regarding its material activities and progress with respect to all Clinical Trials conducted or on behalf of the reporting Party or its Affiliates, (with respect to Zymeworks) the Ex-Territory Partner, or (with respect to Jazz) sublicensees.

(d) Each Party shall keep the other Party reasonably informed of regulatory developments related to Licensed Products in the Field in the Territory and outside the Territory of which it becomes aware and shall promptly notify the other Party in writing of any material decision by any Regulatory Authority in the Field, in the Territory or outside the Territory, of which it becomes aware regarding any Licensed Product.

(e) Jazz shall provide Zymeworks with notice no later than [***] after receiving notice of any meeting or discussion with any Regulatory Authority in the Territory related to any Licensed Product in the Field, such notice to include a summary of the topic of such meeting or discussion and relevant background. Jazz shall provide Zymeworks with a written summary of each such meeting or discussion (including the outcome and major actions) promptly following such meeting or discussion. Upon Jazz's reasonable request and notice[***] Zymeworks will attend, or assist Jazz in its preparation for, any meeting or discussion that Jazz has with any Regulatory Authority in the Territory related to any Licensed Product in the Field.

(f) Zymeworks will provide Jazz with reasonable advance notice [***] of all substantive meetings pertaining to each Licensed Product with a Regulatory Authority outside of the Territory of which Zymeworks becomes aware through use of reasonable efforts. Zymeworks will use reasonable efforts to obtain the right to permit Jazz to have[***] mutually acceptable representative of Jazz attend, solely as a non-participating observer, key substantive meetings pertaining to such Licensed Product with any Regulatory Authorities outside of the Territory.

6.3 Right of Reference. Each Party hereby grants to the other Party the right of reference to all Regulatory Submissions pertaining to Licensed Products in the Field submitted by or on behalf of such Party or its Affiliates or, with respect to Jazz, sublicensees, solely to the extent reasonably necessary for the purposes set forth in this Section 6.3 and requested by such other Party. Without limiting the foregoing, Zymeworks may file a drug master file ("DMF") with the FDA or other Regulatory Authorities in the Territory, setting forth the Zymeworks Know-How related to the manufacture of the Licensed Antibody and such DMF shall be a Regulatory Submission subject to the right of reference granted to Jazz in the foregoing sentence, and, upon Jazz's written request, Zymeworks will provide Jazz with a right to reference and full access to such DMF[***]. Upon Jazz's reasonable written request [***], Zymeworks shall [***] a right of reference to (i) Regulatory Submissions pertaining to Licensed Products in the Field submitted by or on behalf of the Ex-Territory Partner in the Ex-Territory (including Regulatory Submissions for combination studies of Licensed Products) and (ii) Regulatory Submissions pertaining to Companion Diagnostics submitted by or on behalf of any Third Party engaged by Zymeworks or its Affiliates to develop such Companion Diagnostics. Jazz may use such right of reference to Zymeworks' Regulatory Submissions or, if applicable, the Ex-Territory Partner's Regulatory Submissions or other Third Party solely for the purpose of seeking, obtaining and maintaining Regulatory Approval and any pricing or reimbursement approvals, as applicable, of Licensed Products in the Field in the Territory. Zymeworks, or its Ex-Territory Partner, may use the right of reference to Jazz's Regulatory Submissions and Regulatory Approvals solely for the

purpose of seeking, obtaining and maintaining Regulatory Approval and any pricing or reimbursement approvals, as applicable, of Licensed Products outside the Territory or, to the extent permitted pursuant to this Agreement, in the Territory. [***] Each Party will take such actions as may be reasonably requested by the other Party to give effect to the intent of this Section 6.3 and to give the other Party, its Affiliates, licensees (including the Ex-Territory Partner) and sublicensees the benefit of the rights of reference to the granting Party's Regulatory Submissions in the other Party's territory as provided herein.

6.4 Adverse Events Reporting. Within [***] after the Closing Date, but in no event later than any Regulatory Submission to be made by or on behalf of Jazz in the Territory to conduct a Clinical Trial or for Regulatory Approval of the Licensed Product, Jazz and Zymeworks shall develop and agree in a written agreement to worldwide safety and pharmacovigilance procedures for the Parties with respect to Licensed Products, such as safety

data sharing and exchange, adverse events reporting and prescription events monitoring (the “SDEA Agreement”). Such SDEA Agreement shall (a) describe the obligations of both Parties with respect to the coordination of collection, investigation, reporting and exchange of information between the Parties concerning adverse events or any other safety issue of any significance, in each case with respect to Licensed Products and sufficient to permit each Party and its Affiliates, licensees or sublicensees to comply with Applicable Laws and, with respect to Zymeworks, its obligations to the Ex-Territory Partner; (b) be promptly updated if required by changes in Applicable Law; (c) provide that (i) Jazz shall maintain a safety database for Clinical Trials conducted in the Territory, other than those conducted under the Zymeworks Development Plan, at its sole cost and expense; (ii) Jazz shall be responsible for (A) reporting to the applicable Regulatory Authorities in the Territory, all required adverse events and safety data related to Licensed Products for all Clinical Trials conducted in the Territory, other than those conducted under the Zymeworks Development Plan for which Zymeworks is required to make such reports under Applicable Laws and (B) responding to safety issues and to all requests of Regulatory Authorities related to such safety issues with respect to the Licensed Products in the Field in the Territory, in each case ((A) and (B)), other than the Zymeworks Ongoing Studies, with respect to which Zymeworks will retain such responsibilities and will keep Jazz reasonably informed through the JSC and (C) making final decisions with respect to any safety governance issues with respect to the Licensed Products in the Territory after transfer of the First BLA by Zymeworks to Jazz (or, in the event Jazz initiates a Clinical Trial prior to the transfer of the First BLA by Zymeworks to Jazz, after such initiation); (iii) Jazz shall provide to Zymeworks access to Jazz’s safety database for the Licensed Product in the Territory; (iv) Zymeworks shall maintain the global safety database for the Licensed Products, including with respect to Clinical Trials conducted under the Zymeworks Development Plan; and (v) Zymeworks will provide Jazz with safety information regarding the Licensed Products in accordance with the SDEA Agreement; and (d) use the definitions relating to “adverse events” and “adverse drug experiences” as set forth in 21 C.F.R. 312.32 and 21 C.F.R. 314.80. Upon the earlier of completion of the Zymeworks Ongoing Studies and Zymeworks Korean Studies or Jazz’s written request, the Parties will cooperate in good faith to transfer of the global safety database for the Licensed Products to Jazz^{***}. ^{***}

6.5 No Harmful Actions. If either Party reasonably believes that the other Party is taking or intends to take any action with respect to a Licensed Product in such other Party’s territory (i.e., the Territory with respect to Jazz, and outside the Territory with respect to Zymeworks) that would reasonably be expected to have a material adverse impact upon the regulatory status or Commercialization of any Licensed Product in the Field in its respective territory, then such Party shall have the right to bring the matter to the attention of the JSC, and the Parties shall discuss in good faith a resolution to such concern. Without limiting the foregoing, unless the Parties otherwise agree (or unless otherwise set forth herein or in the Zymeworks Development Plan or Territory Development Plan): (a) neither Party shall communicate with any Regulatory Authority having jurisdiction outside of its respective territory

-26-

with respect to any Licensed Product, unless required by such Regulatory Authority, in which case such Party shall notify the other Party of such order within ^{***} of such communication; and (b) neither Party shall submit any Regulatory Submissions or seek Regulatory Approvals for any Licensed Product in the other Party’s respective territory; provided that Zymeworks may communicate with Regulatory Authorities in the Territory as is reasonably necessary in connection with its manufacture of the Licensed Products.

6.6 Notice of Regulatory Action. Each Party shall promptly notify the other Party of any information it receives regarding any threatened or pending action, inspection or communication by or from a Third Party that, in the case of notice to Zymeworks, would reasonably be expected to materially affect the Development or Commercialization of the Licensed Products, and in the case of notice to Jazz, would reasonably be expected to materially affect the Development or Commercialization of the Licensed Products in the Field in the Territory.

6.7 Post-Approval Support.

(a) Safety Monitoring. Zymeworks shall conduct all post-marketing safety surveillance required by a Regulatory Authority in the Territory for Licensed Products in connection with the Zymeworks Ongoing Studies, at Jazz’s cost and expense in accordance with a budget mutually agreed to by the Parties. Zymeworks shall provide the results of any such post-marketing safety surveillance to Jazz for Jazz’s submission of such results to the applicable Regulatory Authority. Otherwise, Jazz shall be responsible for all post-marketing safety surveillance and reporting required in the Territory for Licensed Products, and such responsibility shall be included in the SDEA Agreement.

(b) Post-Approval Commitments. Jazz shall be solely responsible for conducting, at its sole expense, any post-approval commitment or requirement studies or Clinical Trials (collectively, “Post-Approval Commitments”) that are requested or required by any Regulatory Authority in the Territory with respect to any Regulatory Approval of a Licensed Product based on the Zymeworks Ongoing Studies. Zymeworks shall

(i) upon Jazz's request and expense, reasonably cooperate with Jazz to prepare a Clinical Trial design, protocol and schedule that satisfies the applicable Regulatory Authority's requests or requirements with respect to the Post-Approval Commitments and (ii) supply Licensed Antibody and Licensed Product to Jazz for use in such Post-Approval Commitments, in accordance with Article 7.

(c) Manufacturing. Zymeworks shall be responsible [***] for correcting all CMC or other manufacturing deficiencies with respect to Licensed Antibody and Licensed Product manufactured by or on behalf of Zymeworks for Jazz, as required by any Regulatory Authority in the Territory after Regulatory Approval but prior to the Manufacturing Transition Date, and shall correct such deficiencies.

Article 7

MANUFACTURING

7.1 Manufacture of Licensed Product for the Territory. Subject to the terms and conditions of this Article 7, Jazz shall have the right to (a) purchase Development supply of Licensed Antibody and Licensed Product from Zymeworks or Zymeworks' CMO pursuant to the Clinical Supply Agreement, (b) exercise its license under Section 2.1(a) to (i) manufacture or have manufactured by a CMO clinical and/or commercial supply of Licensed Antibody and Licensed Product for the Territory itself or to have Licensed Antibody and Licensed Product manufactured by a CMO, in each case after successful completion of the Manufacturing Technology Transfer in accordance with Section 7.2 and (ii) package and label Licensed Product

-27-

supplied by Zymeworks or manufactured by or on behalf of Jazz, and (c) purchase commercial supply of Licensed Antibody and Licensed Product from Zymeworks or Zymeworks' CMO pursuant to the Commercial Supply Agreement. As between the Parties, Jazz shall have the right and obligation to package and label all Licensed Product for Development conducted by or on behalf of Jazz, its Affiliate or sublicensee and Commercialization in the Field in the Territory, subject to Zymeworks' right to make or have made the Licensed Antibody and Licensed Product for supply to Jazz in bright stock form for use in the Field in the Territory pursuant to the Clinical Supply Agreement and Commercial Supply Agreement.

7.2 Manufacturing Technology Transfer. In addition to the Zymeworks Know-How provided to Jazz pursuant to the Initial Technology Transfer, upon Jazz's written request, Zymeworks will promptly work with Jazz to prepare and submit to the JSC, for its review, a plan ("Manufacturing Technology Transfer Plan") for the transfer to Jazz or its designee of all Zymeworks Know-How and certain biological materials Controlled by Zymeworks with respect to the manufacture of Licensed Antibody or Licensed Product ("Zymeworks Manufacturing IP"), including, without limitation, [***] and the conduct by Zymeworks of such consultation activities, as are necessary or useful to enable Jazz or any Third Party contract manufacturing organization (a "CMO") designated by Jazz to manufacture for the Territory Licensed Antibody and Licensed Product (such actions, "Manufacturing Technology Transfer"). Jazz shall have the right to request a single Manufacturing Technology Transfer for both Licensed Antibody and Licensed Product or a single Manufacturing Technology Transfer for Licensed Product and a single, separate Manufacturing Technology Transfer for Licensed Antibody. Following the review and approval by the JSC of the applicable Manufacturing Technology Transfer Plan, Zymeworks will perform (or cause one or more applicable Third Parties (including, as applicable, any CMO engaged by Zymeworks to manufacture Licensed Antibody or Licensed Product) to perform) the requested Manufacturing Technology Transfer in accordance with such Manufacturing Technology Transfer Plan to Jazz or to a CMO designated by Jazz[***]. Zymeworks will complete the Manufacturing Technology Transfer promptly (and in any event within [***] after the Parties' agreement on the Manufacturing Technology Transfer Plan) in accordance with the timeline agreed by the Parties, following Jazz's request and in accordance with the applicable Manufacturing Technology Transfer Plan. Thereafter during the Term, Zymeworks will provide Jazz with additional Zymeworks Manufacturing IP as part of the Continuing Technology Transfer in accordance with Section 4.1, and Jazz shall disclose Jazz Manufacturing IP in accordance with Section 7.4(c). All Licensed Antibody and Licensed Product manufactured by or on behalf of Jazz or its CMO shall be manufactured in compliance with all Applicable Laws and applicable specifications for the Licensed Antibody and Licensed Product.

7.3 Supply by Zymeworks.

(a) Requirements. Subject to Section 7.2 and Section 7.3(e), and except as otherwise expressly set forth in this Agreement or the Clinical Supply Agreement or Commercial Supply Agreement, (i) Zymeworks shall manufacture and supply to Jazz, through Zymeworks' CMOs [***], or another CMO of Zymeworks approved by Jazz (such approval not to be unreasonably withheld, conditioned or delayed), all Licensed Antibodies

and Licensed Products required by Jazz for Development or Commercialization use in the Territory and required by Zymeworks for Zymeworks' Development-related responsibilities under the Zymeworks Development Plan, (ii) Zymeworks shall not preferentially manufacture or allocate supply of Licensed Antibody or Licensed Product for its own account or that of the Ex-Territory Partner, including any for Development or Commercialization of (A) Licensed Products outside of the Territory or (B) ZW49 (or Zanidatamab Zovodotin) in or outside the Territory, and (iii) Jazz shall purchase its Development requirements for Licensed Antibodies and Licensed Products in the Territory from Zymeworks pursuant to the Clinical Supply Agreement and its commercial requirements for Licensed Antibodies and Licensed Products in the Territory from Zymeworks

-28-

pursuant to the Commercial Supply Agreement, in each case, until the later of (A) two (2) years after the Closing Date and (B) the date on which, following a Manufacturing Technology Transfer in accordance with Section 7.2, Jazz or Jazz's CMO is approved to manufacture Licensed Antibody and Licensed Product, as applicable, by the relevant Regulatory Authority. Thereafter, Jazz may make or have made Licensed Antibody and Licensed Product, as applicable, and its obligations, if any, to obtain Licensed Antibody and Licensed Product from Zymeworks will be as specified in Section 7.3(b) or 7.3(c). Notwithstanding anything herein to the contrary, Zymeworks shall have no obligation to supply Jazz, its Affiliates or sublicensees with Licensed Antibody or Licensed Product after the date that is the earlier of (x) [***] and (y) three (3) years after the Closing Date (such date, the "Manufacturing Transition Date"), except for that Zymeworks shall remain obligated to fulfill all orders placed by Jazz on or before the Manufacturing Transition Date in accordance with the terms of the Clinical Supply Agreement and the Commercial Supply Agreement, unless otherwise agreed by the Parties, in their discretion, in writing. Jazz shall have the right to enter into an agreement directly with any of Zymeworks' CMOs prior to the Manufacturing Transition Date to obtain supply of Licensed Antibodies and Licensed Products[***].

(b) Development Supply. The Parties shall use reasonable efforts to enter into an agreement governing the supply by Zymeworks of such Licensed Antibodies and Licensed Products for such Development use by Jazz ("Clinical Supply Agreement"), promptly after the Closing Date (and in any event, within [***] after the Closing Date), which will incorporate the terms set forth on **Exhibit 7.3(b)**, and, pursuant to which:

(i) Zymeworks shall supply the Licensed Antibodies and Licensed Product pursuant to the Clinical Supply Agreement as bright stock in unlabeled vials at a transfer price equal to Zymeworks' Fully Burdened Manufacturing Cost. [***]

(ii) Delivery of Licensed Antibody and Licensed Product supplied by Zymeworks for Development will be made [***]. Jazz shall be responsible for obtaining all licenses or other authorizations for the exportation and importation of such Licensed Antibody and Licensed Product, and Jazz shall contract for shipment and insurance of such Licensed Antibody and Licensed Product from Zymeworks' or its contract manufacturer's facility[***]. Jazz shall also be responsible for the clinical packaging, labeling, QC/QA/QP release, storage, customs clearance and distribution of such Licensed Antibody and Licensed Product[***].

(iii) Following a Manufacturing Technology Transfer under Section 7.2 and receipt of approval from applicable Regulatory Authorities for Jazz or Jazz's CMO to manufacture Licensed Antibody and Licensed Product, as applicable, Zymeworks shall continue to supply Jazz with, and Jazz shall continue to purchase from Zymeworks, Licensed Antibodies and Licensed Products, as applicable, as requested by Jazz in accordance with the Clinical Supply Agreement, until the Manufacturing Transition Date. The Clinical Supply Agreement shall set forth the minimum quantities of (or minimum percentages of Jazz's requirements for) Licensed Antibody and Licensed Product that Jazz will be obligated to obtain from Zymeworks under the Clinical Supply Agreement following such Manufacturing Technology Transfer and approval, provided that Zymeworks remains in full compliance with its supply obligations under such agreement. Such minimum obligations shall not apply if Zymeworks materially breaches such obligations, subject to the terms and conditions of the Clinical Supply Agreement.

(c) Commercial Supply. The Parties shall use reasonable efforts to enter into, not later than [***] after the Closing Date, on a commercial supply agreement pursuant to which Jazz shall purchase commercial supply of a Licensed Antibody (bright stock in unlabeled vials) and Licensed Product for the Territory from Zymeworks (the "Commercial Supply Agreement"). The transfer price under the Commercial Supply Agreement shall be equal to Zymeworks' Fully Burdened Manufacturing Cost. Following a Manufacturing Technology

-29-

Transfer under Section 7.2 and receipt of approval from applicable Regulatory Authorities for Jazz or Jazz's CMO to manufacture Licensed Antibody and Licensed Product, as applicable, Zymeworks shall continue to supply Jazz with, and Jazz shall continue to purchase from Zymeworks, Licensed Antibodies and Licensed Products as requested by Jazz in accordance with the Commercial Supply Agreement until the Manufacturing Transition Date. The Commercial Supply Agreement shall set forth the minimum quantities of (or minimum percentages of Jazz's requirements for) Licensed Antibody and Licensed Product that Jazz will be obligated to obtain from Zymeworks under the Commercial Supply Agreement following such Manufacturing Technology Transfer and approval, provided that Zymeworks remains in full compliance with its supply obligations, including GMP compliance, under such agreement. Such minimum obligations shall not apply if Zymeworks materially breaches such obligations, subject to the terms and conditions of the Commercial Supply Agreement. The terms of the Commercial Supply Agreement shall be consistent with the terms and conditions of this Agreement, the applicable terms and conditions of Clinical Supply Agreement, and the terms and conditions of any agreement between Zymeworks and its Third Party manufacturing partner(s), to the extent applicable to commercial supply of Licensed Antibody and Licensed Product in the Field in the Territory. The Commercial Supply Agreement will incorporate the terms set forth on **Exhibit 7.3(c)**.

(d) Quality Agreement. Concurrently with entering into the Commercial Supply Agreement, the Parties will enter into a quality technical agreement ("**Quality Technical Agreement**") that allocates roles and responsibilities to each Party with respect to quality control and regulatory compliance with respect to the manufacture and supply of Licensed Antibody and Licensed Product under the Commercial Supply Agreement and the Clinical Supply Agreement.

(e) Second Supply Source. Jazz shall have the right to secure a second source of Licensed Antibody and Licensed Product. Upon Jazz's written request, Zymeworks shall promptly provide to such CMO, at Jazz's expense, such technical assistance, as such CMO may require in order to manufacture Licensed Antibody and Licensed Product to the then-current specifications in accordance with the then-current manufacturing process for Licensed Antibody and Licensed Product, by performing the Manufacturing Technology Transfer in accordance with Section 7.2, solely for use by Jazz in accordance with the terms of this Agreement.

(f) Manufacturing Audits. At Jazz's reasonable request [***], Zymeworks will exercise its right to inspect, or will use reasonable efforts to obtain the right for Jazz to inspect (which may be a joint inspection with Zymeworks), Zymeworks' CMO under the applicable agreement between Zymeworks and such CMO, to audit compliance with all Applicable Laws in the conduct of manufacturing activities hereunder, including GMP. No later than [***] following the completion of any such audit, the inspecting Party will provide the other Party and the Manufacturing Working Group with a written summary of the auditing Party's findings, including any deficiencies or other areas of remediation that were identified during such audit, and the Manufacturing Working Group shall promptly meet to discuss any such deficiencies or other areas of remediation. Zymeworks will use reasonable efforts remediate such deficiencies[***].

(g) Expiration of Supply Agreements. Unless otherwise agreed by the Parties in writing, the Clinical Supply Agreement and Commercial Supply Agreement shall expire upon Zymeworks' fulfillment of all orders placed by Jazz in accordance with the terms of the Clinical Supply Agreement and the Commercial Supply Agreement on or before the Manufacturing Transition Date, provided that Zymeworks' obligations with respect to Licensed Antibodies and Licensed Products supplied to Jazz prior to such expiration shall survive expiration. Thereafter during the Term, Jazz shall have the sole responsibility to make or have made Licensed Antibody and Licensed Product for Development and Commercialization in the Territory.

-30-

7.4 Manufacturing Process Development and Validation; CMO Agreements.

(a) Within [***] after the Closing Date the Parties shall discuss in good faith and agree whether Zymeworks will engage [***] to conduct process performance qualification ("**PPQ**") manufacturing campaign for Licensed Antibody and Licensed Product and the timeline for such PPQ manufacturing campaign. If Jazz, in its sole discretion, determines to have a PPQ manufacturing campaign conducted [***], Zymeworks will engage [***] to conduct such campaign and the remainder of this Section 7.4(a) shall apply. [***] Zymeworks shall permit, and [***] to permit, Jazz to

observe the manufacture of one or more PPQ batches of Licensed Antibody and one or more PPQ batches of Licensed Product. Zymeworks will keep Jazz informed of PPQ progress through the Manufacturing Working Group. Zymeworks will promptly provide all PPQ results to Jazz. Zymeworks will, if requested by Jazz, include the PPQ results in [***] the First BLA [***]. Zymeworks shall hold all quantities of Licensed Antibody and Licensed Product manufactured in the PPQ batches for Jazz's benefit and shall not make them available to others or use them for purposes other than supplying Jazz, in each case without Jazz's prior written consent. Zymeworks shall supply Jazz with such quantities of Licensed Antibody and Licensed Product manufactured in the PPQ batches in accordance with the Commercial Supply Agreement[***]. Such quantities shall count towards Jazz's ordering obligations and, unless otherwise directed by Jazz in writing, Zymeworks shall supply any such quantities to Jazz before supplying Jazz with Licensed Products originating from other manufacturing runs.

(b) No later than the date on which Zymeworks provides Jazz with the first draft of the First BLA, Zymeworks shall have fulfilled or otherwise addressed as agreed in writing with Jazz, all manufacturing-related commitments set forth in the Commitments Log as well as any additional manufacturing-related commitments made by Zymeworks to the FDA after the Commitments Log was provided to Jazz in accordance with Section 4.1 (which commitments shall only be made with Jazz's prior written consent and shall be included in all subsequent updates to the Commitment Log) and any commitments that should have been set forth in the Commitments Log (which commitments Zymeworks shall bring to Jazz's attention by providing Jazz with an updated Commitments Log that includes them promptly after such oversight is identified), and shall provide Jazz with an updated Commitments Log identifying the date and method by which such manufacturing commitments were fulfilled. [***]

(c) Without limiting Section 14.1(b), Jazz shall keep Zymeworks informed of new Jazz Manufacturing IP through the Manufacturing Working Group. Upon written request by Zymeworks, Jazz will engage in good faith discussions for a period of [***] regarding the commercially reasonable terms and conditions for Jazz to grant a license to Zymeworks to use such Jazz Manufacturing IP for the sole purpose of making and having made Licensed Antibody, Licensed Product and ZW49 (or Zanidatamab Zovodotin). Upon reaching agreement regarding such terms, the Parties shall either enter into a separate license agreement or amend this Agreement to reflect such terms.

(d) Prior to the Manufacturing Transition Date, Zymeworks shall keep Jazz reasonably informed regarding its discussions to enter into or amend agreements with [***], and any other CMO relating to the manufacture and supply of Licensed Antibodies and Licensed Products to Jazz. Zymeworks shall promptly provide Jazz with copies of any such proposed agreements or amendments for Jazz's review and comment. Zymeworks shall consider in good faith and adopt any reasonable comments provided by Jazz.

-31-

Article 8

COMMERCIALIZATION

8.1 Commercialization Responsibility.

(a) As between the Parties, Jazz shall be solely responsible for Commercializing the Licensed Products in the Field in the Territory and shall book all sales of Licensed Products in the Territory. Jazz shall use Commercially Reasonable Efforts to Commercialize in each Major Market Country each Licensed Product that obtains Regulatory Approval in the Field in such Major Market Country. Jazz shall conduct all Commercialization of Licensed Products in the Field in the Territory in accordance with all Applicable Laws, at its sole cost and expense.

(b) As between the Parties, Zymeworks shall have the sole right to Commercialize each Licensed Product outside of the Territory and to book all such sales of Licensed Product.

8.2 Annual Commercialization Plan. Jazz shall have the sole and final authority to determine the Annual Commercialization Plan. [***]

8.3 Coordination of Commercialization Activities.

(a) The Parties recognize that they may benefit from the coordination of certain activities in support of the Commercialization of Licensed Products in and outside the Territory. As such, the Parties shall use reasonable efforts to coordinate, either directly between the Parties or through the JSC or a commercial or marketing Working Group established by the JSC, such activities where appropriate.

(b) Jazz shall keep Zymeworks timely informed on the status of any application for pricing or reimbursement approval for Licensed Products in the Field in the Territory, and Zymeworks shall keep Jazz timely informed on the status of any application for pricing or reimbursement approval for Licensed Products in the Field outside of the Territory, of which Zymeworks becomes aware using reasonable efforts. Zymeworks, its Affiliate or its Ex-Territory Partner, as applicable, shall have the right to determine the price of Licensed Products sold outside the Territory; and Jazz or its Affiliates or sublicensee shall have the right to determine the price of Licensed Products sold in the Territory. Neither Party shall have the right to direct, control or approve the pricing of Licensed Products sold by the other Party (or its designee) in such other Party's territory.

(c) Jazz will use reasonable efforts to cooperate with Zymeworks and the Ex-Territory Partner to develop and adopt a global branding strategy for the Licensed Products, which may include certain distinctive colors, logos, images, symbols, and trademarks to be used in connection with the Commercialization of Licensed Products on a global basis (such branding elements, collectively, the "Global Brand Elements"), which, for clarity, shall exclude the name, logos, house marks and general corporate trademarks of Jazz. Jazz shall own all rights in such Global Brand Elements, and shall grant Zymeworks the exclusive right to use such Global Brand Elements in connection with the Commercialization of Licensed Products in the Field outside of the Territory. To the extent that Zymeworks, its Affiliates or the Ex-Territory Partner elect to Commercialize the Licensed Products outside of the Territory using the Global Brand Elements, they shall provide prompt notice of such election and coordinate with Jazz (and Zymeworks shall use reasonable efforts to facilitate such coordination between the Ex-Territory Partner and Jazz) to ensure that such use is done in a manner consistent with the following:

-32-

(i) such use shall materially comply with the directions provided to Zymeworks by Jazz in writing in advance, regarding the form and manner of the application of the Global Brand Elements;

(ii) all Licensed Products sold outside of the Territory by Zymeworks, its Affiliates or the Ex-Territory Partner carrying the Global Brand Elements and all related quotations, specifications, descriptive literature and other materials carrying the Global Brand Elements, will be marked with the appropriate trademark notices in accordance with Jazz's reasonable instructions and Applicable Laws; and

(iii) Zymeworks agrees that it shall not, directly or indirectly: (A) take, omit to take, or permit any action which is intended to dilute the Global Brand Elements or tarnish or bring into disrepute the reputation of or goodwill associated with the Global Brand Elements or Jazz; or (B) apply for, or obtain, or directly assist any Person in applying for or obtaining any registration of the Global Brand Elements, or any trademark, service mark, trade name, or other indicia confusingly similar to the Global Brand Elements.

8.4 Diversion. (a) Jazz covenants and agrees that it and its Affiliates shall not, and shall use reasonable efforts to ensure that its sublicensees do not, either directly or indirectly, promote, market, distribute, import, sell or have sold any Licensed Products, including via the Internet or mail order, to any Third Party or to any address or Internet Protocol address or the like outside the Territory and (b) Zymeworks covenants and agrees that it and its Affiliates shall not, and shall use reasonable efforts to ensure that the Ex-Territory Partner does not, either directly or indirectly, promote, market, distribute, import, sell or have sold any Licensed Products including via the Internet or mail order, to any Third Party or to any address or Internet Protocol address or the like in the Territory; provided that Zymeworks and its Affiliates and the Ex-Territory Partner shall have the right (and, upon Jazz's request, Zymeworks shall use reasonable efforts to obtain the right for Jazz, its Affiliates or sublicensees) to attend conferences and meetings of congresses in the other Party's territory and to promote and market Licensed Products to Third Party attendees at such conferences and meetings, subject to this Section 8.4. Jazz shall not engage, nor permit its Affiliates or sublicensees to engage, in any advertising or promotional activities relating to any Licensed Products for use directed primarily to customers or other buyers or users of Licensed Products located in any country or jurisdiction outside the Territory, or solicit orders from any prospective purchaser located in any country or jurisdiction outside the Territory. Zymeworks shall not engage, nor permit its Affiliates or Ex-Territory Partner to engage, in any advertising or promotional activities relating to any Licensed Products for use directed primarily to customers or other buyers or users of Licensed Products located in any country or jurisdiction in the Territory, or solicit orders from any prospective purchaser located in any country or jurisdiction in the Territory. If Jazz or its Affiliate or sublicensee receives any order for Licensed Products for use from a prospective purchaser located in a country or jurisdiction outside the Territory, Jazz shall promptly refer that order to Zymeworks (for further referral to the Ex-Territory Partner) and shall not accept any such orders. Zymeworks shall use reasonable efforts to ensure that the Ex-Territory Partner refers to Zymeworks any orders received for Licensed Products for use from a prospective purchaser located in a country or jurisdiction in the Territory and not accept any such order. In such case, Zymeworks will promptly refer such order to Jazz. Jazz shall not, nor permit its Affiliates or sublicensees to, deliver or tender (or cause to be delivered or tendered) any Licensed Products for use

outside the Territory, and Zymeworks shall not, nor permit its Affiliates or Ex-Territory Partner to, deliver or tender (or cause to be delivered or tendered) any Licensed Product for use in the Territory.

-33-

Article 9

PAYMENTS

9.1 Upfront Fee; Second Payment.

(a) In partial consideration of Zymeworks' granting of the licenses and rights to Jazz hereunder, Jazz shall pay to Zymeworks a one-time, non-refundable non-creditable upfront payment of fifty million U.S. dollars (USD 50,000,000) (the "**Upfront Payment**"). Zymeworks will issue to Jazz a written invoice for the Upfront Payment promptly after the Closing Date, and Jazz will pay such invoice [***].

(b) Zymeworks will issue to Jazz a written invoice for three hundred twenty-five million U.S. dollars (USD 325,000,000) (the "**Second Payment**") promptly after the Second Payment Trigger (but no sooner than [***] after the Second Payment Trigger date to provide Jazz the opportunity to verify completeness of the BTC Data Package [***]). If Jazz wishes to maintain the License, Jazz will in its sole discretion pay such invoice within [***] after receipt (such payment, the "**Second Payment Due Date**"). If the Second Payment is not received by Zymeworks on or before the Second Payment Due Date, this Agreement shall automatically and immediately terminate on the Second Payment Due Date.

9.2 **Development Cost Reimbursement.** Jazz will reimburse Zymeworks for all FTE costs [***] and out-of-pocket costs [***] incurred by Zymeworks or its Affiliates in the conduct of the Zymeworks Ongoing Studies and Zymeworks Korean Studies on or after the Execution Date, and in the preparation of the First BLA, in accordance with, including the corresponding budgets set forth in, the Zymeworks Development Plan. Zymeworks will invoice Jazz for such amounts[***] on a [***] basis within [***] after the end of [***]; provided that Jazz shall not have any obligation to reimburse such amounts incurred by Zymeworks or its Affiliates [***]. [***] Jazz will promptly notify Zymeworks of any disputed portions of any such invoice and pay the undisputed portion of each such invoice within [***] after receipt. The Parties will work together in good faith to promptly resolve any disputes regarding such invoices.

9.3 **Regulatory Milestones.** After the first achievement of each milestone event set forth in the table below for any Licensed Product (each, a "**Regulatory Milestone Event**"), Jazz shall make the corresponding milestone payment to Zymeworks (each, a "**Regulatory Milestone Payment**") in accordance with Section 9.5(a). Each Regulatory Milestone Payment shall be fully-earned and payable once upon the first achievement of the corresponding Regulatory Milestone Event by or on behalf of Jazz, its Affiliates or sublicensees with respect to a Licensed Product in the Territory. The maximum aggregate amount payable pursuant to this Section 9.3 following achievement of all Regulatory Milestone Events is five hundred twenty-five million U.S. dollars (USD 525,000,000).

-34-

Milestone Event	Milestone Payment
Regulatory Milestones Events	
***	***
***	***
***	***
***	***
***	***
***	***
Total	USD 525.0 Million

9.4 Commercialization Milestones. After the first achievement of each milestone event set forth in the table below (each, a “**Commercialization Milestone Event**”), Jazz shall make the corresponding milestone payment to Zymeworks (each, a “**Commercialization Milestone Payment**”) in accordance with Section 9.5(b):

Milestone Event	Milestone Payment
Commercial Milestones Events	
***	***
***	***
***	***
***	***
***	***
Total	USD 862.5 Million

-35-

For clarity, each of the foregoing Commercialization Milestone Payments will be payable only once. In the event that more than one Commercialization Milestone Event is first achieved in a given Calendar Year, Jazz shall pay Zymeworks the Commercialization Milestone Payment associated with each such Commercialization Milestone Event achieved during such Calendar Year. *** The maximum aggregate amount payable pursuant to this Section 9.4 following achievement of all Commercialization Milestone Events is USD 862.5 million.

9.5 Payment Terms.

(a) Regulatory Milestone Payments. Jazz shall provide Zymeworks with notice of the achievement of each Regulatory Milestone Event within *** thereafter. Following receipt of each such notice, Zymeworks will issue to Jazz a written invoice for the applicable Regulatory Milestone Payment. Jazz will pay to Zymeworks the applicable Regulatory Milestone Payment within *** after its receipt of such invoice.

(b) Commercialization Milestone Payments. Jazz will notify Zymeworks in writing within *** of the first achievement of any Commercialization Milestone Event ***. Following receipt of each such notice, Zymeworks will issue to Jazz a written invoice for the applicable Commercialization Milestone Payment. Jazz will pay to Zymeworks the applicable Commercialization Milestone Payment no later than *** after its receipt of such invoice (but in any event no later than *** following such first achievement of such Commercialization Milestone Event).

(c) Royalty Payments. *** During the applicable Royalty Term, following the First Commercial Sale of a Licensed Product, Jazz shall furnish to Zymeworks a written report *** showing the Net Sales of Licensed Product sold by Jazz and its Affiliates and sublicensees in the

Territory during [***] and the Licensed Product royalties payable under this Agreement in sufficient detail to allow Zymeworks to verify the amount of Licensed Product royalties paid by Jazz with respect to such [***]. Each such report shall include[***] following the end of [***]. The corresponding Licensed Product royalties shown to have accrued by each report provided under this Section 9.5(c) shall be due and payable [***].

9.6 Royalty Payments to Zymeworks.

(a) **Royalty Rates.** In further consideration of Zymeworks' grant of the rights and licenses to Jazz hereunder, Jazz shall, during the applicable Royalty Term, pay to Zymeworks a tiered royalty on [***] Net Sales of Licensed Products in the Territory for each Calendar Year, at the percentage rates set forth below (subject to Section 9.6(c)):

Calendar Year, Net Sales of Licensed Products in the Territory	Royalty Rate
[***]	10%
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	20%

[***]

(b) **Royalty Term.** The royalty payments payable under this Section 9.6 shall be payable on a Licensed Product-by-Licensed Product and a country-by-country basis from the First Commercial Sale of such Licensed Product in such country in the Territory until the latest of: (i) the ten (10th) anniversary of the date of the First Commercial Sale of such Licensed Product in such country; (ii) the expiration of the last Valid Claim (including any patent term adjustments or extensions) within the Zymeworks Patent Rights that Covers such Licensed Product in such country; and (iii) the expiration of Regulatory Exclusivity for such Licensed Product in such country (the **"Royalty Term"**).

(c) **Royalty Reductions.**

(i) [***]

[***]	[***]
[***]	[***]
[***]	[***]

(ii) [***]

(iii) **Royalty Floor.** In no event will the aggregate amount of royalty payments due to Zymeworks for Licensed Product in a country in the Territory in any given [***] during the Royalty Term for Licensed Product in such country be reduced to less than [***] of the amount that otherwise would have been due and payable to Zymeworks pursuant to Section 9.6(a) [***] for Licensed Product in such country but for the cumulative reductions set forth in Sections 9.6(c)(i) and (ii) (the **"Royalty Floor"**).

(iv) **Compulsory Licenses.** If a compulsory license is granted to a Third Party with respect to Licensed Product in any country in the Territory with a royalty rate lower than the royalty rates provided by Section 9.6(a) (as adjusted per Sections 9.6(c)(i), (ii), and (iii)), then the royalty rate to be paid by Jazz on Net Sales made pursuant to such compulsory license in such country under Section 9.6(a) will be reduced to [***] of the rate payable by the compulsory licensee. For purposes of the foregoing, a "compulsory license" means, with respect

to Licensed Product in a country or territory, a license, or rights granted to a Third Party by a governmental agency within such country or territory to sell or offer for sale Licensed Product in such country or territory under any Patent Rights or Know-How owned or controlled by either Party or its Affiliates, without direct or indirect authorization from such Party or its Affiliates.

9.7 Payments to Third Parties. Except as expressly set forth herein, each Party shall be solely responsible for any payments due to Third Parties under any agreement entered into by such Party with respect to the Licensed Product, as a result of activities hereunder.

9.8 Payment Currency; Exchange Rate. All payments to be made under this Agreement shall be made in USD. Payments to Zymeworks shall be made by electronic transfer of immediately available funds to the account of Zymeworks, as designated in writing to Jazz. If any currency conversion is required in connection with the calculation of amounts payable hereunder, such conversion shall be made in a manner consistent with Jazz's normal practices used to prepare its audited financial statements for external reporting purposes; provided that such practices use a widely accepted source of published exchange rates.

9.9 Late Payments. Any payments or portions thereof due hereunder that are not paid on the date such payments are due under this Agreement shall bear interest at a rate equal to the lesser of: (a) [***] above the prime rate as published by *The Wall Street Journal* or any successor thereto on the first day of each Calendar Quarter in which such payments are overdue or (b) the maximum rate permitted by Applicable Laws; in each case calculated on the number of days such payment is delinquent[***].

9.10 Records and Audit Rights.

(a) Records. Each Party will keep (and will cause its Affiliates and (with respect to Jazz) sublicensees to keep) complete, true and accurate books and records in sufficient detail for the other Party to determine payments due to such other Party under this Agreement. Each Party will keep such books and records for at least [***] following the end of the Calendar Year to which they pertain.

(b) Audit Rights.

(i) Each Party (the "**Auditing Party**") shall have the right during the [***] period described in Section 9.10(a) to (a) appoint at its expense an independent certified public accountant of nationally recognized standing (the "**Accounting Firm**") reasonably acceptable to the other Party (the "**Audited Party**") to audit the relevant financial records of the Audited Party and its Affiliates to verify that the amount of such payments were correctly determined or (b) require the Audited Party to (i) appoint such an Accounting Firm to conduct such an audit of the applicable sublicensee and (ii) provide the results of such audit to the Auditing Party. The Audited Party and its Affiliates shall each make its financial records available for audit by the Accounting Firm during regular business hours at such place or places where such records are customarily kept, upon reasonable notice from the Auditing Party, solely to verify the payments hereunder were correctly determined. Such audit right shall not be exercised by the Auditing Party more than [***] nor (with respect to Zymeworks as the Auditing Party) more than [***] with respect to sales of Licensed Product in a particular period and may cover a period ending not more than [***] prior to the date of such request. All records made available for audit pursuant to this Section 9.10(b) shall be deemed to be Confidential Information of the Audited Party. The results of each audit, if any, shall be binding on both Parties.

(ii) If the amount of any payment hereunder was underreported by Jazz, Jazz shall promptly (but in any event no later than [***] after its receipt of the Accounting

Firm's report so concluding) make payment to Zymeworks of the underreported amount. Zymeworks shall bear the full cost of an audit that it conducts (or requires to be conducted) pursuant to this Section 9.10(b) unless such audit discloses an under reporting by Jazz of more than [***] of the aggregate amount of the payments hereunder reportable in any Calendar Year, in which case Jazz shall reimburse Zymeworks for the reasonable audit fees for such audit, in addition to paying the underreported amount.

(iii) If the amount of any reimbursable costs or expenses reimbursed hereunder by Jazz was overreported by Zymeworks, Zymeworks shall promptly (but in any event no later than [***] after its receipt of the Accounting Firm's report so concluding) make payment to Jazz of the overpaid amount. Jazz shall bear the full cost of an audit that it conducts (or requires to be conducted) pursuant to this Section 9.10(b) unless such audit discloses an over-charging by Zymeworks of more than [***] of the aggregate amount of the payments hereunder reportable in any Calendar Year, in which case Zymeworks shall reimburse Jazz for the reasonable audit fees for such audit, in addition to reimbursing the over-paid amount.

(iv) The Accounting Firm will disclose to the Auditing Party only whether the payments subject to such audit are correct or incorrect and the specific details concerning any discrepancies. No other information regarding the results of such audit will be provided to the Auditing Party without the prior consent of the Audited Party. The Audited Party is entitled to require the Accounting Firm to execute a reasonable confidentiality agreement prior to commencing any such audit. The Accounting Firm shall provide a copy of its report and findings to the Audited Party.

9.11 Taxes and Blocked Currency.

(a) **Taxes.** Each Party shall be responsible for its own tax liabilities arising under this Agreement. If Applicable Laws require the withholding of taxes on any payment made pursuant to this Agreement, Jazz shall make such withholding payments in a timely manner and shall pay such amounts to the appropriate Governmental Authority. Jazz shall notify Zymeworks prior to making any such withholding and promptly (as available) submit to Zymeworks appropriate proof of payment of the withheld taxes as well as the official receipts within a reasonable period of time. Jazz shall notify Zymeworks prior to making any such withholding of taxes and shall reasonably cooperate to minimize any such withholding, including by providing Zymeworks reasonable assistance in order to allow Zymeworks to obtain the benefit of any present or future treaty against double taxation or refund or reduction in taxes which may apply to the payments under this Agreement. [***] For clarity, if Applicable Laws require payment of any sales, use, value added, goods and services or similar taxes on any payment contemplated by this Agreement, then such taxes shall be Jazz's responsibility.

(b) **Blocked Currency.** If by Applicable Law in a country or region in the Territory, conversion into USD or transfer of funds of a convertible currency to Canada or the United States becomes materially restricted, forbidden or substantially delayed, then Jazz shall promptly notify Zymeworks and, thereafter, amounts accrued in such country or region under this Article 9 shall be paid to Zymeworks (or its designee) in such country or region in local currency by deposit in a local bank designated by Zymeworks and to the credit of Zymeworks, unless the Parties otherwise agree.

Article 10

CONFIDENTIALITY

10.1 **Duty of Confidence.** During the Term and for [***] thereafter, all Confidential Information disclosed by a Disclosing Party to a Receiving Party hereunder shall be maintained

in confidence by the Receiving Party and shall not be disclosed to any Third Party or used for any purpose, except as set forth herein, without the prior written consent of the Disclosing Party; provided, however, that with respect to any Confidential Information that is specifically identified at the time of disclosure to be a trade secret under Applicable Laws, such obligations shall survive the expiration of such [***] period for so long as such Confidential Information remains a trade secret. The Receiving Party may only use Confidential Information of the Disclosing Party for purposes of exercising its rights and fulfilling its obligations under this Agreement and may disclose Confidential Information of the Disclosing Party and its Affiliates to employees, agents, contractors, consultants and advisers of the recipient Party and its Affiliates, licensees and sublicensees to the extent reasonably necessary for such purposes; provided that such persons and entities are bound by confidentiality and non-use of the Confidential Information consistent with the confidentiality provisions of this Agreement as they apply to the Receiving Party.

10.2 Exceptions. The obligations under this Article 10 shall not apply to any information to the extent the Receiving Party can demonstrate by competent written evidence that such information:

(a) is (at the time of disclosure) or becomes (after the time of disclosure) known to the public or part of the public domain through no breach of this Agreement by the Receiving Party or its Affiliates;

(b) was known to, or was otherwise in the possession of, the Receiving Party or its Affiliates prior to the time of disclosure by the Disclosing Party;

(c) is disclosed to the Receiving Party or an Affiliate on a non-confidential basis by a Third Party that is entitled to disclose it without breaching any confidentiality obligation to the Disclosing Party or any of its Affiliates; or

(d) is independently developed by or on behalf of the Receiving Party or its Affiliates, as evidenced by its written records, without use of or reference to the Confidential Information disclosed by the Disclosing Party or its Affiliates under this Agreement.

10.3 Authorized Disclosures. Subject to this Section 10.3, the Receiving Party may disclose Confidential Information belonging to the other Party to the extent permitted as follows:

(a) such disclosure is deemed necessary by counsel to the Receiving Party to be disclosed to such Receiving Party's attorneys, independent accountants or financial advisors for the sole purpose of enabling such attorneys, independent accountants or financial advisors to provide advice to the Receiving Party, on the condition that such attorneys, independent accountants and financial advisors are bound by confidentiality and non-use obligations consistent with the confidentiality provisions of this Agreement as they apply to the Receiving Party;

(b) disclosure by a Receiving Party or its Affiliates to governmental or other regulatory agencies in order to obtain and maintain Patent Rights consistent with Article 14;

(c) disclosure by a Receiving Party to any Affiliate, or to its or its Affiliates' employees, consultants, contractors, subcontractors, agents or (sub)licensees on a need-to-know basis in order to enable such Receiving Party to exercise its rights, or to carry out its responsibilities, under this Agreement[***];

(d) disclosure by Jazz or a Jazz Affiliate or sublicensee as reasonably necessary or useful to gain or maintain approval to conduct Clinical Trials for a Licensed

-40-

Product, to obtain and maintain Regulatory Approval or to otherwise Develop, manufacture and Commercialize Licensed Products in the Territory, in accordance with this Agreement;

(e) disclosure by Zymeworks, a Zymeworks Affiliate or the Ex-Territory Partner as reasonably necessary to gain or maintain approval to conduct Clinical Trials for a Licensed Product, to obtain and maintain Regulatory Approval or to otherwise Develop, manufacture and Commercialize Licensed Products outside the Territory;

(f) disclosure by a Party required in connection with any judicial or administrative process relating to or arising from this Agreement (including any enforcement hereof) or to comply with applicable court orders or governmental regulations (or the rules of any recognized stock exchange or quotation system); or

(g) disclosure by a Party to *bona fide* potential or actual investors or *bona fide* potential or actual acquirers or assignees or actual or potential licensees or sublicensees in connection with due diligence or similar investigations by such Third Parties; provided, in each case, that any such potential or actual investor, acquirer, assignees, licensee or sublicensee agrees to be bound by confidentiality and non-use obligations consistent with those contained in this Agreement as they apply to the Receiving Party.

If the Receiving Party is required by judicial or administrative process to disclose Confidential Information that is subject to the non-disclosure provisions of this Article 10, such Receiving Party shall promptly inform (in any event, prior to making any required disclosure) the Disclosing Party of

the disclosure that is being sought in order to provide the Disclosing Party an opportunity to challenge or limit the disclosure obligations, and, if requested by the Disclosing Party, cooperate in all reasonable respects with the Disclosing Party's efforts to obtain confidential treatment or a protective order with respect to any such disclosure, at the Disclosing Party's expense. Confidential Information that is disclosed as permitted by this Section 10.3 shall remain otherwise subject to the confidentiality and non-use provisions of this Article 10, and the Party disclosing Confidential Information as permitted by this Section 10.3 shall take all steps reasonably necessary, including obtaining an order of confidentiality and otherwise cooperating with the other Party, to ensure the continued confidential treatment of such Confidential Information.

Article 11

PUBLICATIONS & PUBLICITY

11.1 Publications.

(a) Jazz shall not publish or present the Clinical Data, non-clinical data or any associated results or conclusions of any of the Zymeworks Ongoing Studies or Zymeworks Korean Studies until [***]. Thereafter, Jazz may publish or disclose Clinical Data, non-clinical data or any associated results or conclusions of any Zymeworks Ongoing Study or Zymeworks Korean Study in accordance with Section 11.1(b).

(b) Jazz may publicly present or publish any Clinical Data, non-clinical data or any associated results or conclusions generated by or on behalf of Jazz pursuant to this Agreement or, subject to Section 11.1(a), by Zymeworks pursuant to the Zymeworks Ongoing Studies or Zymeworks Korean Studies (each such proposed presentation or publication, a "**Jazz Publication**"), and subject to the additional limitations set forth in this Article 11. In the event Jazz desires to publicly present or publish a Jazz Publication in accordance with the foregoing sentence, Jazz shall provide Zymeworks with a copy of such proposed Jazz Publication at least [***] prior to the earlier of its presentation or intended submission for publication; provided that

-41-

in the case of abstracts, this period shall be at least [***] (such applicable period, the "**Review Period**"). Jazz agrees that it will not submit or present any Jazz Publication (i) until Zymeworks has provided written comments during such Review Period on the material in such Jazz Publication or (ii) until the applicable Review Period has elapsed without written comments from Zymeworks, in which case Jazz may proceed and the Jazz Publication will be considered approved in its entirety. If Jazz receives written comments from Zymeworks during the applicable Review Period, it shall consider the comments of Zymeworks in good faith, but will retain the sole authority to submit the manuscript for Jazz Publication; provided that Jazz agrees (A) to delete any Confidential Information of Zymeworks that Zymeworks identifies for deletion in Zymeworks' written comments and (B) to delay such Jazz Publication for a period of up to an additional [***] after the end of the applicable Review Period to enable Zymeworks to draft and file Patent Rights with respect to any subject matter to be made public in such Jazz Publication and to which Zymeworks has the applicable intellectual property rights to file such Patent Rights. Jazz agrees to acknowledge the contributions of Zymeworks, and the employees of Zymeworks, in all Jazz Publications as scientifically appropriate. Jazz shall require its Affiliates, sublicensees, contractors and investigators or academic or non-profit collaborators to comply with the obligations of Section 11.1.

(c) Without limiting Section 11.1(a), Zymeworks shall have the right to publicly present or publish any Clinical Data, non-clinical data or any associated results or conclusions related to the Licensed Product associated with such Clinical Data generated by or on behalf of Zymeworks pursuant to the Zymeworks Ongoing Studies, including the first publication or presentation regarding the Zymeworks Ongoing Studies after such studies are completed by Zymeworks (each such proposed presentation or publication, a "**Zymeworks Publication**" and, collectively with any Jazz Publication, a "**Publication**"), subject to the limitations set forth in this Section 11.1(c). In the event Zymeworks desires to publicly present or publish a Zymeworks Publication in accordance with the foregoing sentence, Zymeworks shall provide Jazz with a copy of such proposed Zymeworks Publication consistent with the applicable Review Period set forth in Section 11.1(b). Zymeworks agrees that it will not submit or present any such Zymeworks Publication (i) until Jazz has provided written comments during such Review Period on the material in such Zymeworks Publication or (ii) until the applicable Review Period has elapsed without written comments from Jazz, in which case Zymeworks may proceed and the Zymeworks Publication will be considered approved in its entirety. If Zymeworks receives written comments from Jazz during the applicable Review Period, it shall consider the comments of Jazz in good faith, but will retain the sole authority to submit the manuscript for such Zymeworks Publication; provided that Zymeworks agrees to (A) delete any Confidential Information of Jazz that Jazz identifies for deletion in Jazz's written comments and (B) delay such Zymeworks Publication for a period of up to an additional [***] after the end of the applicable Review Period to enable Jazz to draft and file Patent

Rights with respect to any subject matter to be made public in such Zymeworks Publication and to which Jazz has the applicable intellectual property rights to file such Patent Rights. Zymeworks agrees to acknowledge the contributions of Jazz, and the employees of Jazz, in all Zymeworks Publications as scientifically appropriate. Zymeworks shall require its Affiliates, sublicensees, contractors and investigators or academic or non-profit collaborators to comply with the obligations of this Section 11.1(c).

(d) To the extent Zymeworks proposes a Publication containing any Clinical Data, non-clinical data or any associated results or conclusions that Jazz has told Zymeworks that it intends to include in a Publication, the Parties shall use reasonable efforts to coordinate the submission and timing of such Publications.

(e) Zymeworks shall provide Jazz with a copy of any proposed presentation or publication (and an English translation thereof) that Zymeworks receives from the Ex-

-42-

Territory Partner within [***] after receipt by Zymeworks; provided that in the case of abstracts, this period shall be [***] after receipt by Zymeworks. [***].

(f) Notwithstanding anything to the contrary in this Section 11.1, the contents of any press release or other publication that has been reviewed and approved by a reviewing Party in accordance with this Article 11 may be re-released by such reviewing Party or publishing Party without a requirement for re-approval.

11.2 Publication and Listing of Clinical Trials. Each Party agrees to comply, with respect to the listing of Clinical Trials or the publication of Clinical Trial results with respect to Licensed Products and to the extent applicable to its activities conducted under this Agreement, with (a) the Pharmaceutical Research and Manufacturers of America (PhRMA) Guidelines on the listing of Clinical Trials and the Publication of Clinical Trial results or equivalent foreign publication, and (b) any Applicable Law or applicable court order, stipulations, consent agreements and settlements entered into by such Party; provided that any listings or publications made pursuant to this Section 11.2 shall be considered a Publication hereunder and shall be subject to Section 11.1.

11.3 Publicity.

(a) The Parties have mutually approved a joint press release attached hereto as **Exhibit B** with respect to this Agreement, and either Party may make subsequent public disclosure of the contents of such press release. Subject to the foregoing, each Party agrees not to issue any press release or other public statement, whether oral or written, disclosing the terms hereof or any of the activities conducted hereunder without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed), provided, however, that neither Party will be prevented from complying with any duty of disclosure it may have pursuant to Applicable Laws or pursuant to the rules of any recognized stock exchange or quotation system, subject to that Party notifying the other Party of such duty and limiting such disclosure as reasonably requested by the other Party (and giving the other Party at least [***] to review and comment on any proposed disclosure).

(b) Notwithstanding Section 11.3(a), to the extent required by Applicable Laws or by any Securities Regulator (as defined below), Zymeworks has the right to publicly disclose [***]. Prior to making any required disclosure under this Section 11.3(b), Zymeworks shall (x) promptly notify Jazz in writing of such requirement and any respective timing constraints, (y) provide copies of the proposed disclosure to Jazz reasonably in advance of such public disclosure and (z) give Jazz at least [***] to comment upon and request removal of any Confidential Information of Jazz that is not required for such disclosure. Zymeworks shall incorporate such comments received from Jazz within the respective time periods or constraints specified herein. After a Publication has been made available to the public, each Party may post such Publication or a link to it on its corporate web site without the prior written consent of the other Party.

(c) The Parties hereby acknowledge and agree that either Party may be required by Applicable Laws to submit a copy of this Agreement to the U.S. Securities and Exchange Commission (the “SEC”) or any national or sub-national securities regulatory body in any jurisdiction (collectively, the “Securities Regulators”). If a Party is required by Applicable Laws to submit a description of the terms of this Agreement to or file a copy of this Agreement with any Securities Regulator, such Party agrees to consult and coordinate with the other Party with respect to such disclosure or the preparation and submission of a confidential treatment request for this Agreement. Notwithstanding the foregoing, if a Party is required by

Applicable Laws to submit a description of the terms of this Agreement to or file a copy of this Agreement with any Securities Regulator and such Party has [***], then such Party will have the right to

-43-

make such disclosure or filing at the time and in the manner reasonably determined by its counsel to be required by Applicable Laws or the applicable Securities Regulator. If a Party seeks to make a disclosure or filing as set forth in this Section 11.3(c) and the other Party provides comments within the respective time periods or constraints specified herein, the Party seeking to make such disclosure or filing will in good faith consider incorporating such comments.

11.4 Use of Names. Except as set forth in this Article 11, Section 8.3(c) and Section 14.9, neither Party will use the name, logo or trademark of the other Party or its employees in any publicity, news release, presentation or other disclosure relating to this Agreement, its subject matter, or the activities of the Parties under this Agreement without the prior express written permission of the other Party, except (a) as may be required by Applicable Laws, including by any Securities Regulator, or pursuant to the rules of any recognized stock exchange or quotation system; provided that the Party making such disclosure or use of the name, logo or trademark of the other Party or its employees, gives the other Parties reasonable prior notice (at least [***]) and otherwise complies with Section 11.3(c), (b) disclosing the existence of this Agreement on its website and to actual or potential investors or acquirers, or (c) as expressly permitted by the terms and conditions hereof, including in connection with permitted disclosures of this Agreement.

Article 12

REPRESENTATIONS, WARRANTIES, AND COVENANTS

12.1 Representations, Warranties of Each Party. Each Party represents and warrants to the other Party that:

(a) it is a corporation or limited liability company duly organized, validly existing, and in good standing under the laws of the jurisdiction of formation;

(b) it has full corporate or organizational power and authority to execute, deliver, and perform its obligations under this Agreement, and has taken all corporate or other organizational action required by Applicable Laws and its organizational documents to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement;

(c) this Agreement constitutes a valid and binding agreement enforceable against it in accordance with its terms (except as the enforceability thereof may be limited by bankruptcy, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and may be subject to general principles of equity whether or not such enforceability is considered in a proceeding at law or in equity); and

(d) the execution and delivery of this Agreement and all other instruments and documents required to be executed pursuant to this Agreement, and the consummation of the transactions contemplated hereby do not and shall not (i) conflict with or result in a breach of any provision of its organizational documents, (ii) result in a breach of any agreement to which it is a party; or (iii) violate any Applicable Laws.

12.2 Representations and Warranties of Zymeworks. Zymeworks represents and warrants to Jazz as of the Execution Date that:

(a) Schedule 12.2(a) sets forth a complete and accurate list of all Zymeworks Patent Rights owned by Zymeworks as of the Execution Date;

-44-

(b) Zymeworks solely owns all right, title, and interest in and to the Zymeworks Patent Rights set forth on Schedule 12.2(a);

(c) Zymeworks has the right under the Zymeworks IP to grant the License to Jazz, and it has not granted any license or other right under the Zymeworks IP that conflicts with the License;

(d) Neither Zymeworks nor any of its Affiliates has granted any mortgage, pledge, claim, security interest, encumbrance, lien or other charge of any kind on the Zymeworks Patent Rights or Zymeworks Know-How, and the Zymeworks Patent Rights and Zymeworks Know-How are free and clear of any mortgage, pledge, claim, security interest, encumbrance, lien or other charge, in each case, that would adversely affect the rights granted to Jazz hereunder;

(e) there are no claims, judgments or settlements against Zymeworks pending, or to Zymeworks' Knowledge, threatened that invalidate or seek to invalidate any Zymeworks Patent Rights;

(f) Zymeworks is not and has not been a party to any agreement with any governmental entity or agency thereof pursuant to which such governmental entity or such agency provided funding for the development of any of the Zymeworks Patent Rights or Zymeworks Know-How or conduct of any Clinical Trial and which gives such governmental entity or such agency (i) any ownership interest in or right to prosecute or enforce any Zymeworks Patent Rights or Zymeworks Know-How or (ii) any rights to exercise any Zymeworks Patent Rights or Zymeworks Know-How to research, Develop or Commercialize the Licensed Products in a manner that conflicts with, or limits the scope of, the License granted to Jazz herein;

(g) there is no pending litigation, nor has Zymeworks received any written notice from any Third Party, asserting or alleging that the Development, manufacture or Commercialization of the Licensed Product prior to the Execution Date infringed or misappropriated the intellectual property rights of any Third Party;

(h) to Zymeworks' Knowledge, the Zymeworks IP is not the subject of any interference proceeding, *inter partes* review or post-grant review and there is no pending or threatened action, suit, proceeding or claim by a Third Party challenging Zymeworks' ownership rights in, license to, or the validity or scope of, any Zymeworks IP;

(i) there are no pending or, to Zymeworks' Knowledge, no threatened (in writing), adverse actions, suits or proceedings against Zymeworks involving the Zymeworks IP or Licensed Product;

(j) to its Knowledge, the Zymeworks IP includes all Know-How owned by or licensed to Zymeworks or its Affiliates that is necessary or useful to Develop, manufacture and Commercialize Zanidatamab or Licensed Products incorporating Zanidatamab in the Field in the Territory as such Development, manufacture and Commercialization is currently being conducted by Zymeworks or contemplated to be conducted by either Party for the treatment of BTC, GEA, breast cancer, colorectal cancer and endometrial cancer;

(k) to Zymeworks' Knowledge, the Development, manufacture and Commercialization of Licensed Product in the Territory [***];

(l) To Zymeworks' Knowledge, no Third Party has infringed, misappropriated or otherwise violated any Zymeworks Patent Rights in the Field in the Territory;

-45-

(m) Zymeworks and its Affiliates and, to Zymeworks' Knowledge, (sub)licensees have complied, in all material respects, with all Applicable Laws applicable to (i) the prosecution and maintenance of the Zymeworks Patent Rights and (ii) its Development and manufacture of Licensed Products in the Field, including in the conduct of the Zymeworks Ongoing Studies;

(n) to its Knowledge, there have been no acts or omissions of Zymeworks that would constitute inequitable conduct, fraud, or misrepresentation to the applicable patent office with respect to any Zymeworks Patent Rights;

(o) (i) Zymeworks and its Affiliates have obtained, or caused its Affiliates to obtain, assignments, from its employees and individual consultants who are inventors of the Zymeworks IP, of all rights and embodiments in and to the Zymeworks IP, (ii) to its Knowledge, all such assignments are valid and enforceable, and (iii) the inventorship of the Zymeworks Patent Rights is properly identified on each patent or patent application in such Zymeworks Patent Rights;

(p) Zymeworks and its Affiliates have used reasonable efforts consistent with industry practices to protect the secrecy of all Zymeworks Know-How that constitutes trade secrets under Applicable Laws;

(q) Schedule 12.2(q) sets forth a complete and accurate list of all Zymeworks Korean Studies as of the Execution Date;

(r) Schedule 12.2(r) sets forth a complete and accurate list of all Zymeworks Ongoing Studies as of the Execution Date;

(s) Zymeworks has provided to Jazz all material documentation, data, and information under its Control relating to Zanidatamab or any Licensed Product incorporating Zanidatamab and the use thereof in the Field. Without limiting the foregoing, Zymeworks has provided to Jazz complete and accurate copies of (a) all existing material Regulatory Submissions made by Zymeworks or its Affiliate (the “Existing Regulatory Materials”), and (b) all other material correspondence to/from any Regulatory Authority controlled by Zymeworks, in each case related to Zanidatamab or any Licensed Product incorporating Zanidatamab. Other than the Existing Regulatory Materials, neither Zymeworks nor any of its Affiliates has, as of the Execution Date, obtained, or filed, any INDs, CTAs or any other form of regulatory application with Regulatory Authorities for approval of Clinical Trials, marketing or other purpose, for the Licensed Antibody or any Licensed Product. The Existing Regulatory Materials are, to the Knowledge of Zymeworks, in good standing, and neither Zymeworks nor any of its Affiliates or, to Zymeworks’ Knowledge, (sub)licensees has received any notice in writing from any Regulatory Authority or other Governmental Authority that the Existing Regulatory Materials are not currently in, or may not remain in, good standing with the applicable Regulatory Authority;

(t) All Regulatory Submissions by Zymeworks with respect to any Licensed Product were, at the time of filing, true, complete, and accurate in all material respects, and Zymeworks has disclosed all material facts required to be disclosed with respect to any Licensed Product to each applicable Regulatory Authority;

(u) Zymeworks has provided to Jazz all material adverse event information with respect to the Licensed Antibody or any Licensed Product known to Zymeworks or its Affiliates;

-46-

(v) Zymeworks has not received any written communications from any Regulatory Authority describing any matters specific to a Licensed Product that are necessary to be overcome in order to obtain Regulatory Approval of any Licensed Product in the Territory; Zymeworks and its Affiliates are not, and have not been, debarred or disqualified by any Regulatory Authority and none of Zymeworks’ or its Affiliates’ employees or contractors who have been or will be involved in the Development, manufacture or Commercialization of the Licensed Product are, or have been, debarred or disqualified by any Regulatory Authority; and, to Zymeworks’ Knowledge, Zymeworks and its Affiliates and (sub)licensees have not engaged in any conduct or activity that would be likely to lead to any debarment action by the FDA or other Regulatory Authority;

(w) All information and data provided by or on behalf of Zymeworks to Jazz regarding the Licensed Antibody or Licensed Product on or before the Execution Date in contemplation of this Agreement or the transactions contemplated hereby was and is as of the Execution Date, to the Knowledge of Zymeworks, accurate in all material respects, and, to the Knowledge of Zymeworks, Zymeworks has not failed to disclose, or cause to be disclosed, any material information or data known to Zymeworks that could reasonably be expected to cause the information and data that has been disclosed by or on behalf of Zymeworks to Jazz to be misleading in any material respect; and

(x) The ELA and Third Party In-License Agreements are the only agreements by and between Zymeworks and any Third Party that provides for the license to Zymeworks of any Know-How or Patent Rights that are included as part of the Zymeworks IP. Without limiting the generality of the foregoing, the ELA and Third Party In-License Agreements are in full force and effect and are the valid and binding obligation of Zymeworks, enforceable in accordance with their terms and, to Zymeworks’ Knowledge, are binding on the parties thereto. Zymeworks has provided Jazz with complete and accurate copies of the ELA and all Third Party In-License Agreements, including any amendments thereto. Zymeworks has not materially breached and is not currently in material breach of its obligations under the ELA or any Third Party In-License Agreement, and, to

Zymeworks' Knowledge, each of the other parties to the ELA and each Third Party In-License Agreement has not materially breached, and is not currently in material breach of, its obligations under such Third Party In-License Agreement.

12.3 Representations and Warranties of Jazz. Jazz represents and warrants to Zymeworks as of the Execution Date that:

- (a) there are no legal claims, judgments or settlements against or owed by Jazz or any of its Affiliates, or pending or, to Jazz's actual knowledge, threatened, legal claims or litigation, in each case, relating to antitrust, anti-competition, anti-bribery or corruption violations;
- (b) Jazz and its Affiliates are not, and have not been, debarred or disqualified by any Regulatory Authority; and none of Jazz or its Affiliates' employees or contractors who will be involved in the Development, manufacture or Commercialization of the Licensed Product are, or have been, debarred or disqualified by any Regulatory Authority;
- (c) [***]; and
- (d) Jazz has[***] Development, manufacturing, Commercialization, and obtaining Regulatory Approval.

-47-

12.4 Covenants of Jazz. Jazz covenants to Zymeworks that:

- (a) in the course of performing its obligations or exercising its rights under this Agreement, Jazz shall comply with all Applicable Laws, including, as applicable, cGMP, GCP, and GLP standards, and shall not employ or engage any Person who has been debarred by any Regulatory Authority or is the subject of debarment proceedings by a Regulatory Authority; and
- (b) Jazz and its Affiliates' will not use any employees or contractors in the Development, manufacture or Commercialization of the Licensed Product who are, or have been, debarred or disqualified by any Regulatory Authority.

12.5 Covenants of Zymeworks. Zymeworks covenants to Jazz that:

- (a) in the course of performing its obligations or exercising its rights under this Agreement, Zymeworks shall comply with all Applicable Laws, including, as applicable, cGMP, GCP, and GLP standards;
- (b) Zymeworks will conduct its obligations with respect to the Zymeworks Ongoing Studies and the Zymeworks Korean Studies in adherence with the study design set forth in the protocol for such Zymeworks Ongoing Studies and Zymeworks Korean Studies, as applicable, and as set forth in the Zymeworks Development Plan, each as may be amended from time to time;
- (c) Zymeworks and its Affiliates' will not use any employees or contractors in the Development or manufacture of the Licensed Product who are, or have been, debarred or disqualified by any Regulatory Authority or is the subject of debarment proceedings by a Regulatory Authority;
- (d) With respect to the Third Party In-License Agreements, (i) Zymeworks (and its Affiliates, as applicable) shall not breach, or commit any acts or permit the occurrence of any omissions that would cause the termination, of any Third Party In-License Agreement, (ii) Zymeworks shall, and shall cause its Affiliates to, as applicable, maintain each Third Party In-License Agreement in full force and effect and (iii) Zymeworks shall not, and shall cause its Affiliates not to, amend, modify, terminate, assign or transfer any Third Party In-License Agreement unless Zymeworks obtains Jazz's prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) if doing so could prohibit or limit Jazz's rights under this Agreement; and
- (e) Zymeworks and its Affiliates will not (i) assign or otherwise transfer to a Third Party ownership of any Zymeworks Patent Rights or Zymeworks Know-How in a manner that would conflict with or adversely affect the License or other rights granted to Jazz hereunder, or (ii) grant to any Third Party any license rights to any Zymeworks Patent Rights or Zymeworks Know-How with respect to the Territory if such license grant conflicts with the License granted to Jazz hereunder.

12.6 NO OTHER WARRANTIES. EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE 12, (A) NO REPRESENTATION, CONDITION OR WARRANTY WHATSOEVER IS MADE OR GIVEN BY OR ON BEHALF OF ZYMEWORKS OR JAZZ; AND (B) ALL OTHER CONDITIONS AND WARRANTIES WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE ARE EXPRESSLY EXCLUDED, INCLUDING ANY CONDITIONS AND WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT.

-48-

12.7 Compliance with Anti-Corruption Laws.

(a) Notwithstanding anything to the contrary in this Agreement, each Party agrees that:

(i) it shall not, in the performance of this Agreement, perform any actions that are prohibited by applicable anti-corruption laws (including the provisions of the United States Foreign Corrupt Practices Act and the Canada Corruption of Foreign Public Officials Act, collectively "**Anti-Corruption Laws**");

(ii) it shall adhere to its own internal anti-corruption policies and shall not, in the performance of this Agreement, directly or indirectly, make any payment, or offer or transfer anything of value, or agree or promise to make any payment or offer or transfer anything of value, to a government official or government employee, to any political party or any candidate for political office or to any other Third Party with the purpose of influencing decisions related to either Party or its business in a manner that would violate Anti-Corruption Laws;

(iii) it will promptly provide written notice to the other Party of any violations of Anti-Corruption Laws by such Party, its Affiliates or sublicensees, or persons employed by or subcontractors used by such Party or its Affiliates or sublicensees in the performance of this Agreement of which it becomes aware;

(iv) it will, upon the other Party's written request, verify in writing that to the best of its knowledge, there have been no violations of Anti-Corruption Laws by such Party, its Affiliates or sublicensees, or persons employed by or subcontractors used by such Party or its Affiliates or sublicensees in the performance of this Agreement, or shall provide details of any exception to the foregoing; and

(v) it shall maintain records (financial and otherwise) and supporting documentation related to the subject matter of this Agreement in order to document or verify compliance with the provisions of this Section 12.7, and upon request of the other Party, up to [***] and upon reasonable advance notice, shall provide the other Party or its representative with access to such records for purposes of verifying compliance with the provisions of this Section 12.7.

(b) Each Party represents and warrants that, to the best of its knowledge, neither such Party nor any of its Affiliates, or its or their directors, officers, employees, distributors, agents, representatives, sales intermediaries or other Third Parties acting on behalf of such Party or any of its Affiliates:

(i) has taken any action in violation of any applicable Anti-Corruption Laws; or

(ii) has corruptly offered, paid, given, promised to pay or give, or authorized the payment or gift of anything of value, directly or indirectly, to any Public Official, for the purposes of:

(1) influencing any act or decision of any Public Official in his or her official capacity;

(2) inducing such Public Official to do or omit to do any act in violation of his or her lawful duty;

-49-

(3) securing any improper advantage; or

(4) inducing such Public Official to use his or her influence with a government, governmental entity, or commercial enterprise owned or controlled by any government (including state-owned or controlled veterinary, laboratory or medical facilities) in obtaining or retaining any business whatsoever.

(c) Each Party further represents and warrants that, as of the Execution Date, none of the officers, directors or employees of such Party or of any of its Affiliates or agents acting on behalf of such Party or any of its Affiliates, is a Public Official.

(d) For purposes of this Section 12.7, "Public Official" means (i) any officer, employee or representative of any supranational, regional, federal, state, provincial, county or municipal government or government department, agency or other division; (ii) any officer, employee or representative of any commercial enterprise that is owned or controlled by a government, including any state-owned or controlled veterinary, laboratory or medical facility; (iii) any officer, employee or representative of any public international organization; and (iv) any person acting in an official capacity for or on behalf of any government or government entity, government owned or controlled enterprise or public international organization.

Article 13

INDEMNIFICATION

13.1 Indemnification by Jazz. Jazz shall indemnify and hold harmless Zymeworks, its Affiliates, and their respective directors, officers, employees, contractors, agents and assigns (individually and collectively, the "Zymeworks Indemnitee(s)") from and against all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) (individually and collectively, "Losses") incurred in connection with any claims, demands, actions or other proceedings by any Third Party (individually and collectively, "Claims") to the extent arising from (a) the Development, manufacture or Commercialization of the Licensed Products by or on behalf of Jazz or any of its Affiliates or sublicensees, including product liability Claims, in the Territory, (b) the Development or manufacture of the Licensed Products outside of the Territory by or on behalf of Jazz or any of its Affiliates or sublicensees, including product liability Claims, (c) Jazz's actions (or omissions) in the performance of its obligations with respect to Regulatory Submissions and interactions with Regulatory Authorities, in each case, with respect to the Licensed Products in the Territory, (d) the negligence or willful misconduct of Jazz or its Affiliates or sublicensees in connection with this Agreement, (e) Jazz's breach of any of its representations or warranties made in or pursuant to this Agreement or any covenants or obligations set forth in this Agreement, or (f) the failure of Jazz or its Affiliates or sublicensees to abide by any Applicable Laws, in each case of clauses (a) through (f) above, except to the extent such Losses or Claims arise out of an Zymeworks Indemnitee's negligence or willful misconduct, breach of this Agreement, or failure to abide by any Applicable Laws.

13.2 Indemnification by Zymeworks. Zymeworks shall indemnify and hold harmless Jazz, its Affiliates, and their directors, officers, employees, contractors, agents and assigns (individually and collectively, the "Jazz Indemnitee(s)") from and against all Losses incurred in connection with Claims against such Jazz Indemnitee to the extent arising from (a) the Development, manufacture or Commercialization activities conducted by or on behalf of Zymeworks or any of its Affiliates or (sub)licensees with respect to Licensed Products prior to the Closing Date, including product liability Claims, (b) the Development, manufacture or Commercialization of Licensed Products by or on behalf of Zymeworks or any of its Affiliates or (sub)licensees outside of the Territory, including product liability Claims, (c) manufacture of Licensed Antibodies or Licensed Products by or on behalf of Zymeworks or any of its Affiliates

-50-

other than for, or for use by or on behalf of (including pursuant to the Zymeworks Ongoing Studies and Zymeworks Korean Studies after the Closing Date), Jazz, its Affiliates or sublicensees, (d) the negligence or willful misconduct of Zymeworks or its Affiliates in connection with this Agreement, (e) Zymeworks' breach of any of its representations or warranties made in or pursuant to this Agreement or any covenants or obligations set forth in this Agreement, or (f) failure of Zymeworks or its Affiliates to abide by any Applicable Laws in its performance hereunder, in each case of clauses (a)

through (f) above, except to the extent such Losses or Claims arise out of any of a Jazz Indemnitee's negligence or willful misconduct, breach of this Agreement, or failure to abide by any Applicable Laws.

13.3 Indemnification Procedure. If either Party is seeking indemnification under Sections 13.1 or 13.2 (the "**Indemnified Party**"), it shall inform the other Party (the "**Indemnifying Party**") of the Claim giving rise to the obligation to indemnify pursuant to such Section within [***] after receiving written notice of the Claim (it being understood and agreed, however, that the failure or delay by an Indemnified Party to give such notice of a Claim shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually and materially prejudiced as a result of such failure or delay to give notice). The Indemnifying Party shall have the right to assume the defense of any such Claim for which it is obligated to indemnify the Indemnified Party. The Indemnified Party shall cooperate with the Indemnifying Party and the Indemnifying Party's insurer as the Indemnifying Party may reasonably request, and at the Indemnifying Party's cost and expense. The Indemnified Party shall have the right to participate, at its own expense and with counsel of its choice, in the defense of any Claim that has been assumed by the Indemnifying Party. Neither Party shall have the obligation to indemnify the other Party in connection with any settlement made without the Indemnifying Party's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. The Indemnifying Party may not enter into any compromise or settlement unless (a) such compromise or settlement imposes only a monetary obligation on the Indemnifying Party and includes as an unconditional term thereof, the giving by each claimant or plaintiff to the Indemnified Party of a release from all liability in respect of such claim; or (b) the Indemnified Party consents to such compromise or settlement, which consent will not be unreasonably withheld, conditioned or delayed unless such compromise or settlement involves (i) any admission of legal wrongdoing by the Indemnified Party, (ii) any payment by the Indemnified Party that is not indemnified under this Agreement, or (iii) the imposition of any equitable relief against the Indemnified Party. If the Indemnifying Party does not elect to assume control of the defense of a claim or if a good faith and diligent defense, in the Indemnified Party's reasonable opinion, is not being or ceases to be materially conducted by the Indemnifying Party, the Indemnified Party will have the right, at the expense of the Indemnifying Party to the extent reasonable and documented, upon at least [***] prior written notice to the Indemnifying Party of its intent to do so, to undertake the defense of such claim for the account of the Indemnifying Party (with counsel reasonably selected by the Indemnified Party and approved by the Indemnifying Party, such approval not to be unreasonably withheld, conditioned or delayed); provided that the Indemnified Party will keep the Indemnifying Party apprised of all material developments with respect to such claim. If the Parties cannot agree as to the application of Section 13.1 or 13.2 as to any Claim, pending resolution of the dispute pursuant to Section 17.5, the Parties may conduct separate defenses of such Claims, with each Party retaining the right to Claim indemnification from the other Party in accordance with Section 13.1 or 13.2 upon resolution of the underlying Claim.

13.4 Mitigation of Loss. Each Indemnified Party shall take and shall procure that its Affiliates take all such reasonable steps and action as are reasonably necessary in order to mitigate any Losses (or potential losses or damages) under this Article 13. Nothing in this Agreement shall or shall be deemed to relieve any Party of any common law or other duty to mitigate any losses incurred by it.

-51-

13.5 Limitation of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 13.5 IS INTENDED TO OR SHALL LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF ANY PARTY UNDER SECTIONS 13.1 OR 13.2, OR DAMAGES AVAILABLE FOR A PARTY'S BREACH OF ITS OBLIGATIONS HEREUNDER RELATING TO CONFIDENTIALITY OR A PARTY'S BREACH OF ITS OBLIGATIONS UNDER SECTIONS 2.5 AND 2.6.

13.6 Insurance. Each Party shall procure and maintain insurance, including product liability insurance, with respect to its activities hereunder and which is consistent with normal business practices of prudent companies similarly situated at all times or as imposed by Applicable Laws during which Licensed Product is being clinically tested in human subjects or commercially distributed or sold in the Territory or outside of the Territory. All such insurance coverage may, unless otherwise provided by Applicable Laws, be maintained through a self-insurance plan that substantially complies with the foregoing limits and requirements and may be satisfied through one or more policies, including an umbrella policy; provided, however, that the other Party will provide to the requesting Party a letter(s) affirming appropriate self-insurance or a certificate of insurance evidencing such coverage in accordance with this Agreement. Each Party will maintain such insurance or self-insurance coverage without interruption during the Term and for a period of [***] thereafter or for any longer period required by Applicable Laws, and, if applicable, will provide certificates or letters evidencing such insurance coverage without interruption as reasonably requested during the period of time for which such coverage must be maintained. Each Party will be provided at least [***] prior written notice of any cancellation or material decrease in the other Party's insurance coverage limits described

above. Notwithstanding the foregoing, either Party's failure to maintain adequate insurance will not relieve that Party of its obligations set forth in this Agreement.

Article 14

INTELLECTUAL PROPERTY

14.1 Inventions.

(a) **Ownership.** As between the Parties, (i) Zymeworks shall solely own all Zanidatamab Collaboration IP and (ii) the ownership of any other Invention shall be determined by inventorship. Accordingly, except as otherwise provided in Section 14.1(a)(i), Inventions that are made solely by or on behalf of Zymeworks and its Affiliates (and all intellectual property rights therein, including the Patent Rights claiming them) ("**Zymeworks Collaboration IP**") shall be owned solely by Zymeworks; Inventions that are made solely by Jazz (and all intellectual property rights therein, including the Patent Rights claiming them) ("**Jazz Collaboration IP**") shall be owned solely by Jazz; and Inventions that are made jointly by the Parties (and all intellectual property rights therein, including the Patent Rights claiming them) ("**Joint Collaboration IP**") shall be owned jointly by the Parties. Zanidatamab Collaboration IP, Zymeworks Collaboration IP and Zymeworks' interest in the Joint Collaboration IP shall be included in the Zymeworks IP and licensed to Jazz under Section 2.1.

(b) **Disclosure.** Each Party shall promptly disclose to the other Party all Inventions made by or on behalf of such disclosing Party, its Affiliates or (sub)licensees, including all invention disclosures or other similar documents submitted to such Party by its or its Affiliates' employees, agents, or independent contractors relating thereto, and shall also

-52-

promptly respond to reasonable requests from the other Party for additional information relating thereto.

(c) **Assignment; Jointly-owned Inventions.** Jazz shall assign and hereby does assign to Zymeworks all of its right, title and interest in and to all Zanidatamab Collaboration IP. Jazz shall take (and cause its Affiliates, sublicensees and their employees, agents, and contractors to take), [***], such further actions reasonably requested by Zymeworks to evidence such assignment and to assist Zymeworks in obtaining patent and other intellectual property rights protection for the Zanidatamab Collaboration IP. Jazz shall obligate its Affiliates, sublicensees and contractors who could reasonably be expected to generate Zanidatamab Collaboration IP to assign such Zanidatamab Collaboration IP to Jazz (or directly to Zymeworks), so that Jazz can comply with its obligations under this Section 14.1(c), and Jazz shall promptly obtain such assignment.

(d) **Joint Patent Rights.** Subject to the rights granted under and the restrictions set forth in this Agreement, it is understood that neither Party shall have any obligation to account to the other Party for profits, or to obtain any approval of the other Party to license, assign or otherwise exploit any Joint Collaboration IP (or any Patent Rights claiming the same, "**Joint Patent Rights**"), by reason of joint ownership thereof, and each Party hereby waives any right it may have under the Applicable Law of any jurisdiction to require any such approval or accounting.

14.2 Patent Liaisons. Within [***] after the Closing Date, each Party shall appoint an individual to act as a patent liaison for such Party (each, a "**Patent Liaison**"). The Patent Liaisons shall be the primary point of contact for the Parties regarding intellectual property-related activities and matters contemplated by this Agreement and shall facilitate all such activities and matters hereunder. The name and contact information for each Party's Patent Liaison, as well as any replacement(s) chosen by such Party, in its sole discretion, from time to time, shall be promptly provided to the other Party in writing.

14.3 Patent Prosecution. This Section 14.3 shall apply solely during the portion of the Term commencing on Zymeworks' receipt of the Second Payment.

(a) Zymeworks Patent Rights.

(i) Subject to Section 14.3(c), as between the Parties, Jazz shall have the right, but not the obligation, to control the Patent Prosecution of all Zymeworks Patent Rights (other than Zymeworks Platform Patents) in the Territory at Jazz's expense.

(ii) Jazz shall provide Zymeworks with a reasonable opportunity to consult with Jazz regarding such Zymeworks Patent Rights in the Territory and keep Zymeworks fully informed of the Patent Prosecution of the Zymeworks Patent Rights in the Territory by providing all correspondence received from any patent authority in connection therewith in sufficient time to allow for review and comment by Zymeworks. Jazz will consider in good faith and incorporate Zymeworks' reasonable comments on Patent Prosecution, but Jazz will have final decision-making authority under this Section 14.3(a)(ii) [***].

(iii) As between the Parties, Zymeworks shall have the sole right, but not the obligation, to control the Patent Prosecution of all Zymeworks Platform Patents in the Territory at Zymeworks' expense. Zymeworks will keep Jazz reasonably informed of the Patent Prosecution of the Zymeworks Platform Patents in the Territory.

-53-

(b) **Jazz Patent Rights.** As between the Parties, Jazz shall have the sole right, but not the obligation, to control the Patent Prosecution of all Jazz Patent Rights throughout the world, at Jazz's own cost and expense.

(c) **Joint Patent Rights.** Jazz shall have the right, but not the obligation, to control the Patent Prosecution of any Joint Patent Rights in the Territory at Jazz's own cost, and Zymeworks shall have the right, but not the obligation, to control the Patent Prosecution of any Joint Patent Rights outside of the Territory at Zymeworks' own expense, as set forth in this Section 14.3(c). Each Party shall keep the other Party reasonably informed of the Patent Prosecution of the Joint Patent Rights for which it is responsible and provide the other Party with all material correspondence received from any patent authority in connection therewith in sufficient time to allow for review and comment by the other Party. Each Party will consider the other Party's comments on Patent Prosecution in good faith, subject to the other Party providing its comments in a timely manner, but the Party controlling Patent Prosecution will have final decision-making authority for the applicable Joint Patent Rights under this Section 14.3(c); provided that the Party controlling Patent Prosecution will not exercise its final decision-making authority that would be expected to materially limit the scope or enforceability of the Joint Patent Rights in the other Party's territory.

(d) **Jazz Collaboration Patent Rights.** Jazz shall have the sole right, but not the obligation to control Patent Prosecution of any Patent Rights that claim Jazz Collaboration IP ("**Jazz Collaboration Patent Rights**") in the Territory and outside of the Territory at Jazz's own cost. Jazz shall keep Zymeworks reasonably informed of the Patent Prosecution of the Jazz Collaboration Patent Rights by providing all material correspondence received from any patent authority in connection therewith in sufficient time to allow for review and comment by Zymeworks. Jazz will consider Zymeworks' comments on Patent Prosecution in good faith, subject to Zymeworks providing its comments in a timely manner, but Jazz will have final decision-making authority under this Section 14.3(d).

(e) **Cooperation.** Each Party shall provide the other Party all reasonable assistance and cooperation in the Patent Prosecution efforts under this Section 14.3, including providing any necessary powers of attorney and executing any other required documents or instruments for such prosecution.

(f) **Abandonment.**

(i) If Jazz decides to cease the Patent Prosecution, or to allow to lapse, any Zymeworks Patent Rights (other than Zymeworks Platform Patents) or any Joint Patent Rights in the Territory or any Jazz Collaboration Patent Rights outside of the Territory, Jazz shall inform Zymeworks of such decision promptly and, in any event, so as to provide Zymeworks a reasonable amount of time to meet any applicable deadline to establish or preserve such Patent Rights in such country or region. Zymeworks shall have the right, but not the obligation, to assume responsibility for continuing the Patent Prosecution of such Patent Rights in Zymeworks' name with respect to Zymeworks Patent Rights, Jazz's name with respect to Jazz Collaboration Patent Rights, or both Parties' names with respect to Joint Patent Rights, at Zymeworks' sole cost and expense through patent counsel or agents of its choice and, to the extent that Zymeworks assumes such responsibility, Jazz shall promptly deliver to Zymeworks copies of all necessary files related to any Patent Rights with respect to which responsibility has been transferred and shall take all actions and execute all documents reasonably necessary for Zymeworks to assume such Patent Prosecution activities, at Zymeworks' request and expense. In such case, Zymeworks shall keep Jazz reasonably informed of its activities with respect to such Patent Prosecution.

-54-

(ii) If Zymeworks decides to cease the Patent Prosecution, or to allow to lapse, any Joint Patent Rights in any country outside of the Territory, Zymeworks shall inform Jazz of such decision promptly and, in any event, so as to provide Jazz a reasonable amount of time to meet any applicable deadline to establish or preserve such Patent Rights in such country or region, subject to the rights of the Ex-Territory Partner. Jazz shall have the right, but not the obligation, to assume responsibility for continuing the Patent Prosecution of such Patent Rights in both Parties' names, at Jazz's sole cost and expense, subject to the rights of the Ex-Territory Partner, through patent counsel or agents of its choice and, to the extent that Jazz assumes such responsibility, Zymeworks shall promptly deliver to Jazz copies of all necessary files related to any Patent Rights with respect to which responsibility has been transferred and shall take all actions and execute all documents reasonably necessary for Jazz to assume such Patent Prosecution activities, at Jazz's request and expense. In such case, Jazz shall keep Zymeworks reasonably informed of its activities with respect to such Patent Prosecution.

14.4 Patent Enforcement. This Section 14.4 shall apply solely during the portion of the Term commencing on Zymeworks' receipt of the Second Payment.

(a) **Notice.** Each Party shall notify the other within [***] of becoming aware of any alleged or threatened infringement by a Third Party of any of the Zymeworks Patent Rights or Joint Patent Rights in the Territory, which infringement of such Patent Rights adversely affects or is reasonably expected to adversely affect Licensed Product in the Field in the Territory, and, in each case, any related declaratory judgment or equivalent action alleging the invalidity, unenforceability or non-infringement of any Zymeworks Patent Rights or Joint Patent Rights in the Territory (collectively "**Product Infringement**"). Each Party shall also notify the other within [***] of becoming aware of any alleged or threatened infringement by a Third Party of any Jazz Collaboration Patent Rights or Joint Patent Rights, which infringement adversely affects or is reasonably expected to adversely affect Licensed Product outside of the Territory, including any related declaratory judgment or equivalent action alleging the invalidity, unenforceability or non-infringement of any such Patent Rights (an "**Ex-Territory Infringement**"). [***]

(b) **Enforcement Rights.**

(i) Except as set forth in Section 14.4(b)(iii), Jazz shall have the first right to bring and control any legal action to enforce Zymeworks Patent Rights (other than Zymeworks Platform Patents) or Joint Patent Rights against any Product Infringement in the Territory at its sole expense as it reasonably determines appropriate, and Jazz shall consider in good faith Zymeworks' comments regarding whether to bring any legal action to enforce such Zymeworks Patent Rights or Joint Patent Rights against any Product Infringement in the Territory, but Jazz shall have final decision-making authority under this Section 14.4(b)(i). Jazz (A) shall keep Zymeworks reasonably informed about such enforcement; [***] and (C) shall promptly inform Zymeworks in such a manner that such enforcement will not be prejudiced and Section 14.4(b)(ii) shall apply, if Jazz does not intend to prosecute or defend a Product Infringement, or ceases to diligently pursue an enforcement with respect to such Product Infringement. Zymeworks shall have the right to join any such enforcement action, using counsel selected in its discretion, at its own cost and expense; provided that it permits Jazz to control such enforcement action and it obtains Jazz's consent (not to be unreasonably withheld, conditioned or delayed) before making any filings, taking any positions or engaging in any settlement discussions.

(ii) If Jazz or its designee declines to enforce the Zymeworks Patent Rights (other than Zymeworks Platform Patents) or Joint Patent Rights against such Product Infringement in the Territory under Section 14.4(b)(i) or fails to initiate an action to abate such Product Infringement in the Territory (A) within [***] after a written request from Zymeworks

to do so or (B) if such Product Infringement is due to the FDA's acceptance of an application for a Biosimilar Product under the BPCIA referencing a Licensed Product, within [***] after acceptance, or if Jazz discontinues the prosecution of any such action after filing without abating such Product Infringement, then Zymeworks shall have the right to enforce the Zymeworks Patent Rights or Joint Patent Rights, as applicable, against such Product

Infringement in the Territory at its sole expense as it reasonably determines appropriate and shall keep Jazz reasonably informed with respect to any such enforcement action; provided that [***].

(iii) Zymeworks shall have the first right to bring and control any legal action to enforce Zymeworks Patent Rights or Joint Patent Rights against any Product Infringement based on [***] (such Product Infringement, an “ADC Infringement”) at its sole expense as it reasonably determines appropriate, and Zymeworks shall consider in good faith Jazz’s comments regarding whether to bring any legal action to enforce such Zymeworks Patent Rights or Joint Patent Rights against such ADC Infringement in such country in the Territory, but Zymeworks shall have final decision-making authority under this Section 14.4(b)(iii). Zymeworks (A) shall keep Jazz reasonably informed about such enforcement; [***] and (C) shall promptly inform Jazz in such a manner that such enforcement will not be prejudiced and Section 14.4(b)(iv) shall apply, if Zymeworks does not intend to prosecute or defend an ADC Infringement, or ceases to diligently pursue an enforcement with respect to such ADC Infringement. Jazz shall have the right to join any such enforcement action, using counsel selected in its discretion, at its own cost and expense; provided that it permits Zymeworks to control such enforcement action and it obtains Zymeworks’ consent (not to be unreasonably withheld, conditioned or delayed) before making any filings, taking any positions or engaging in any settlement discussions.

(iv) If Zymeworks or its designee declines to enforce the Zymeworks Patent Rights (other than Zymeworks Platform Patents) or Joint Patent Rights against an ADC Infringement in the Territory under Section 14.4(b)(iii) or fails to initiate an action to abate such ADC Infringement in the Territory (A) within [***] after a written request from Jazz to do so or (B) if such ADC Infringement is due to the FDA’s acceptance of an application for a biosimilar product under the BPCIA referencing ZW49, within [***] after such acceptance, or if Zymeworks discontinues the prosecution of any such action after filing without abating such ADC Infringement, then Jazz shall have the right to enforce the Zymeworks Patent Rights or Joint Patent Rights, as applicable, against such ADC Infringement in the applicable country in the Territory at its sole expense as it reasonably determines appropriate and shall keep Zymeworks reasonably informed with respect to any such enforcement action; provided that [***].

(v) Jazz shall have the sole right to bring and control any legal action to enforce (A) Jazz Patent Rights against any infringement in the Territory and outside of the Territory, (B) the Jazz Collaboration Patent Rights in the Territory and (C) the Jazz Collaboration Patent Rights outside of the Territory against any infringement other than an Ex-Territory Infringement, in each case (A) to (C) at its sole expense as it reasonably determines appropriate, and shall keep Zymeworks reasonably informed with respect to any such legal action. Jazz shall not have the right to enforce any Zymeworks Patent Rights outside of the Territory.

(vi) Zymeworks shall have the first right to bring and control (itself or with or through the Ex-Territory Partner) any legal action to enforce any Jazz Collaboration Patent Rights against any Ex-Territory Infringement outside of the Territory at its sole expense as it reasonably determines appropriate, and Zymeworks shall consider in good faith the interests of Jazz in such enforcement of the Jazz Collaboration Patent Rights. If Zymeworks or its designee fails to abate such Ex-Territory Infringement outside of the Territory or to file an action to abate such Ex-Territory Infringement outside of the Territory within [***] after a written

-56-

request from Jazz to do so, or if Zymeworks discontinues the prosecution of any such action after filing without abating such infringement, then Jazz shall have the right to enforce such Jazz Collaboration Patent Rights against such Ex-Territory Infringement outside the Territory at its own expense as it reasonably determines appropriate; provided that [***].

(vii) As between the Parties, Zymeworks shall have the sole right to bring and control any legal action to enforce Zymeworks Patent Rights against any infringement in the Territory other than a Product Infringement, Zymeworks Patent Rights outside of the Territory and Zymeworks Platform Patents against any infringement in or outside of the Territory, in each case at its sole expense as it reasonably determines appropriate, and shall keep Jazz reasonably informed with respect to any such legal action; provided that with respect to any such legal action with respect to Zymeworks Patent Rights (other than Zymeworks Platform Patents) against any infringement in the Territory other than a Product Infringement [***].

(c) **Cooperation.** At the request of the Party bringing an action related to Product Infringement or Ex-Territory Infringement, the other Party shall provide reasonable assistance in connection therewith, including by executing reasonably appropriate documents, cooperating in discovery and joining as a party to the action if required by Applicable Laws to pursue such action, at each such Party’s sole cost and expense.

(d) Recoveries. Any recoveries resulting from an enforcement action relating to a claim of Product Infringement in the Territory or an Ex-Territory Infringement will first be applied to costs and expenses incurred by each Party in connection with such action (including, for this purpose, a reasonable allocation of expenses of internal counsel); provided that if the amount of such recovery is not sufficient to cover all such costs and expenses of each Party, then the amount of the recovery will be proportionately shared by the Parties based on the amount of such costs and expenses incurred by each Party. Any such recoveries in excess of such costs and expenses shall be shared as follows: [***] of such remaining proceeds will be allocated to the enforcing Party and [***] of such remaining proceeds will be allocated to the non-enforcing Party.

14.5 Infringement of Third Party Rights. This Section 14.5 shall apply solely during the portion of the Term commencing on Zymeworks' receipt of the Second Payment

(a) Notice. If Licensed Product used or sold by Jazz, its Affiliates or sublicensees becomes the subject of a Third Party's claim or assertion of infringement of any Patent Rights or other intellectual property rights in the Territory that are owned or controlled by such Third Party, Jazz shall promptly notify Zymeworks within [***] after receipt of such claim or assertion and such notice shall include a copy of any summons or complaint (or the equivalent thereof) received regarding the foregoing. Thereafter, the Parties shall promptly meet to consider the claim or assertion and the appropriate course of action and may, if appropriate, agree on and enter into a "common interest agreement" wherein the Parties agree to their shared, mutual interest in the outcome of such potential dispute. The Parties shall assert and not waive the joint defense privilege, attorney work-product doctrine, attorney client privileges or any other privileges or protections that may apply with respect to any communications between the Parties in connection with the defense of such claim or assertion.

(b) Defense. In the event that a claim is brought against either Party alleging the infringement, violation or misappropriation of any Third Party intellectual property right based on [***] the Licensed Products in the Field in the Territory, unless such claim is a Claim for which Zymeworks is required to indemnify a Jazz Indemnitee pursuant to Section 13.1, Jazz will have the sole right, but not the obligation, to defend and dispose (including through settlement or license) such claim; provided, that, [***].

-57-

14.6 Patent Rights Licensed From Third Parties. Each Party's rights under this Article 14 with respect to the prosecution and enforcement of any Zymeworks Patent Rights that is licensed by Zymeworks from a Third Party shall be subject to the rights of such Third Party to prosecute and enforce such Patent Rights.

14.7 Patent Term Extensions. This Section 14.7 shall apply solely during the portion of the Term commencing on Zymeworks' receipt of the Second Payment. Jazz will have the sole right to seek and obtain patent term restoration or supplemental protection certificates or the like or their equivalents in any country in the Territory, where applicable to Zymeworks Patent Rights (excluding any Zymeworks Platform Patents) and Joint Patent Rights, including as may be available to the Parties under the provisions of the U.S. Drug Price Competition and Patent Term Restoration Act of 1984 or comparable laws outside the United States of America, in each case, in the Territory in connection with the Licensed Products. Zymeworks shall reasonably cooperate with and provide reasonable assistance to Jazz, at Jazz's reasonable request and expense, in seeking and obtaining obtain patent term restoration or supplemental protection certificates or the like. Notwithstanding anything to the contrary contained herein, if elections with respect to obtaining such patent term restoration or supplemental protection certificates or their equivalents in the Territory are to be made in connection with the Licensed Product, Jazz shall make such election in its sole discretion. Zymeworks shall not seek to obtain any patent term restoration or supplemental protection certificates or the like or their equivalents of Zymeworks Platform Patents in any country in the Territory with respect to Licensed Products.

14.8 Patent Listings. During the portion of the Term commencing on Zymeworks' receipt of the Second Payment, Jazz (or its designee) shall have the sole right, but not the obligation, to list, with the applicable Regulatory Authorities in the Territory, all applicable Patent Rights (including any Zymeworks Patent Rights, Jazz Collaboration Patent Rights, Jazz Patent Rights and Joint Patent Rights) for any Licensed Product in the Territory, including all so called "Purple Book" listings required under the U.S. Public Health Service Act, and all similar listings in any other relevant countries in the Territory, and Zymeworks and its Affiliates and (sub)licensees shall have no right to do so. For the avoidance of doubt, Jazz will retain final decision-making authority as to the listing of all applicable Patent Rights for any Licensed Product in the Territory, regardless of which Party owns such Patent Right, and Zymeworks shall reasonably assist Jazz, at Jazz's reasonable request and expense, in connection therewith.

14.9 Licensed Product Trademarks.

(a) Product Trademarks. Jazz shall have the right to brand Licensed Products in any countries in the Territory where Jazz in its sole discretion elects not to use a Zymeworks Trademark, using such other trademarks, logos, and trade names it determines appropriate for such Licensed Products, which may vary by country or region or within a country or region (the “**Product Marks**”); provided, however, that Jazz shall provide Zymeworks with a reasonable opportunity to review and provide comments on each proposed Product Mark, shall give due consideration to Zymeworks’ comments before selecting any Product Mark, and shall not use any trademarks or house marks of Zymeworks (including Zymeworks’ corporate name) or any trademark confusingly similar thereto without Zymeworks’ prior written consent. Jazz shall own all rights in the Product Marks in the Territory (excluding any such marks that include, in whole or part, any corporate name or logos of Zymeworks or its Affiliates or (sub)licensees) and shall register and maintain the Product Marks in the Territory that it determines reasonably necessary, at Jazz’s cost and expense. For clarity the Product Marks shall not include the Zymeworks Trademarks.

(b) Zymeworks Trademarks. In any country in the Territory where a Zymeworks Trademark is registered or pending and Jazz in its sole discretion elects to use such Zymeworks Trademark:

-58-

(i) Jazz shall (and shall ensure that its Affiliates and sublicensees using such Zymeworks Trademarks) materially comply with the directions provided to Jazz by Zymeworks in writing in advance, regarding the form and manner of the application of such Zymeworks Trademark. Apart from such Zymeworks Trademark, no other Zymeworks trademark or logo may be affixed to, or used in connection with, the Licensed Product in such country without Zymeworks’ prior written consent. In connection with Jazz’s use of the Zymeworks Trademarks, Jazz shall comply with all Applicable Laws.

(ii) Jazz shall ensure that all Licensed Products sold by Jazz, its Affiliates or sublicensees carrying the Zymeworks Trademark and all related quotations, specifications, descriptive literature and other materials carrying the Zymeworks Trademark, will be marked with the appropriate trademark notices in accordance with Zymeworks’ reasonable instructions and Applicable Laws.

(iii) If Jazz, its Affiliate or sublicensee sells Licensed Products using the Zymeworks Trademark, Jazz agrees that it shall not, and shall ensure that its Affiliates and sublicensees shall not, directly or indirectly: (A) take, omit to take, or permit any action which is intended to dilute the Zymeworks Trademark or tarnish or bring into disrepute the reputation of or goodwill associated with the Zymeworks Trademark or Zymeworks, or which is intended to invalidate or jeopardize any registration of the Zymeworks Trademark; or (B) apply for, or obtain, or directly assist any Person in applying for or obtaining any registration of the Zymeworks Trademark, or any trademark, service mark, trade name, or other indicia confusingly similar to the Zymeworks Trademark in any country in the Territory.

(iv) In any country in the Territory in which Jazz uses such Zymeworks Trademarks with the Licensed Products, (A) Jazz shall have the first right to prepare, file, prosecute and maintain the Zymeworks Trademarks, in the name of Zymeworks, and (B) Jazz shall have the first right enforce and defend the Zymeworks Trademarks, in each case, in its discretion and at its sole cost and expense. Jazz shall keep Zymeworks fully informed with respect to its preparation, filing, prosecution, maintenance, enforcement and defense of the Zymeworks Trademarks, and shall cooperate in good faith with Jazz in its conduct of such activities. Zymeworks shall have a backup right to prepare, file, prosecute and maintain the Zymeworks Trademarks in any such country the Territory in the name of Zymeworks should Jazz decline to exercise its rights under this Section 14.9(b)(iv) and shall keep Jazz fully informed with respect thereto.

(v) In any country in the Territory in which Jazz uses such Zymeworks Trademarks with the Licensed Products, Jazz shall have the first right (but not the obligation) to, at its cost, register as domain names the Zymeworks Trademarks (the “**Zymeworks Domain Names**”) for use with the Licensed Products, including using any available generic top-level domain or country-code top-level domain. Jazz will notify Zymeworks in advance of such registration and shall consider in good faith any reasonable comments provided by Zymeworks in connection with Jazz’s choice of such domain names. Zymeworks shall have a backup right to register the Zymeworks Domain Names in any such country in the name of Zymeworks should Jazz decline to exercise its rights under this Section 14.9(b)(v) and shall keep Jazz fully informed with respect thereto. Jazz shall have the right to maintain websites for the Licensed Products in the Field in the Territory using the Zymeworks Domain Names registered by Jazz in accordance with this Section, 14.9(b)(v) using reasonably current all content, data and other information displayed or made available, as applicable, on the website(s) associated with each of the Zymeworks Domain Names in the Territory.

-59-

Article 15

TERM AND TERMINATION

15.1 Term. This Agreement shall be effective as of the Closing Date, and shall continue, on a country-by-country and Licensed Product-by-Licensed Product basis, in effect until the expiration of the Royalty Term applicable to such Licensed Product in such country (the “**Term**”); provided that, Article 1, Article 10, Article 13, Article 16 and Article 17, and Section 11.3, Section 12.1, Section 12.2, Section 12.3, Section 12.6, Section 12.7, Section 15.1, Section 15.2(e), and Section 15.3(i) shall be effective as of the Execution Date. On a country-by-country basis, upon the natural expiration of the Term as contemplated in this Section 15.1, the License in such country shall become fully paid-up, royalty-free, perpetual, and irrevocable.

15.2 Termination.

(a) Termination by Jazz for Convenience. At any time, Jazz may terminate this Agreement, in its entirety or on a Region-by-Region basis, by providing written notice of termination to Zymeworks, which notice includes an effective date of termination at least [***] after the date of the notice. Jazz shall [***] terminates this Agreement pursuant to this Section 15.2(a).

(b) Termination for Material Breach.

(i) If either Jazz or Zymeworks is in material breach of any obligation hereunder, the non-breaching Party may give notice to the breaching Party specifying the claimed particulars of such breach (a “**Breach Notification**”). If the Party receiving a Breach Notification fails to cure that material breach on or before [***] from the date of the Breach Notification (or, if such breach cannot be cured within such [***] period, within [***] after such notice if Jazz or Zymeworks, as applicable, commences actions to cure such default within such [***] period and thereafter diligently continues such actions), the Party delivering the Breach Notification may terminate this Agreement.

(ii) If the allegedly breaching Party disputes in good faith the existence, materiality, or cure of the applicable material breach and provides written notice of such dispute to the other Party within the [***] period set forth above, then the matter will be addressed under the dispute resolution provisions in Section 17.5, and the termination will not become effective unless and until it has been determined under Section 17.5 that the allegedly breaching Party is in material breach of any of its obligations under this Agreement and such Party fails to cure such material breach within [***] after such determination. During the pendency of such a dispute, all of the terms of this Agreement will remain in effect and the Parties will continue to perform all of their respective obligations hereunder.

(c) Termination for Patent Challenge. Notwithstanding anything herein to the contrary, in the event that Jazz or its Affiliates file or initiate an action challenging (directly or indirectly (e.g., through a Third Party)) in a court or by administrative proceeding seeking the invalidity or unenforceability or seeking to limit the scope of any Zymeworks Patent Rights, then Zymeworks, at its discretion, may give notice to Jazz that Zymeworks will terminate this Agreement unless such challenge is withdrawn, abandoned, or terminated (as appropriate) within [***] from the date of Jazz's receipt of such notice. If Jazz or its Affiliate (as the case may be) does not withdraw, abandon or terminate (as appropriate) such challenge within such [***] period, Zymeworks may terminate this Agreement upon [***] prior written notice to Jazz. For clarity, this Section 15.2(c) does not apply to any counterclaim filed by Jazz or its Affiliates or sublicensees as defendant in any Zymeworks Patent Rights infringement cause of action filed or

initiated by Zymeworks or its Affiliates with respect to a Licensed Product or activities under this Agreement.

(d) Termination for Insolvency. Each Party shall have the right to terminate this Agreement upon delivery of written notice to the other Party in the event that (a) such other Party files in any court or agency pursuant to any statute or regulation of any jurisdiction a petition in bankruptcy or insolvency or for reorganization or similar arrangement for the benefit of creditors or for the appointment of a receiver or trustee of such other Party or its assets, (b) such other Party is served with an involuntary petition against it in any insolvency proceeding and such involuntary petition has not been stayed or dismissed within [***] of its filing, or (c) such other Party makes an assignment of substantially all of its assets for the benefit of its creditors.

(e) Termination for Failure to Obtain HSR Clearance. If the HSR Clearance Date has not occurred on or before [***] after the Execution Date, then at any time thereafter either Party shall have the right to terminate this Agreement in its entirety upon notice to the other Party referencing this Section 15.2(e). For clarity, it is understood that if the HSR Clearance Date occurs prior to the lapse of this period of [***], Zymeworks shall not be entitled to terminate the Agreement pursuant to this Section 15.2(e). Upon termination of this Agreement pursuant to this Section 15.2(e), this Agreement shall, except as otherwise provided in this Section 15.2(e), be of no further force and effect, the Term shall never commence and neither Party shall have any further rights or liability hereunder. The following provisions shall survive such termination of this Agreement: Article 1, Article 10, Article 13 (except for the second to last sentence of Section 13.6), Article 17, Section 11.3, Section 15.2(e) and Section 15.3(i).

(f) Full Force and Effect During Notice Period. This Agreement shall remain in full force and effect until the expiration of any applicable termination notice period. For clarity, if any milestone event is achieved or royalty payments or other amounts become payable under Article 9 during the termination notice period, the corresponding milestone payment or royalty payment, as applicable, is accrued and Jazz shall remain responsible for the payment of such milestone payment or royalty payment, as applicable, even if the due date of such milestone payment or royalty payment, as applicable, may come after the effective date of the termination.

15.3 Effect of Termination. Except as otherwise provided in Section 15.3(j), if this Agreement is terminated the following shall apply:

(a) License Grant to Jazz. The License and all other rights granted by Zymeworks to Jazz under the Zymeworks IP pursuant to this Agreement shall terminate.

(b) License Grants to Zymeworks. The licenses granted by Jazz to Zymeworks pursuant to Section 2.4 (and any sublicenses thereunder), excluding Section 2.4(a)(i)(B) and Section 2.4(c)(i) and (ii), shall continue following the effective date of termination. Jazz shall grant and hereby grants (effective upon the effective date of such termination) to Zymeworks a non-exclusive, royalty-bearing (as set forth below in this Section 15.3(b)) and sublicensable (through multiple tiers) license under the Jazz IP and Jazz Collaboration IP (including Jazz Manufacturing IP but only to the extent Zymeworks was granted a license to such Jazz Manufacturing IP under this Agreement prior to the effective date of termination) to develop, make, have made, distribute, use, sell, offer for sale, import and otherwise commercialize Licensed Products in the Territory, and Zymeworks shall pay Jazz in consideration of such license, royalty payments on Net Sales of Licensed Products in the Territory covered by a Patent Right within the Jazz IP or Jazz Collaboration IP equal to [***].

-61-

(c) Sublicenses. If the License granted to Jazz terminates as a result of a termination of this Agreement, the terms of this Section 15.3(c) will apply with respect to any sublicense agreement existing as of the effective date of such termination, but only if the applicable sublicensee did not contribute to any material breach of this Agreement that was the cause of the termination by Zymeworks of this Agreement and is not otherwise in material breach of the applicable sublicense agreement at such time: (i) all of such sublicensee's obligations under the applicable sublicense agreement to Jazz, to the extent that they do not exceed Jazz's corresponding obligations to Zymeworks, will remain in effect as obligations to Zymeworks and will be enforceable solely by Zymeworks as a third party beneficiary; (ii) such sublicensee's rights under the sublicense agreement that do not exceed and are consistent with Zymeworks' obligations to Jazz under this Agreement, whether in scope, duration, nature or otherwise, will survive termination; provided, that, the foregoing will in no way be interpreted to increase the scope, duration, territory or other aspect of the rights sublicensed to such sublicensee; (iii) all of Jazz's rights under such sublicense agreement accruing after the effective date of termination, to the extent corresponding to Zymeworks' rights under this Agreement, will remain in effect, may be exercised solely by Zymeworks and will inure to the exclusive benefit of Zymeworks; and [***].

(d) Regulatory Submissions. Upon Zymeworks' written request, to be delivered on or before the effective date of termination or within [***] thereafter, Jazz shall provide Zymeworks with copies of all Regulatory Submissions for Licensed Products by Jazz, its Affiliates or

sublicensees, including the First BLA. Jazz shall assign to Zymeworks or shall provide Zymeworks with a right of reference with respect to such Regulatory Submissions and resulting Regulatory Approvals for Licensed Product, as Zymeworks determines at its reasonable discretion[***]. In addition, upon Zymeworks' written request, Jazz shall[***] provide to Zymeworks copies of all material Licensed Product-related documentation, including material Licensed Product non-clinical, preclinical and clinical data that are held by or reasonably available to and Controlled by Jazz, its Affiliates or sublicensees. The Parties shall discuss and establish appropriate arrangements with respect to safety data exchange, provided that Zymeworks will assume all safety and safety database activities no later than [***] after termination.

(e) Trademarks. Except for any termination by Jazz under Section 15.2(b) or Section 15.2(d), Jazz shall transfer and assign, and shall ensure that its Affiliates transfer and assign, to Zymeworks, at no cost to Zymeworks, all Product Marks specifically and solely relating to Licensed Product and any applications therefor (excluding any such marks that include, in whole or part, any corporate name or logos of Jazz or its Affiliates or sublicensees). Zymeworks and its Affiliates and licensees shall have the right to use other identifiers specific to Licensed Product (e.g., Jazz compound identifiers). Jazz shall also transfer to Zymeworks any in-process applications for generic names for Licensed Product.

(f) Inventory. Except for any termination by Jazz under Section 15.2(b) or Section 15.2(d), at Zymeworks' election and request within [***] after the effective date of termination, Jazz shall transfer to Zymeworks or its designee some or all inventory of Licensed Products (including all final product, bulk drug substance, intermediates, works-in-process, formulation materials, reference standards, drug product clinical reserve samples, packaged retention samples, and the like) then in the possession or control of Jazz or its Affiliates; provided that, Zymeworks will pay Jazz a price equal to the price paid by Jazz to Zymeworks, if manufactured by Zymeworks, or at Jazz's fully burdened manufacturing cost, if manufactured by or on behalf of Jazz, for such transferred Licensed Products.

(g) Wind Down and Transition. Jazz shall be responsible, at its own cost and expense, for the wind-down of Jazz's and its Affiliates' and, subject to Section 15.3(c), its sublicensees Development, manufacture and Commercialization activities for Licensed Products.

-62-

Upon Zymeworks' request, Jazz shall, and shall cause its Affiliates and, subject to Section 15.3(c), its sublicensees to, reasonably cooperate with Zymeworks, for a period of time not to exceed [***], to facilitate orderly transition of the Development, manufacture and Commercialization of Licensed Products to Zymeworks or its designee, including (i) reasonably cooperating to assign or amend, as appropriate, upon request of Zymeworks, any agreements or arrangements with Third Party vendors (including distributors) to Develop, manufacture, promote, distribute, sell or otherwise Commercialize Licensed Products or, to the extent any such Third Party agreement or arrangement is not assignable to Zymeworks, reasonably cooperating with Zymeworks to arrange to continue to provide such services for a reasonable time after termination not to exceed [***]; and (ii) to the extent that Jazz or its Affiliate is performing any activities described above in (i), reasonably cooperating with Zymeworks to transfer such activities to Zymeworks or its designee and continuing to perform such activities on Zymeworks' behalf for a reasonable time after termination, for a period of time not to exceed [***], until such transfer is completed. Such cooperation shall be at Zymeworks request [***].

(h) Ongoing Clinical Trial. If, at the time of such termination, Jazz or its Affiliates or, subject to Section 15.3(c), its sublicensees are conducting any Clinical Trials, then, at Zymeworks' election, within [***] after the effective date of termination, on a Clinical Trial-by-Clinical Trial basis: (i) Jazz shall, and shall cause its Affiliates and sublicensees to, cooperate with Zymeworks to transfer the conduct of such Clinical Trial to Zymeworks or its designees and complete such transfer promptly and, in any case, within [***] after the termination effective date, and Zymeworks shall assume any and all liability for the conduct of any transferred Clinical Trial after the effective date of such transfer (except to the extent arising prior to the transfer date or the negligence or willful misconduct by Jazz or its Affiliates); and (ii) Jazz shall, at its cost and expense, orderly wind-down the conduct of any such Clinical Trial that is not assumed by Zymeworks under clause (i) above. For any termination, any such transfer of Clinical Trials requested by Zymeworks shall be at [***].

(i) Return of Confidential Information. At the Disclosing Party's election, the Receiving Party will return (at Disclosing Party's expense) or destroy all tangible materials comprising, bearing, or containing any Confidential Information of the Disclosing Party relating to Licensed Product that are in the Receiving Party's or its Affiliates' possession or control and provide written certification of such destruction (except to the extent any information is the Confidential Information of both Parties or to the extent that the Receiving Party has the continuing right to use the Confidential Information under this Agreement); provided, that, the Receiving Party may retain one copy of such Confidential Information for its legal archives. Notwithstanding anything to the contrary set forth in this Agreement, the Receiving Party will not be required to destroy electronic files containing such

Confidential Information that are made in the ordinary course of its business information back-up procedures pursuant to its electronic record retention and destruction practices that apply to its own general electronic files and information.

(j) Partial Termination. For the avoidance of doubt, if this Agreement is terminated with respect to only one or more Region(s), then this Section 15.3 shall apply only to such terminated Region(s), and such Region(s) shall be removed from the Territory for all purposes of this Agreement.

15.4 Survival. Expiration or termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination. Without limiting the foregoing, the provisions of Articles 1, 10, 11, 13 (except for the second to last sentence of Section 13.6), and 17 and Sections 2.4 (excluding Section 2.4(a)(i)(B) and Section 2.4(c)(i) and (ii)), 2.5, 5.6, 9.8, 9.9, 9.10, 9.11, 14.1(a), 14.1(c), 14.1(d), 15.1, 15.2(f), 15.3, 15.4, and 15.6 shall survive the expiration or termination of this Agreement; provided that the last sentence of

-63-

Section 15.2(e), and not the foregoing sentence of this Section 15.4 shall apply in the event of a termination pursuant to Section 15.2(e) or termination pursuant to Section 9.1(b).

15.5 Remedies in Lieu of Termination. If (a) Jazz notifies Zymeworks in writing of a material breach of this Agreement by Zymeworks and (b) Jazz would have the right to terminate this Agreement pursuant to Section 15.2(b) (including any cure periods and dispute resolution provisions provided therein), then in lieu of Jazz terminating this Agreement pursuant to Section 15.2(b), and without limiting any other rights or remedies of Jazz, Jazz may elect to have this Agreement continue in full force and effect by providing written notice thereof to Zymeworks; provided, however, that if Jazz so elects to continue this Agreement, then from and after such time as Jazz delivers such written notice to Zymeworks, [***] and Jazz shall have no obligations [***].

15.6 Termination Not Sole Remedy. Termination is not the sole remedy under this Agreement and, whether or not termination is effected and notwithstanding anything contained in this Agreement to the contrary, all other remedies shall remain available except as agreed to otherwise herein.

Article 16

ANTITRUST FILING

16.1 General. With respect to reporting and waiting requirements under the HSR Act, the Parties agree as follows:

(a) Filing. Each of Zymeworks and Jazz shall file, as soon as is practicable but not later than [***] after the Execution Date, with the FTC and the DOJ, a Notification and Report Form (as defined in the HSR Act) with respect to the transactions contemplated under this Agreement (the "HSR Filing") and any supplemental information requested in connection therewith pursuant to the HSR Act, which forms shall specifically request early termination of the waiting period prescribed by the HSR Act. Each Party shall furnish to the other Party's counsel such necessary information and reasonable assistance as the other Party or its counsel may request in connection with its preparation of any filing or submission that is necessary under the HSR Act in connection with this Agreement.

(b) Action of the Parties. Each Party shall use its reasonable efforts to promptly obtain the expiration or early termination of the applicable waiting period under the HSR Act for the consummation of this Agreement and the transactions contemplated hereby and shall keep each other apprised of the status of any communications with, and any inquiries or requests for additional information from the FTC and the DOJ and shall comply promptly with any such reasonable inquiry or request; provided, however, that (i) neither Party shall be required to consent to the divestiture or other disposition of any of its or its Affiliates' assets or those of the other Party, or to agree to any material modification or amendment of this Agreement, and (ii) neither Party shall have any obligation to contest, administratively or in court, any ruling, order or other action of the FTC or DOJ or private party respecting the transactions contemplated by this Agreement or to comply with any other structure or conduct remedy or restriction or limit on operation; provided, further, however, that the Parties shall both as promptly as practicable respond to and certify substantial compliance with any request for additional information or documentary material pursuant to 15 U.S.C. § 18a(e)(1) and 16 C.F.R. § 803.20 (a "Second Request"). Each of the Parties hereto will cooperate in responding to any reasonable inquiry from the FTC or DOJ and to a Second Request, including promptly informing the other Party of such inquiry, consulting in advance before making any presentations or submissions to the FTC or DOJ, and supplying

each other with copies of all material correspondence, filings or communications between either Party and either the FTC or DOJ with respect to this Agreement.

-64-

Such information can be redacted to protect attorney-client privilege and shared on an outside counsel basis or subject to other restrictions to the extent deemed necessary or advisable by counsel for the disclosing Party. To the extent practicable and as permitted by the FTC or DOJ, each Party hereto shall permit representatives of the other Party to participate in material substantive meetings (whether by telephone or in person) with the FTC or DOJ. Neither Party shall commit to or agree with the FTC or DOJ to withdraw its filing and refile under the HSR Act without the prior written consent of the other (such consent not to be unreasonably withheld, conditioned or delayed).

(c) **Action of Counsel.** Each Party shall instruct its counsel to cooperate with the other Party's counsel to facilitate and expedite the identification and resolution of any such issues and, consequently, the expiration of the applicable HSR Act waiting period at the earliest practicable date, including for each counsel to (i) keep each other appropriately informed of communications from and to personnel of the reviewing antitrust authority, and (ii) confer with each other regarding appropriate contacts with and response to personnel of said antitrust authority.

(d) **Expenses.** Each Party shall be responsible for its own costs and expenses incurred pursuant to this Article 16, except as for filing fees (other than penalties that may be incurred as a result of actions or omissions on the part of the other Party) required to be paid to the FTC or DOJ which shall be [***] in connection with submitting any such HSR Filing.

16.2 Certain Definitions.

(a) **"DOJ"** means the Antitrust Division of the United States Department of Justice.

(b) **"FTC"** means the United States Federal Trade Commission.

Article 17

MISCELLANEOUS

17.1 **Assignment.** Except as provided in this Section 17.1, this Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by either Party without the prior written consent of the other Party; provided, however, that (and notwithstanding anything elsewhere in this Agreement to the contrary) either Party may, without the written consent of the other Party, assign this Agreement and its rights and obligations hereunder in whole or in part to [***]. Any attempted assignment not in accordance with this Section 17.1 shall be void. Any permitted assignee shall assume all assigned obligations of its assignor under this Agreement.

17.2 **Extension to Affiliates.** Except as expressly set forth otherwise in this Agreement, each Party shall have the right to extend the rights and obligations granted in this Agreement to one or more of its Affiliates by providing written notice to the other Party. All applicable terms and provisions of this Agreement, except this right to extend, shall apply to any such Affiliate to which this Agreement has been extended to the same extent as such terms and provisions apply to the Party extending such rights and obligations. The Party extending the rights and obligations granted hereunder shall remain primarily liable for any acts or omissions of its Affiliates.

17.3 **Severability.** Should one or more of the provisions of this Agreement become void or unenforceable as a matter of Applicable Laws, then this Agreement shall be construed as if such provision were not contained herein and the remainder of this Agreement shall be in full

-65-

force and effect, and the Parties will use their best efforts to substitute for the invalid or unenforceable provision a valid and enforceable provision which conforms as nearly as possible with the original intent of the Parties.

17.4 Governing Law; English Language. This Agreement shall be governed by and construed in accordance with the laws of the State of New York and the patent laws of the United States without reference to any rules of conflict of laws. This Agreement was prepared in the English language, which language shall govern the interpretation of, and any dispute regarding, the terms of this Agreement.

17.5 Dispute Resolution.

(a) If any dispute, claim or controversy of any nature arising out of or relating to this Agreement, including, without limitation, any action or claim based on tort, contract or statute, or concerning the formation, interpretation, effect, termination, validity, performance, enforcement or breach of this Agreement (each, a **"Dispute"**), arises between the Parties within [***] of a written request by either Party to the other Party (**"Notice of Dispute"**), either Party may refer the Dispute to the Chief Executive Officer of Zymeworks (or an executive officer of Zymeworks designated by the Chief Executive Officer of Zymeworks who has the power and authority to resolve such matter) and the Chief Executive Officer of Jazz (or an executive officer of Jazz designated by the Chief Executive Officer of Jazz who has the power and authority to resolve such matter) (collectively, the **"Executive Officers"**) of each Party for resolution. If, after an additional [***] after the Notice of Dispute, the Executive Officers have not succeeded in negotiating a resolution of the Dispute, and a Party wishes to pursue the matter, any such Dispute that is not an **"Excluded Claim"** (defined below) shall be finally resolved by binding arbitration before JAMS pursuant to the Comprehensive Arbitration Rules and Procedures of JAMS then in effect, except as may be modified herein, and judgment on the arbitration award may be entered in any court having jurisdiction thereof. Any disputes concerning the propriety of the commencement of the arbitration or relating to the scope or applicability of this Agreement to arbitrate shall be finally settled by the arbitrator.

(b) The arbitration shall be conducted by a single arbitrator experienced in [***]. If the issues in dispute involve scientific or technical matters, the arbitrator chosen hereunder may, at its option, engage one or more experts that have educational training or industry experience sufficient to demonstrate a reasonable level of relevant scientific, medical and industry knowledge, to advise it with respect to any issue in the arbitration within that expert's field of expertise. If any expert is so engaged, the Parties shall have the right to review such expert's reports to the arbitrator and examine such expert at the hearings. Within [***] after initiation of arbitration, the Parties shall jointly select the arbitrator. If the Parties are unable or fail to agree upon the arbitrator within such [***] period, the arbitrator shall be appointed by JAMS and shall be deemed to meet the qualifications as set forth above unless a Party objects within [***] after an arbitrator candidate is proposed. The place of arbitration shall be New York, New York, unless otherwise mutually agreed by the Parties, and all proceedings and communications shall be in English.

(c) [***] Any award by the arbitrator may be entered by either Party in any court having appropriate jurisdiction for a judicial recognition of the decision and applicable orders of enforcement. The arbitrator shall have no authority to award punitive or any other type of damages not measured by a Party's compensatory damages. Each Party shall bear its own costs and expenses and attorneys' fees and an equal share of the arbitrator's fees and any administrative fees of arbitration, unless the arbitrator allocates such costs, expenses and fees otherwise.

-66-

(d) Except to the extent necessary to confirm or challenge an award or as may be required by law or for a Party to protect or pursue a legal right, neither a Party nor an arbitrator may disclose the existence, content, or results of the arbitral proceedings or any rulings or awards without the prior written consent of both Parties. In no event shall an arbitration be initiated after the date when commencement of a legal or equitable proceeding based on the dispute, controversy or claim would be barred by the applicable New York statute of limitations.

(e) As used in this Section 17.5, the term **"Excluded Claim"** means any dispute, controversy or claim that concerns [***]. Any Excluded Claim may be submitted by either Party to any court of competent jurisdiction over such Excluded Claim.

17.6 Force Majeure. Neither Party shall be responsible to the other for any failure or delay in performing any of its obligations under this Agreement or for other nonperformance hereunder (excluding, in each case, the obligation to make payments when due) if such delay or nonperformance is caused by strike, fire, flood, earthquake, accident, war, act of terrorism, pandemics, epidemics, quarantines, act of God or of the government of any country or of any local government, or by any other cause unavoidable or beyond the control of any Party hereto. In such event,

the Party affected will use reasonable efforts to resume performance of its obligations and will keep the other Party informed of actions related thereto. If any such failure or delay in a Party's performance hereunder continues for more than [***], the other Party may terminate this Agreement upon written notice to the delayed Party.

17.7 Waivers and Amendments. The failure of any Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other Party. No waiver shall be effective unless it has been given in writing and signed by the Party giving such waiver. No provision of this Agreement may be amended or modified other than by a written document signed by authorized representatives of each Party.

17.8 Relationship of the Parties. Nothing contained in this Agreement shall be deemed to constitute a partnership, joint venture, or legal entity of any type between Zymeworks and Jazz, or to constitute one as the agent of the other. Each Party shall act solely as an independent contractor, and nothing in this Agreement shall be construed to give any Party the power or authority to act for, bind, or commit the other.

17.9 Notices. All notices, consents or waivers under this Agreement shall be in writing and will be deemed to have been duly given when the earlier of when received by the addressee or [***] after it was sent, if sent by registered letter or overnight courier by an internationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and e-mail addresses set forth below (or to such other addresses and e-mail addresses as a Party may designate by notice):

If to Zymeworks: Zymeworks BC Inc.

114 East 4th Avenue, Suite 800
Vancouver, BC
Canada
V5T 1G4
Attention: Legal Department
E-mail address: [***]

-67-

and

Wilson Sonsini Goodrich & Rosati
28 State Street
37th Floor
Boston, MA 02109
Attention: Farah B. Gerdes, Esq.
E-mail address: [***]

If to Jazz: Jazz Pharmaceuticals Ireland Limited

Fifth Floor, Waterloo Exchange
Waterloo Road, Dublin 4, Ireland
Attention: General Counsel

and

Jazz Pharmaceuticals, Inc.
3170 Porter Drive
Palo Alto, CA 94304
Attention: General Counsel

and

[***]

Attention: Legal Department

and

Cooley LLP

3175 Hanover Street

Palo Alto, CA 94304

Attention: Marya A. Postner

Email address: [***]

17.10 No Third Party Beneficiary Rights. This Agreement is not intended to and shall not be construed to give any Third Party any interest or rights (including any Third Party beneficiary rights) with respect to or in connection with any agreement or provision contained herein or contemplated hereby, except as otherwise expressly provided for in this Agreement.

17.11 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the Parties as to the subject matter hereof and supersedes all proposals, oral or written, and all other communications between the Parties with respect to such subject matter. The Parties acknowledge and agree that, as of the Execution Date, all Confidential Information disclosed pursuant to the Confidentiality Agreement by a Party or its Affiliates shall be included in the Confidential Information subject to this Agreement and the Confidentiality Agreement is hereby superseded in its entirety; provided, that the foregoing shall not relieve any Person of any right or obligation accruing under the Confidentiality Agreement prior to the Execution Date. **"Confidentiality Agreement"** means the Mutual Confidential Disclosure Agreement between Zymeworks and Jazz dated [***].

17.12 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

-68-

17.13 Expenses. Each Party shall pay its own costs, charges and expenses incurred in connection with the negotiation, preparation and completion of this Agreement.

17.14 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.

17.15 Construction. The Parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement; and (c) the terms and provisions of this Agreement shall be construed fairly as to all Parties hereto and not in a favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

17.16 Cumulative Remedies. No remedy referred to in this Agreement is intended to be exclusive unless explicitly stated to be so, but each shall be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under law.

17.17 Further Assurances. Jazz and Zymeworks hereby covenant and agree without the necessity of any further consideration, to execute, acknowledge and deliver any and all documents and take any action as may be reasonably necessary to carry out the intent and purposes of this Agreement.

17.18 Compliance with Law. Each Party shall perform its obligations under this Agreement in accordance with all Applicable Laws. No Party shall, or shall be required to, undertake any activity under or in connection with this Agreement which violates, or which it believes, in good faith, may violate, any Applicable Laws.

17.19 Export. Each Party acknowledges that the laws and regulations of the United States restrict the export and re-export of commodities and technical data of United States origin. Each Party agrees that it will not export or re-export restricted commodities or the technical data of the other Party in any form without appropriate United States and foreign government licenses.

17.20 Notification and Approval. In the event that this Agreement or the transaction(s) set forth herein are subject to notification or regulatory approval in one or more countries, then development and commercialization in such country(ies) will be subject to such notification or regulatory approval. The Parties will reasonably cooperate with each other with respect to such notification and the process required thereunder, including in the preparation of any filing. Jazz will be responsible for any and all costs, expenses, and filing fees associated with any such filing.

[Remainder of page left blank intentionally.]

-69-

IN WITNESS WHEREOF, the Parties intending to be bound have caused this Agreement to be executed by their duly authorized representatives.

ZYMEWORKS BC INC.

By: /s/ Kenneth Galbraith
Name: Kenneth Galbraith
Title: Chief Executive Officer

JAZZ PHARMACEUTICALS IRELAND LIMITED

By: /s/ Hugh Kiely
Name: Hugh Kiely
Title: Director

-70-

List of Exhibits

Exhibit A: Structure of Zanidatamab

Exhibit B: Joint Press Release

Exhibit C: Zymeworks Trademarks

Exhibit 1.65: BTC Data Package

Exhibit 2.1: Separate Sublicense Terms

Exhibit 5.2: Zymeworks Development Plan

Exhibit 5.9: Data Processing Addendum

Exhibit 7.3(b): Term Sheet for Clinical Supply Agreement

Exhibit 7.3(c): Term Sheet for Commercial Supply Agreement
Schedule 1.49 Knowledge Individuals
Schedule 1.70 Third Party In-License Agreements
Schedule 12.2(a) Zymeworks Patent Rights
Schedule 12.2(q) Zymeworks Korean Studies
Schedule 12.2(r) Zymeworks Ongoing Studies

71

EXHIBIT A
STRUCTURE OF ZANIDATAMAB

EXHIBIT B
JOINT PRESS RELEASE

Jazz Pharmaceuticals and Zymeworks Announce Exclusive License Agreement to Develop and Commercialize Zanidatamab, a HER2-Targeted Bispecific Antibody

Jazz to obtain exclusive development and commercialization rights in key markets including the U.S., Europe and Japan

Zymeworks to receive \$50 million upfront payment, a second payment of \$325 million, at Jazz's option, and further potential regulatory and commercial milestones for total potential payments of up to \$1.76 billion, plus royalties on net sales

Jazz continues to expand oncology portfolio with novel late-stage asset with compelling anti-tumor activity

Top-line clinical data for zanidatamab in biliary tract cancer (HERIZON-BTC-01) expected by end of 2022; potential to support first global regulatory filings

DUBLIN and VANCOUVER – October 19, 2022 – Jazz Pharmaceuticals plc (Nasdaq: JAZZ) and Zymeworks Inc. (NYSE: ZYME) today announced that Jazz and Zymeworks' subsidiary, Zymeworks BC Inc., have entered into an exclusive licensing agreement under which Jazz will acquire development and commercialization rights to Zymeworks' zanidatamab across all indications in the United States, Europe, Japan and all other territories except for those Asia/Pacific territories previously licensed by Zymeworks.

"Zanidatamab is a novel HER2-targeted bispecific antibody with biparatopic binding and the potential to transform the current standard of care in multiple HER2 expressing cancers," said Rob Iannone, M.D., M.S.C.E., executive vice president, global head of research and development of Jazz Pharmaceuticals. "This agreement reflects Jazz's strategic focus on opportunities where we can not only apply advanced technologies to address

critical unmet patient needs, but where we can also leverage Jazz's existing integrated capabilities and global infrastructure to commercialize efficiently. Zanidatamab has the potential to deliver significant long-term value and meaningfully contribute to Vision 2025 as we aim to deliver at least five novel therapies to patients by the end of the decade. We are pleased to expand our growing oncology pipeline with a late-stage program, and today's announcement further demonstrates our commitment to delivering novel oncology therapies."

"In partnering with Jazz, we are thrilled to be working with a leading global biopharmaceutical team that brings a wealth of development and commercial experience in oncology and shares our vision and passion for working hard every day to improve outcomes for cancer patients around the world," said Kenneth Galbraith, Chair & CEO of Zymeworks. "Zymeworks and Jazz are committed to advancing the development of zanidatamab as rapidly as possible, with the potential to provide a foundational HER2-targeted therapy for patients with difficult-to-treat cancers who currently have limited treatment options."

Zanidatamab, a HER2-targeted bispecific antibody with novel mechanisms of action, has demonstrated compelling anti-tumor activity in several HER2-expressing cancers, both as monotherapy and in combination with chemotherapy and other agents. Zanidatamab is currently in pivotal trials as a second-line treatment for HER2-expressing biliary tract cancer (BTC) and as a first-line treatment for HER2-positive gastroesophageal adenocarcinoma (GEA). In BTC, where no HER2-targeted therapies are currently approved, the U.S. Food and Drug Administration (FDA) has granted Breakthrough Therapy designation for zanidatamab.

Exhibit B-1

positioning it as a potential first-in-class therapy. In GEA, based on Phase 2 data, zanidatamab in combination with chemotherapy has the potential to be a best-in-class therapy.

Zanidatamab is based on Zymeworks' Azymetric™ platform and can simultaneously bind two non-overlapping epitopes of HER2, which is known as biparatopic binding. This innovative design results in multiple novel mechanisms of action including dual HER2 signal blockade, enhanced binding and removal of HER2 protein from the cell surface, and potent effector function leading to encouraging antitumor activity in patients.

FDA has granted Breakthrough Therapy designation for zanidatamab in patients with previously treated HER2 gene-amplified BTC, and two Fast Track designations for zanidatamab, one as a single agent for refractory BTC and one in combination with standard of care chemotherapy, for first-line GEA. These designations mean zanidatamab is eligible for Accelerated Approval, Priority Review and Rolling Review, as well as FDA guidance on an efficient drug development program. Zanidatamab has also received Orphan Drug designations from FDA for the treatment of biliary tract and gastric cancers, as well as Orphan Drug designation from the European Medicines Agency for the treatment of gastric cancer.

Transaction Terms

Under the terms of the agreement, Jazz will receive an exclusive license to develop and commercialize zanidatamab in the United States, Europe, Japan and all other territories except for those Asia/Pacific territories that Zymeworks previously licensed to BeiGene, Ltd. Zymeworks is eligible to receive a \$50 million upfront payment, following receipt of the clearance relating to the United States Hart-Scott Rodino Antitrust Improvements Act of 1976 (such clearance, the "HSR Clearance"), and should Jazz decide to continue the collaboration following readout of the top-line clinical data from HERIZON-BTC-01, a second, one-time payment of \$325 million. Zymeworks is also eligible to receive up to \$525 million upon the achievement of certain regulatory milestones and up to \$862.5 million in potential commercial milestone payments, for total potential payments of up to \$1.76 billion. Pending approval, Zymeworks is eligible to receive tiered royalties between 10% and 20% on Jazz's net sales.

Closing of the agreement is subject to expiration or termination of the waiting period under the Hart-Scott-Rodino Act of 1976. The transaction is expected to close within the 2022 calendar year.

Zymeworks management will host a conference call and webcast for investors and analysts on October 19, 2022, at 8:00 a.m. ET. Interested parties should refer to the separate press release issued by Zymeworks for additional details.

About Zanidatamab

Zanidatamab is a bispecific antibody, based on Zymeworks' Azymetric™ platform, that can simultaneously bind two non-overlapping epitopes of HER2, known as biparatopic binding. This unique design results in multiple mechanisms of action including dual HER2 signal blockade, increased binding and removal of HER2 protein from the cell surface, and potent effector function leading to encouraging antitumor activity in patients. Zymeworks is developing zanidatamab in multiple Phase 1, Phase 2 and pivotal clinical trials globally as a targeted treatment option for patients with solid tumors that express HER2.

Exhibit B-2

About Biliary Tract Cancers

Biliary tract cancers (BTC), including gallbladder cancer and cholangiocarcinoma, account for approximately 3% of all adult cancers and are often associated with a poor prognosis¹. Globally, more than 210,000 people are diagnosed with BTC every year² and most patients (> 65%) are diagnosed with tumors that cannot be removed surgically. The human epidermal growth factor receptor 2 (HER2) is a well-validated target for anti-cancer therapy. About 5% to 19% of patients with BTC have tumors that express HER2³ and may be positioned for potential benefit from HER2-targeted therapy. Currently no HER2-targeted therapy has been approved for the treatment of BTC.

About Gastroesophageal Adenocarcinoma

Gastroesophageal adenocarcinoma (GEA) is the fifth most common cancer worldwide and approximately 20% of patients are HER2-positive. HER2-positive GEA has high morbidity and mortality, and patients are urgently in need of new treatment options.

About Jazz Pharmaceuticals plc

Jazz Pharmaceuticals plc (Nasdaq: JAZZ) is a global biopharmaceutical company whose purpose is to innovate to transform the lives of patients and their families. We are dedicated to developing life-changing medicines for people with serious diseases – often with limited or no therapeutic options. We have a diverse portfolio of marketed medicines and novel product candidates, from early- to late-stage development, in neuroscience and oncology. Within these therapeutic areas, we are identifying new options for patients by actively exploring small molecules and biologics, and through innovative delivery technologies and cannabinoid science. Jazz is headquartered in Dublin, Ireland and has employees around the globe, serving patients in nearly 75 countries. For more information, please visit www.jazzpharmaceuticals.com and follow @JazzPharma on Twitter.

About Zymeworks Inc.

Zymeworks is a clinical-stage biopharmaceutical company dedicated to the discovery, development and commercialization of next-generation multifunctional biotherapeutics. Zymeworks' suite of therapeutic platforms and its fully integrated drug development engine enable precise engineering of highly differentiated product candidates. Zymeworks' lead clinical candidate, zanidatamab, is a novel Azymetric™ HER2-targeted bispecific antibody currently being evaluated in multiple Phase 1, Phase 2, and pivotal clinical trials globally as a targeted treatment option for patients with solid tumors that express HER2. Zymeworks' second clinical candidate, zanidatamab zovodotin (ZW49), is a novel bispecific HER2 -targeted antibody-drug conjugate currently in Phase 1 clinical development and combines the unique design and antibody framework of zanidatamab with Zymeworks' proprietary ZymeLink™ linker and cytotoxin. Zymeworks is also advancing a deep preclinical pipeline in oncology (including immuno-oncology agents) and other therapeutic areas. In addition, its therapeutic platforms are being leveraged through strategic partnerships with global biopharmaceutical companies. For more information on our ongoing clinical trials visit www.zymeworksclinicaltrials.com. For additional information about Zymeworks, visit www.zymeworks.com and follow @ZymeworksInc on Twitter.

¹ Valle JW, Lamarca A, Goyal L, Barriuso J, Zhu AX. New Horizons for precision medicine in biliary tract cancers. *Cancer Discov.* 2017;7(9):943-962.

²GBD 2017 Disease and Injury Incidence and Prevalence Collaborators. Global, regional, and national incidence, prevalence, and years lived with disability for 354 diseases and injuries for 195 countries and territories, 1990-

2017: a systematic analysis for the Global Burden of Disease Study 2017. *Lancet.* 2018;392(10159):1789-1858.

³Galdy S, Lamarca A, McNamara MG, et al. HER2/HER3 pathway in biliary tract malignancies; systematic review and meta-analysis: a potential therapeutic target? *Cancer Metastasis Rev.* 2017;36(1):141-157.

Exhibit B-3

Jazz Pharmaceuticals plc Caution Concerning Forward-Looking Statements

This press release contains forward-looking statements, including, but not limited to, statements related to zanidatamab's potential to be a best-in-class therapy in GEA and potential first-in-class therapy in BTC; zanidatamab's potential to deliver significant long-term value and meaningfully contribute to Vision 2025; the potential future development, manufacturing, regulatory and commercialization activities; potential future payments by Jazz Pharmaceuticals to Zymeworks for development, regulatory and commercial milestones as well as tiered royalties based on future net sales; and other statements that are not historical facts. These forward-looking statements are based on Jazz Pharmaceuticals' current plans, objectives, estimates, expectations and intentions and inherently involve significant risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, risks and uncertainties associated with: Jazz Pharmaceuticals' ability to achieve the expected benefits (commercial or otherwise) from the license agreement; pharmaceutical product development and clinical success thereof; the regulatory approval process; effectively commercializing any product candidates; and other risks and uncertainties affecting Jazz Pharmaceuticals, including those described from time to time under the caption "Risk Factors" and elsewhere in Jazz Pharmaceuticals plc's Securities and Exchange Commission filings and reports (Commission File No. 001-33500), including Jazz Pharmaceuticals' Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 and future filings and reports by Jazz Pharmaceuticals. Other risks and uncertainties of which Jazz Pharmaceuticals is not currently aware may also affect Jazz Pharmaceuticals' forward-looking statements and may cause actual results and the timing of events to differ materially from those anticipated. The forward-looking statements herein are made only as of the date hereof or as of the dates indicated in the forward-looking statements, even if they are subsequently made available by Jazz Pharmaceuticals on its website or otherwise. Jazz Pharmaceuticals undertakes no obligation to update or supplement any forward-looking statements to reflect actual results, new information, future events, changes in its expectations or other circumstances that exist after the date as of which the forward-looking statements were made.

Zymeworks Cautionary Note Regarding Forward-Looking Statements

This press release includes "forward-looking statements" or information within the meaning of the applicable securities legislation, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements in this press release include, but are not limited to, statements that relate to the potential therapeutic effects and commercial potential of zanidatamab, zanidatamab zovodotin and Zymeworks' other product candidates; the anticipated benefits of the license agreement with Jazz; Zymeworks' ability to receive the upfront \$50 million payment following expiration or termination of the waiting period under the Hart-Scott-Rodino Act and the anticipated timing thereof; Zymeworks' ability to receive additional payments pursuant to the license agreement, including the additional \$325 million following readout of the top-line clinical data from HERIZON-BTC-01, as well as any additional future milestone payments and royalties; the timing of and results of the interactions with regulators; the timing and status of ongoing and future studies and the related data; the commercial potential of zanidatamab and our and Jazz Pharmaceutical's ability to obtain regulatory approval of and successfully commercialize zanidatamab the anticipated timing of closing of our agreement with Jazz Pharmaceuticals and satisfactions of closing conditions; and other information that is not historical information. When used herein, words such as "subject to", "believes", "future", "anticipate", "approximately", "will", "plans", "may", "potential", and similar expressions are intended to identify forward-looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. All forward-looking statements are based upon Zymeworks' current expectations and various assumptions. Zymeworks believes there is a reasonable basis for its

Exhibit B-4

expectations and beliefs, but they are inherently uncertain. Zymeworks may not realize its expectations, and its beliefs may not prove correct. Actual results could differ materially from those described or implied by such forward-looking statements as a result of various factors, including, without limitation: any of Zymeworks' or its partners' product candidates may fail in development, may not receive required regulatory approvals, or may be delayed to a point where they are not commercially viable; Zymeworks may not achieve milestones or receive additional payments under its collaborations, including the anticipated upfront payments from Zymeworks' agreement with Jazz; expiration or termination of the waiting period under the Hart-Scott-Rodino Act may be delayed or may not be received at all; regulatory agencies may impose additional requirements or delay the initiation of clinical trials; the impact of new or changing laws and regulations; market conditions; the impact of the COVID-19 pandemic on

Zymeworks' business, research and clinical development plans and timelines and results of operations, including impact on its clinical trial sites, collaborators, and contractors who act for or on Zymeworks' behalf, may be more severe and more prolonged than currently anticipated; clinical trials may not demonstrate safety and efficacy of any of Zymeworks' or its collaborators' product candidates; any of Zymeworks' or its partners' product candidates; Jazz may decide not to proceed with the collaboration following readout of the top-line clinical data from HERIZON-BTC-01; Zymeworks may be unable to maintain or enter into new partnerships or strategic collaborations and the factors described under "Risk Factors" in Zymeworks' quarterly and annual reports filed with the Securities and Exchange Commission, including its Quarterly Report on Form 10-Q for its quarter ended June 30, 2022 (a copy of which may be obtained at www.sec.gov and www.sedar.com).

Although Zymeworks believes that such forward-looking statements are reasonable, there can be no assurance they will prove to be correct. Investors should not place undue reliance on forward-looking statements. The above assumptions, risks and uncertainties are not exhaustive. Forward-looking statements are made as of the date hereof and, except as may be required by law, Zymeworks undertakes no obligation to update, republish, or revise any forward-looking statements to reflect new information, future events or circumstances or to reflect the occurrences of unanticipated events.

Jazz Media Contact:

Kristin Bhavnani

Head of Global Corporate Communications

Jazz Pharmaceuticals plc

CorporateAffairsMediaInfo@jazzpharma.com

Ireland +353 1 637 2141

U.S. +1 215 867 4948

Jazz Investor Contact:

Andrea N. Flynn, Ph.D.

Vice President, Head, Investor Relations

Jazz Pharmaceuticals plc investorinfo@jazzpharma.com

Ireland, +353 1 634 3211

U.S. +1 650 496 2717

Zymeworks Media Contact:

Diana Papove

Senior Manager, Corporate Communications

media@zymeworks.com

(604) 678-1388

Exhibit B-5

Zymeworks Investor Contact:

Jack Spinks

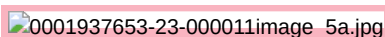
Associate Director, Investor Relations

ir@zymeworks.com

(604) 678-1388

Exhibit B-6

In addition to the foregoing joint press release, Zymeworks may issue the following sole press release with respect to this Agreement.



Zymeworks To Host Conference Call on Exclusive Licensing Agreement of Zanidatamab

- *Jazz Pharmaceuticals to obtain exclusive development and commercialization rights in key markets including the U.S., Europe and Japan*
- *Zymeworks to receive \$50 million upfront payment, a second payment of \$325 million, at Jazz's option, and further potential regulatory and commercial milestones for total potential payments of up to \$1.76 billion*
- *Webcast beginning today at 8:00 am Eastern Standard Time (EST)*

VANCOUVER, British Columbia – October 19, 2022 — Zymeworks Inc. (“Zymeworks” or the “Company”) (NYSE: ZYME), a clinical-stage biopharmaceutical company developing multifunctional biotherapeutics, today announced that management will host a conference call and webcast to discuss Zymeworks has entered into an exclusive licensing agreement for zanidatamab, a HER2-targeted bispecific antibody developed using Zymeworks’ proprietary Azymetric™ platform, with Jazz Pharmaceuticals plc (NASDAQ:JAZZ).

Conference Call for Investors and Analysts

Zymeworks management will host a conference call and webcast for investors and analysts on October 19 at 8:00 am EST. The event will be webcast live with dial-in details and webcast replays available on Zymeworks’ website at <http://ir.zymeworks.com/events-and-presentations>.

About Zanidatamab

Zanidatamab is a bispecific antibody, based on Zymeworks’ Azymetric™ platform, that can simultaneously bind two non-overlapping epitopes of HER2, known as biparatopic binding. This unique design results in multiple mechanisms of action including dual HER2 signal blockade, increased binding, and removal of HER2 protein from the cell surface, and potent effector function leading to encouraging antitumor activity in patients. Zymeworks is developing zanidatamab in multiple Phase 1, Phase 2, and pivotal clinical trials globally as a targeted treatment option for patients with solid tumors that express HER2.

About Zymeworks Inc.

Zymeworks is a clinical-stage biopharmaceutical company dedicated to the discovery, development and commercialization of next-generation multifunctional biotherapeutics. Zymeworks’ suite of therapeutic platforms and its fully integrated drug development engine enable precise engineering of highly differentiated product candidates. Zymeworks’ lead clinical candidate, zanidatamab, is a novel Azymetric™ HER2-targeted bispecific antibody currently being evaluated in multiple Phase 1, Phase 2, and pivotal clinical trials globally as a targeted

Exhibit B-7

treatment option for patients with solid tumors that express HER2. Zymeworks’ second clinical candidate, zanidatamab zovodotin (ZW49), is a novel bispecific HER2 -targeted antibody-drug conjugate currently in Phase 1 clinical development and combines the unique design and antibody framework of zanidatamab with Zymeworks’ proprietary ZymeLink™ linker and cytotoxin. Zymeworks is also advancing a deep preclinical pipeline in oncology (including immuno-oncology agents) and other therapeutic areas. In addition, its therapeutic platforms are being leveraged through strategic partnerships with global biopharmaceutical companies. For more information on our ongoing clinical trials visit www.zymeworksclinicaltrials.com. For additional information about Zymeworks, visit www.zymeworks.com and follow @ZymeworksInc on Twitter.

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zanidatamab zovodotin and Zymeworks' other product candidates; Zymeworks' clinical development of its product candidates and enrollment in its clinical trials; anticipated clinical data presentations; Zymeworks' ability to achieve milestones and receive payments from Jazz pursuant to the agreement; and other information that is not historical information. When used herein, words such as "believes", "future", "anticipate", "approximately", "will", "plans", "may", "potential", and similar expressions are intended to identify forward-looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. All forward-looking statements are based upon Zymeworks' current expectations and various assumptions. Zymeworks believes there is a reasonable basis for its expectations and beliefs, but they are inherently uncertain. Zymeworks may not realize its expectations, and its beliefs may not prove correct. Actual results could differ materially from those described or implied by such forward-looking statements as a result of various factors, including, without limitation: the impact of the COVID-19 pandemic on Zymeworks' business, research and clinical development plans and timelines and results of operations, including impact on its clinical trial sites, collaborators, and contractors who act for or on Zymeworks' behalf, may be more severe and more prolonged than currently anticipated; clinical trials may not demonstrate safety and efficacy of any of Zymeworks' or its collaborators' product candidates; any of Zymeworks' or its partners' product candidates may fail in development, may not receive required regulatory approvals, or may be delayed to a point where they are not commercially viable; Zymeworks may not achieve milestones or receive additional payments under its collaborations; regulatory agencies may impose additional requirements or delay the initiation of clinical trials; the impact of new or changing laws and regulations; market conditions; inability to maintain or enter into new partnerships or strategic collaborations and the factors described under "Risk Factors" in Zymeworks' quarterly and annual reports filed with the Securities and Exchange Commission, including its Quarterly Report on Form 10-Q for its quarter ended June 30, 2022 (a copy of which may be obtained at www.sec.gov and www.sedar.com).

Although Zymeworks believes that such forward-looking statements are reasonable, there can be no assurance they will prove to be correct. Investors should not place undue reliance on forward-looking statements. The above assumptions, risks and uncertainties are not exhaustive. Forward-looking statements are made as of the date hereof and, except as may be required by law, Zymeworks undertakes no obligation to update, republish, or revise any forward-looking statements to reflect new information, future events or circumstances or to reflect the occurrences of unanticipated events.

Exhibit B-8

Investor inquiries:

Jack Spinks

Associate Director, Investor Relations

ir@zymeworks.com

(604) 678-1388

Media inquiries:

Diana Papove

Senior Manager, Corporate Communications

media@zymeworks.com

(604) 678-1388

Exhibit B-9

EXHIBIT C

ZYMEWORKS TRADEMARKS

{2 pages omitted}
Exhibit C-1

EXHIBIT 1.65
BTC DATA PACKAGE

Exhibit 1.65-1

EXHIBIT 2.1
SEPARATE SUBLICENSE TERMS

{7 pages omitted}
Exhibit 2.1-1

EXHIBIT 5.2
ZYMEWORKS DEVELOPMENT PLAN

{32 pages omitted}
Exhibit 5.2-1

EXHIBIT 5.9

DATA PROCESSING ADDENDUM

{18 pages omitted}

Exhibit 5.9-1

EXHIBIT 7.3(b)

TERM SHEET FOR CLINICAL SUPPLY AGREEMENT

{5 pages omitted}

Exhibit 7.3(b)-1

EXHIBIT 7.3(c)

TERM SHEET FOR COMMERCIAL SUPPLY AGREEMENT

{7 pages omitted}

Exhibit 7.3(c)-1

SCHEDULE 1.49

KNOWLEDGE INDIVIDUALS

Schedule 1.49-1

THIRD PARTY IN-LICENSE AGREEMENTS

SCHEDULE 1.70

Schedule 1.70-1

SCHEDULE 12.2(a)
ZYMEWORKS PATENT RIGHTS

{6 pages omitted}
Schedule 12.2(a)-1

SCHEDULE 12.2(q)
ZYMEWORKS KOREAN STUDIES

Schedule 12.2(q)-1

SCHEDULE 12.2(r)
ZYMEWORKS ONGOING STUDIES

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[1] Include here any provisions with respect to the expiry of vested/unvested options that would depart from Section 4.3 of the Plan (i.e., the impact of certain events on the vesting/exercise period, including termination for cause, voluntary resignation, termination other than for cause, termination upon a change of control, and retirement, death or disability).

A-4

EXHIBIT "B" ELECTION TO EXERCISE STOCK OPTIONS

TO: ZYMEWORKS INC. (the "Corporation")

The undersigned option holder hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to a Grant Agreement dated , 20__ under the Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan (the "Plan"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired:

Option Exercise Price (per Share): \$

Aggregate Purchase Price: \$

Amount enclosed that is payable on account of any Source Deductions relating to this Option exercise (contact the Corporation for details of such amount):

☐ Or check here if alternative arrangements have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all Source Deductions, and directs such Shares to be registered in the name of

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this day of ,

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Signature of Option Holder

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Name of Option Holder (Please Print)

EXHIBIT "C" SURRENDER NOTICE

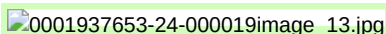
TO: ZYMEWORKS INC. (the "Corporation")

The undersigned option holder hereby elects to transfer, dispose and surrender Options granted by the Corporation to the undersigned pursuant to a Grant Agreement dated , 20_ under the Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan (the "Plan") to the Corporation in exchange for Shares as calculated in accordance with Section 4.1(c) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

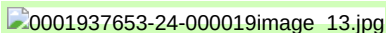
Please issue a certificate or certificates representing the Shares in the name of: _____

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this day of , .

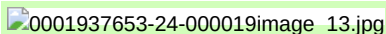
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Signature of Option Holder

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Name of Option Holder (Please Print)

Type of Option² Non-Qualified Option

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² Add for U.S. Participants

SCHEDULE "B"

ZYMEWORKS INC. RESTRICTED STOCK UNIT GRANT AGREEMENT

This agreement (the "Grant Agreement") evidences the Restricted Stock Units granted by Zymeworks Inc. (the "Corporation") to the undersigned (the "Participant"), pursuant to and subject to the terms of the Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan (the "Plan"), which is incorporated herein by reference. Exhibit "A" attached to this Restricted Stock Unit Grant Agreement shall form an integral part of this Restricted Stock Unit Agreement.

The Corporation hereby grants to the Participant on the Date of Grant such number of Restricted Stock Units as set forth in the attached Exhibit "A", as may be amended from time to time, with each Restricted Stock Unit representing the right to receive, on the terms provided herein and in the

Plan, a Share as set forth in the attached Exhibit "A", as may be amended from time to time, in each case subject to adjustment in accordance with the provisions of the Plan.

ARTICLE 1 INTERPRETATION

- (a) Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.
- (b) Words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.

ARTICLE 2 VESTING

Section 2.1 Restricted Stock Units

Unless earlier terminated, relinquished or expired, Restricted Stock Units granted pursuant to this Grant Agreement shall vest in accordance with the provisions set forth in the attached Schedule 12.2(r)-1 "A" as may be amended from time to time.

ARTICLE 3 GENERAL PROVISIONS

Section 3.1 Participation in the Plan

No Participant has any claim or right to be granted a Restricted Stock Unit, and the granting of any Restricted Stock Unit is not to be construed as giving a Participant a right to continued employment or to remain an employee of the Corporation or an Affiliate of the Corporation. Nothing contained in this Grant Agreement or the Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment or termination of any such person. Upon any such termination, a Participant's rights with respect to unvested Restricted Stock Units shall be terminated, unless otherwise determined by the Board. The Participant hereby agrees that any rule, regulation or determination, including the interpretation by the Board of the Plan, the Restricted Stock Units granted hereunder and the exercise thereof, is final and conclusive for all purposes and binding on all persons including the Corporation and the Participant.

B-1

Section 3.2 Issuance; Binding Agreement

Any issuance of Shares and ownership of the Shares are subject to the terms and conditions of the Plan (all of which are incorporated into and form part of this Grant Agreement) and this Grant Agreement. The Participant's record of Share ownership shall be recorded in the books of the Corporation only when the Restricted Stock Units vest and the Shares are issued. Shares shall be delivered to the Participant as soon as practicable following the applicable vest date, subject to the Participant's employment or service on such date. This Grant Agreement shall inure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

Section 3.3 Miscellaneous

- (a) The Participant hereby acknowledges and agrees that any sums required to satisfy the U.S. and non-U.S. federal, state, provincial and local tax withholding obligations of the Corporation that arise in connection with the Award or the transactions contemplated by this Grant Agreement (the "Tax Obligations") are the sole responsibility of the Participant. By accepting this Grant Agreement, the Participant hereby agrees that, until and unless the Board determines otherwise, Shares held by the Participant shall be sold on Participant's behalf in such amounts and at such times as is determined in accordance with this Section 3.3(a), and to allow the Agent (as defined below) to remit the cash proceeds of such

sales to the Corporation as more specifically set forth below, as the method by which Participant shall satisfy the Tax Obligations (the "Sell-to-Cover Arrangement"). The Participant further acknowledges and agrees to the following provisions:

- (i) The Participant hereby irrevocably appoints the Corporation's designated broker Solium Capital Inc., or such other broker as the Corporation may select, as the Participant's agent (the "Agent"), and authorizes and directs the Agent to implement the Sell-to-Cover Arrangement while in effect, including but not limited to:
 - 1. Sell on the open market at the then-prevailing market price(s), on the Participant's behalf, as soon as practicable on or after the delivery of Shares underlying the Restricted Stock Units, the number (rounded up to the next whole number) of Shares sufficient to generate proceeds to cover (A) the satisfaction of the Tax Obligations arising from the settlement of the associated vested Restricted Stock Units and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto;
 - 2. Remit directly to the Corporation the proceeds necessary to satisfy the Tax Obligations arising from the settlement of the associated vested Restricted Stock Units
 - 3. Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale; and
 - 4. Deposit any remaining funds in the Participant's account.
- (ii) The Participant acknowledges that by accepting this Award, he or she is agreeing to the Sell-to-Cover Arrangement as the method through which the Participant shall satisfy the Tax Obligations. The Participant authorizes the Corporation and the Agent to cooperate and communicate with one another to determine the

B-2

number of Shares that must be sold pursuant to this Section 3.3(a) to satisfy the Tax Obligations.

- (iii) The Participant acknowledges that the Agent is under no obligation to arrange for the sale of Shares at any particular price under the Sell-to-Cover Arrangement and that the Agent may effect sales under the Sell-to-Cover Arrangement in one or more orders and that the average price for executions resulting from bunched orders may be assigned to the Participant's account. In addition, the Participant acknowledges that it may not always be possible to sell Shares under the Sell-to-Cover Arrangement and in the event of the Agent's inability to sell Shares, the Participant will continue to be responsible for the Tax Obligations.
- (iv) The Participant hereby agrees to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of the Sell-to-Cover Arrangement. The Agent is a third-party beneficiary of this Section 3.3(a).
- (v) The Participant's agreement to the Sell-to-Cover Arrangement is irrevocable.
- (vi) The Participant further represents that:
 - 1. The Participant is agreeing to the Sell-to-Cover Arrangement in good faith and not as part of a plan or scheme to evade any law, including, without limitation, any securities laws; and
 - 2. The Participant will not disclose to the Agent any information concerning the Corporation that might influence the Agent's execution of sales under the Sell-to-Cover Arrangement.
- (vii) If the Administrator determines that Participant cannot satisfy Participant's Tax Obligation through the Sell-to-Cover Arrangement or the Board otherwise determines it is in the best interests of the Corporation for Participant to satisfy Participant's Tax Obligation by a method other than through the Sell-to-Cover Arrangement, it may permit or require Participant to satisfy Participant's Tax Obligation, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Corporation withhold

otherwise deliverable Shares having a value equal to the minimum amount statutorily required to be withheld (or such greater amount as Participant may elect if permitted by the Board, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligation from Participant's wages or other cash compensation paid to Participant by the Corporation and/or the Affiliate employing or engaging the Participant, (iv) delivering to the Corporation Shares that Participant owns and that have vested with a fair market value equal to the amount required to be withheld (or such greater amount as Participant may elect if permitted by the Board, if such greater amount would not result in adverse financial accounting consequences), or (v) such other means as the Board deems appropriate. To the extent determined appropriate by the Corporation in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant.

- (b) To the extent that the Corporation declares a cash dividend while all or a portion of the Restricted Stock Units are unvested, the Participant shall be credited with dividend equivalent rights (as determined by the Board in its discretion) with respect to each Share

B-3

subject to the unvested portion of the Restricted Stock Units. Such dividend equivalent right will entitle the Participant to payment of such dividend only upon vesting of the corresponding portion of the Restricted Stock Unit; and such right will be forfeited to the extent the corresponding portion of the Restricted Stock Unit is forfeited.

- (c) No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Stock Units by any holder thereof shall be valid (other than pursuant to the laws of descent and distribution).
- (d) This Grant Agreement, together with the Plan, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Grant Agreement shall affect or be used to interpret, change or restrict the express terms and provisions of this Grant Agreement provided, however, in any event, this Grant Agreement shall be subject to and governed by the Plan.
- (e) The award of Restricted Stock Units evidenced by this Grant Agreement to any Participant who is a United States taxpayer is intended to be exempt from the nonqualified deferred compensation rules of Section 409A of the Code as a "short term deferral" (as that term is used in the final regulations and other guidance issued under Section 409A of the Code, including Treasury Regulation Section 1.409A-1(b)(4)(i)), and shall be construed and administered accordingly.
- (f) This Grant Agreement shall be governed by the laws of the State of Delaware and the federal laws of the United States, in each case, without giving effect to the principles of conflicts of law thereof.

[The remainder of this page is intentionally left blank]

B-4

By acceptance of these Restricted Stock Units, the undersigned acknowledges receipt of the Plan text and agrees hereby to be subject and bound to the terms of the Plan. The undersigned further acknowledges and agrees that the Participant's abovementioned participation is voluntary and has not been induced by expectation of engagement, appointment, employment, continued engagement or continued employment, as the case may be.

Accepted and agreed to this ____ day of _____, _____.

Corporation: ZYMEWORKS INC.

By:

Name:

Title:

Participant:

Signature of Restricted Stock
Unit Holder

Name of Restricted Stock Unit
Holder (Please Print)

Address:

B-5

EXHIBIT "A" RESTRICTED STOCK UNIT GRANT

Participant: []

Number of Restricted Stock
Units: []

Date of Grant: []

Vesting Schedule: [] There shall be no proportionate or partial vesting between the foregoing vesting dates. All vesting shall be subject to the Participant's continued employment or service on the applicable vesting date.

B-6

Exhibit 10.50

ZYMEWORKS INC.
AMENDED AND RESTATED STOCK OPTION AND EQUITY COMPENSATION PLAN
(as amended and restated through the Arrangement Effective Time)

TABLE OF CONTENTS

ARTICLE I INTERPRETATION	1
Section 1.1 Definitions	1
Section 1.2 Interpretation	5
ARTICLE II GENERAL PROVISIONS	5
Section 2.1 Administration	5
Section 2.2 Shares Reserved	6
Section 2.3 Amendment and Termination	7
Section 2.4 Compliance with Legislation	8
Section 2.5 Effective Time and Termination	9
Section 2.6 Tax Withholdings and Deductions	9
Section 2.7 Non-Transferability	9
Section 2.8 Participation in this Plan	10
Section 2.9 Notice	10
Section 2.10 Right to Issue Other Shares	10
Section 2.11 Quotation of Shares	11
Section 2.12 No Fractional Shares	11
Section 2.13 Governing Law	11
ARTICLE III OPTIONS	11
Section 3.1 Grant	11
Section 3.2 Exercise Price	11
Section 3.3 Vesting	12

ARTICLE IV EXERCISE & EXPIRY & CHANGE OF CONTROL	12
Section 4.1 Conditions of Exercise	12
Section 4.2 Exercise Period	13
Section 4.3 Termination Date	14
Section 4.4 Change of Control	16
ARTICLE V OTHER AWARDS	17
Section 5.1 General	17
Section 5.2 Restricted Stock	18
Section 5.3 Restricted Stock Units	18
Section 5.4 Other Share-Based Awards; Performance Vesting	18

ARTICLE I

INTERPRETATION

Section 1.1. Definitions

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **"Affiliate"** or **"Affiliated"** means, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise);
- (b) **"Arrangement Effective Time"** has the meaning given to that term in the Transaction Agreement.
- (c) **"Authorized Leave"** means any leave of absence (paid or unpaid) approved in writing by the Corporation for a period of more than four (4) weeks that occurs while the Participant continues to be employed as an employee by the Corporation or retained as a Consultant by the Corporation and includes any parental leave, short term disability or other bona fide paid or unpaid leave of absence or sabbatical period;
- (d) **"Award"** means a grant of an Option or of an Other Award hereunder.
- (e) **"Board"** means the board of directors of the Corporation as constituted from time to time, or a committee thereof to which authority has been delegated by the board of directors with respect to any particular functions of the board of directors, as set forth in Section 2.1(c) herein;
- (f) **"Business Day"** means a day, other than a Saturday or Sunday, on which banking institutions in Vancouver, British Columbia are not authorized or obligated by law to close;

(g) **"Change of Control"** means the happening, in a single transaction or in a series of related transactions, of any of the following events:

(i) any transaction (other than a transaction described in clause (ii) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation;

(ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or

similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;

(iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than (A) a disposition to a Person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition or (B) a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by Shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;

(iv) the passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement);

(v) individuals who, on the Effective Time, are members of the Board (the **"Incumbent Board"**) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or

(vi) any transaction, plan, scheme, reorganization or arrangement whereby an entity acquires, directly or indirectly, greater than fifty percent (50%) of the Zymeworks Common Shares (as defined in the Transaction Agreement), such that upon the Arrangement Effective Time, the Corporation is a successor to Zymeworks (as defined in the Transaction Agreement) under this Plan. For the avoidance of doubt, the addition of this clause (vi) is effective as of immediately prior to, and contingent upon, the Arrangement Effective Time.

(h) **"Code"** has the meaning given to that term in Appendix 1;

(i) **"Consultant"** means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Corporation or any of its subsidiaries has a contract for services who is approved for participation in the Plan by the Board and for whom there exists an exemption from applicable prospectus requirements permitting the granting of an Award; provided that if Form S-8 under the Securities Act of 1933 is being used to register the sale of securities to the Consultant, the individual must meet the requirements of the definition set forth in General Instruction A.1.(a)(1) of such form;

(j) **"Corporation"** means Zymeworks Inc., a Delaware corporation, and its respective successors and assigns;

(k) **"Date of Grant"** means the date on which a particular Award is granted by the Board as evidenced by the Grant Agreement pursuant to which the particular Award was granted;

(l) **"Effective Time"** has the meaning given to that term in Section 2.5;

(m) **"Eligible Person"** means any director, officer, employee or Consultant of the Corporation or any of its direct or indirect subsidiaries;

- (n) **"Exercise Notice"** means an election to exercise Options granted to a Participant under this Plan, in the case of Options substantially in the form attached as Exhibit "B" to the Grant Agreement, as may be amended from time to time by the Corporation;
- (o) **"Exercise Period"** means the period from the Vesting Date to the close of business on the Expiry Date during which a particular Option may be exercised in the manner described in Section 4.1 in the case of Options;
- (p) **"Exercise Price"** has the meaning given to that term in Section 3.2;
- (q) **"Expire"** means, with respect to an Option or Legacy Option, the termination of such Option or Legacy Option, on the occurrence of which such Option or Legacy Option is void, incapable of exercise and of no value whatsoever; and Expires, Expired and Expiry have a similar meaning;
- (r) **"Expiry Date"** means the date on which an Option Expires;
- (s) **"Fair Market Value"** means, on any particular day, the Market Price of a Share, but if the Shares are not listed and posted for trading on an applicable stock exchange at the relevant time, it shall be the fair market value of the Share, as determined by the Board acting in good faith;
- (t) **"Grant Agreement"** means an agreement between the Corporation and a Participant under which an Award is granted, in the case of Options substantially in the form attached hereto as Schedule "A", as may be amended from time to time by the Corporation;
- (u) **"Incapacity"** has the meaning given to that term in Section 4.3(c);
- (v) **"Incumbent Board"** has the meaning given to that term in Section 1.1(e);
- (w) **"Legacy Option"** means an option to purchase a Share that was granted pursuant to the terms of the Legacy Option Plan;
- (x) **"Legacy Option Plan"** means the Corporation's Employee Stock Option Plan, as may be amended from time to time;
- (y) **"Market Price"** means, on any particular day, closing sale price of a Share on the Primary Stock Exchange for such day (or, if such day is not a trading day), the closing sale price reported for the immediately preceding trading day. Notwithstanding the foregoing, the Corporation may convert a Market Price denominated in United States currency to Canadian currency, or vice-versa, at the Bank of Canada daily average exchange rate on the day prior to the particular day, and the converted amount shall be the Market Price;
- (z) **"Non-Executive Director"** means any director of the Corporation who is not an employee or officer of the Corporation or any Affiliate;
- (aa) **"NYSE"** means the New York Stock Exchange;
- (bb) **"Option"** means an option to purchase a Share that is granted to an Eligible Person pursuant to the terms of this Plan;
- (cc) **"Other Award"** means an Award granted under Article 5 hereof.
- (dd) **"Participant"** means an Eligible Person to whom an Award has been granted;
- (ee) **"Person"** means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division or any government, governmental department or agency or political subdivision thereof;
- (ff) **"Plan"** means this Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan, originally effective June 7, 2018, as amended through the Arrangement Effective Time and as it may be further amended from time to time;
- (gg) **"Primary Stock Exchange"** means a Stock Exchange where the majority of the trading volume and value of the Shares has occurred for the five (5) trading days immediately preceding the relevant date;
- (hh) **"Share"** means a share of common stock of the Corporation;
- (ii) **"Share Compensation Arrangement"** means any stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of securities of the Corporation from treasury, including without limitation a Share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, but does not include any such arrangement which does not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation;

(jj) “**Shareholders**” means holders of Shares;

(kk) “**Stock Exchange**” means the NYSE and, if the Shares are listed and posted for trading on another stock exchange, the stock exchange(s) on which the Shares are listed or posted for trading;

(ll) “**Surrender**” has the meaning given to that term in Section 4.1(c);

(mm) “**Surrender Notice**” has the meaning given to that term in Section 4.1(c);

(nn) “**Termination Date**” has the meaning given to that term in Section 4.3(c);

(oo) “**Transaction Agreement**” means the Restated and Amended Transaction Agreement dated August 18, 2022 by and among the Corporation (then-referred to as Zymeworks Delaware Inc.), Zymeworks Inc., a company then-existing under the Business Corporations Act (British Columbia), Zymeworks Callco ULC, and Zymeworks ExchangeCo Ltd. as the same may be amended, modified or supplemented from time to time in accordance therewith, prior to the Arrangement Effective Time; and

(pp) “**Vesting Date**” means the date or dates determined in accordance with the terms of the Grant Agreement entered into in respect of such Award (with respect to Options as described in Section 3.3), on and after which a particular Award, or any part thereof, becomes non-

forfeitable and/or may be exercised (as the case may be), subject to amendment or acceleration from time to time in accordance with the terms hereof or the terms of the Grant Agreement.

Section 1.2. Interpretation

(a) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.

(b) In the Plan, words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.

(c) Unless otherwise specified in the Participant's Grant Agreement, all references to money amounts are to (x) with respect to Awards granted prior to the Arrangement Effective Time, Canadian currency, and (y) with respect to Awards granted on or after the Arrangement Effective Time, U.S. dollars.

(d) As used herein, the terms “Article” and “Section” mean and refer to the specified Article and Section of this Plan, respectively.

(e) The words “including” and “includes” mean “including (or includes) without limitation”.

ARTICLE II

GENERAL PROVISIONS

Section 2.1 Administration

(a) The Board shall administer this Plan. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements.

(b) Subject to the terms and conditions set forth herein, the Board has the authority: (i) to grant Awards to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions, vesting period and conditions, if any, of such grants; (iii) to interpret this Plan and all agreements entered into hereunder; (iv) to adopt, amend and rescind such administrative guidelines and other rules relating to this Plan as it may from time to time deem advisable; and (v) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board's guidelines, rules, interpretations and determinations shall be conclusive and binding upon the Corporation, its subsidiaries and all Participants, Eligible Persons and their legal, personal representatives and beneficiaries.

(c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee thereof. For greater certainty, any such delegation by the Board may be revoked or amended at any time at the Board's sole discretion.

(d) No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to

indemnification by the Corporation with respect to any such action or determination.

(e) The Board may adopt such rules or regulations and vary the terms of this Plan and any grant hereunder as it considers necessary to address tax or other requirements of any applicable U.S. or non-U.S. jurisdiction.

(f) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Corporation other than as specifically provided for in the Plan.

Section 2.2. Shares Reserved

(a) Subject to the other provisions of this Section 2.2, the maximum number of Shares that may be delivered pursuant to Awards granted under the Plan shall be 5,686,097 (which includes 3,686,097 Shares issuable upon exercise of Options outstanding as of March 31, 2018), which maximum number shall be increased on the first day of each calendar year beginning in calendar year 2019 and ending in calendar year 2028 by a number of Shares equal to 4.0% of the number of outstanding Shares on the last day of the immediately preceding calendar year (or such lesser number of Shares as the Board may determine prior to the commencement of the applicable calendar year).

(b) For the purposes of calculating the maximum aggregate number of Shares which may be delivered under this Plan pursuant to Section 2.2(a), following the Expiry, cancellation or other termination of any Awards under this Plan and the Legacy Options under the Legacy Option Plan, a number of Shares equal to the number of shares subject to such Awards or Legacy Options so Expired, cancelled or terminated shall immediately and automatically become available for issuance in respect of Awards that may be subsequently granted under this Plan.

(c) The Corporation shall at all times reserve for issuance and keep available such number of Shares as shall be sufficient to satisfy the requirements of this Plan.

(d) [Reserved]

(e) If there is a change in the outstanding Shares by reason of any stock dividend or split, or in connection with a reclassification, reorganization or other change of Shares, consolidation, distribution (other than an ordinary course dividend in cash or Shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), merger or amalgamation or similar corporate transaction, the Board shall make, subject to any required approval of the Stock Exchange, the appropriate substitution or adjustment in order to maintain the Participants' economic rights in respect of their Awards in connection with such change, including without limitation:

(i) adjustments to the Exercise Price without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option;

(ii) adjustments to the number of Shares to which a Participant is entitled upon exercise or vesting of an Award;

(iii) adjustments permitting the immediate exercise of any outstanding Options that are not otherwise exercisable or the immediate vesting of Other Awards; and

(iv) adjustments to the number or kind of Shares or other securities reserved for issuance pursuant to the Plan and to the number or kind of Shares or other securities or other property issuable upon the exercise or vesting of Awards.

Section 2.3 Amendment and Termination

(a) The Board may, in its sole discretion, suspend or terminate the Plan at any time or from time to time and/or amend or revise the terms of the Plan or of any Award granted under the Plan and any Grant Agreement relating thereto, provided that such suspension, termination, amendment or revision shall:

(i) not adversely alter or impair any Award previously granted except as permitted by the terms of this Plan;

(ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; or

(iii) be subject to Shareholder approval, where required by law, the requirements of the Stock Exchange or this Plan.

(b) If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force with respect to outstanding Awards will continue in effect as long as any such Award or any rights pursuant thereto remain

outstanding and, notwithstanding the termination of the Plan, the Board will remain able to make such interpretations and amendments to the Plan or the Awards as they would have been entitled to make if the Plan were still in effect.

(c) Subject to Section 2.3(a), the Board may from time to time, in its discretion and without the approval of Shareholders, make changes to the Plan or any Award that do not require the approval of Shareholders under Section 2.3(d), which may include but are not limited to:

- (i) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
- (ii) a change to the vesting provisions of the Plan or any Award;
- (iii) a change to the provisions governing assignability and the effect of termination of a Participant's employment, contract or office;
- (iv) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted;
- (v) a change to advance the date on which any Option may be exercised under the Plan; and
- (vi) an amendment of the Plan or an Award as necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, the Plan, the Participants or the Shareholders.

(d) Shareholder approval is required for the following amendments to the Plan:

- (i) any increase in the maximum number of Shares that may be issuable from treasury pursuant to Awards granted under the Plan (as set out in Section 2.2), other than an adjustment pursuant to Section 2.2(e);
- (ii) any reduction in the Exercise Price of an Option after the Option has been granted or any cancellation of such Option and the substitution of that Option with a new Option with a reduced Exercise Price, except in the case of an adjustment pursuant to Section 2.2(e);
- (iii) any extension of the maximum Expiry Date of an Option, except in case of an extension due to a black-out period;
- (iv) a change to the definition of Eligible Persons;
- (v) the addition of a deferred or performance share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Corporation; and
- (vi) any amendment to Section 2.3(c) and Section 2.3(d).

Section 2.4 Compliance with Legislation

(a) The Plan (including any amendments thereto), the terms of the grant of any Award under the Plan, the grant and exercise of any Award and the Corporation's obligation to sell and deliver Shares upon the vesting or exercise of any Award, shall be subject to all applicable U.S. and non-U.S. federal, provincial, state and local laws, rules and regulations, the rules and regulations of the Stock Exchange and any other stock exchange on which the Shares are listed or posted for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals.

(b) No Award shall be granted, and no Shares shall be issued or sold hereunder, where such grant, issue or sale would require registration of the Plan or of Shares under the securities laws of any non-U.S./non-Canadian jurisdiction, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.

(c) The Corporation shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with the Stock Exchange (and any other stock exchange on which the Shares are listed or posted for trading). Shares issued and sold to Participants pursuant to the exercise or vesting of Awards may be subject to limitations on sale or resale under applicable securities laws.

(d) If Shares cannot be issued to a Participant upon the exercise or vesting of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of an Option will be returned to the applicable Participant as soon as practicable.

Section 2.5 Effective Time and Termination

The amendment and restatement of the Plan was effective at the time (the “**Effective Time**”) it was approved by the shareholders of Zymeworks. No Awards may be issued under the Plan from and after the tenth anniversary of the Effective Time, provided that Awards issued prior to such date shall remain in effect following such date in accordance with their terms. The amendment and restatement through the Arrangement Effective Date is effective as of, and contingent upon, the Arrangement Effective Time, except that the changes to Section 1.1(g)(vi) are effective as of immediately prior to, and contingent upon, the Arrangement Effective Time.

Section 2.6 Tax Withholdings and Deductions

The Corporation shall have the authority and the right to deduct or withhold from any amount otherwise payable to a Participant, or require a Participant to remit to the Corporation, an amount sufficient for the Corporation to be able to comply with the applicable provisions of any U.S. or non-U.S. federal, provincial, state or local law relating to the withholding of tax or other required deductions (“**Tax Obligations**”) arising as a result of any Award. Notwithstanding any other provision contained herein, the delivery of Shares with respect to any Award granted under this Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of the Tax Obligations is necessary or desirable in respect of such delivery, such delivery is not required unless provision for the Tax Obligation has been made to the satisfaction of the Corporation. In such circumstances, the Corporation may require that a Participant pay to the Corporation, in addition to the Exercise Price for the Shares (if applicable), such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the Award. Any such additional payment is due no later than the date as of which any amount with respect to the Award first becomes includable in the gross income of the Participant for tax purposes. To the extent permitted by the Board, a Participant may direct a portion of the Shares acquired to be sold by a broker to satisfy the Tax Obligations and the funds from such sale to be paid to the Corporation to be remitted to the relevant taxing authority.

Section 2.7 Non-Transferability

Except as set forth herein, Awards are not transferable. Options may be exercised only by:

- (a) the Participant to whom the Options were granted;
- (b) with the Board's prior written approval and subject to such conditions as the Corporation may stipulate (which may include conditions with respect to compliance with applicable securities law), such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant;
- (c) upon the Participant's death, by the legal representative of the Participant's estate; or
- (d) upon the Participant's Incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Option. A person exercising an Option may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

Section 2.8 Participation in this Plan

(a) No Participant has any claim or right to be granted an Award (including, without limitation, an Award granted in substitution for any Award that has expired pursuant to the terms of this Plan), and the granting of any Award does not and is not to be construed as giving a Participant a right to continued employment or to remain a Consultant, director, officer or employee, as the case may be, of the Corporation or an Affiliate of the Corporation. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment, retention or termination of any such person.

(b) No Participant has any rights or privileges as a shareholder of the Corporation in respect of Shares with respect to any Award until the allotment and issuance to the Participant of certificates representing such Shares or the entry of such Participant's name on the share register of the Corporation as the holder of Shares and that person becomes the holder of record of those Shares. The Participant or the Participant's legal representative shall not, by reason of the grant of any Award (other than an Award of Restricted Stock as set forth in Article 5), be considered to be a shareholder of the Corporation until shares have been issued in respect thereof.

(c) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting the Participant resulting from the grant, vesting or delivery of an Award or transactions in the Shares. With respect to any fluctuations in the market price of Shares, neither the Corporation, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in

respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation does not assume responsibility for the income or other tax consequences resulting to the Participant and they are advised to consult with their own tax advisors.

Section 2.9 Notice

Each notice relating to an Award, including the exercise of an Option, must be in writing. All notices to the Corporation must be delivered personally, by prepaid registered mail or by email and must be addressed to the secretary of the Corporation. All notices to the Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received: (i) if delivered personally, on the date of delivery; (ii) if sent by prepaid, registered mail, on the fifth Business Day following the date of mailing; or (iii) if sent by email, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes hereof. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

Section 2.10 Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, repurchasing Shares or varying or amending its share capital or corporate structure.

Section 2.11 Quotation of Shares

So long as the Shares are listed on a Stock Exchange, the Corporation must apply to the Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise or delivery of all Awards granted under the Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on the Stock Exchange or any other stock exchange.

Section 2.12 No Fractional Shares

No fractional Shares shall be issued upon the exercise or delivery of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or delivery of an Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 2.13 Governing Law

With respect to Awards granted prior to the Arrangement Effective Time, the Plan shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. With respect to Awards granted on or after the Arrangement Effective Time, the Plan shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof and the federal laws of the United States applicable therein, without giving effect to the principles of conflicts of law thereof.

ARTICLE III

OPTIONS

Section 3.1 Grant

(a) Subject to the provisions of this Plan, the Board may grant Options to any Eligible Person upon the terms, conditions and limitations set forth herein or such other terms, conditions and limitations as the Board may determine and set forth in the Grant Agreement; provided that no Option in respect of which Shareholder approval is required under the rules of the Stock Exchange is granted until the time that such grant has been approved by the Shareholders.

(b) An Option shall be evidenced by a Grant Agreement, signed on behalf of the Corporation.

(c) The grant of an Option to, or the exercise of an Option by, a Participant under the Plan shall neither entitle such Participant to receive nor preclude such Participant from receiving subsequently granted Options.

Section 3.2 Exercise Price

An Option may be exercised at a price that shall be fixed by the Board at the time that the Option is granted, but in no event shall it be less than the Fair Market Value of the Shares on the Date of Grant (the "Exercise Price"). The Exercise Price shall be subject to adjustment in accordance with

the provisions of Section 2.2(e) hereof.

Section 3.3 Vesting

(a) All Options granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Options. The Board has the right to accelerate the date upon which any Option becomes exercisable notwithstanding the vesting schedule set forth for such Option, regardless of any adverse or potentially adverse tax consequences resulting from such acceleration.

(b) Notwithstanding any other provision of the Plan, unless otherwise approved by the Board, the vesting of any Options granted hereunder shall be suspended and postponed during any period of Authorized Leave and, upon a Participant's return from such Authorized Leave, the vesting of such Options shall be extended by a period equivalent to such period of Authorized Leave provided that any such extension will not extend the Expiry Date of the option. Notwithstanding the foregoing, upon a Participant's return from an Authorized Leave that was a parental leave, the rate of vesting of such Participant's Options shall be accelerated to twice the rate provided for in the Participant's Grant Agreement until such time as the Participant holds vested Options in accordance with the original schedule of Vesting Dates provided for in the Participant's Grant Agreement. For certainty, nothing contained herein shall limit the effect of Section 4.3 of the Plan upon the termination of any Participant's employment or service as a Consultant, and the calculation of the number of Options vested as of a Participant's Termination Date for purposes thereof shall take into account any suspension, postponement or adjustment of the vesting schedule applicable to such Options contemplated by this Section 3.3 (b).

ARTICLE IV

EXERCISE & EXPIRY & CHANGE OF CONTROL

Section 4.1 Conditions of Exercise

(a) Vested Options may only be exercised during the Exercise Period by the Participant or upon the Participant's death or Incapacity, his or her legal representative (provided that such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise such vested Options). Subject to the restrictions set out in this Plan and to any alternative exercise procedure which may be established from time to time by the Board, Options to acquire Shares may be exercised by delivering to the Corporation an Exercise Notice, together with a bank draft, certified cheque or other form of payment acceptable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and, if required by Section 2.6, the amount necessary to satisfy any source deductions or withholding taxes.

(b) Pursuant to the Exercise Notice, a Participant may choose to undertake a "cashless exercise" with the assistance of a broker in order to facilitate the exercise of such Participant's Options. The "cashless exercise" procedure may include a sale of such number of Shares as is necessary to raise an amount equal to the aggregate Exercise Price for all Options being exercised by that Participant under an Exercise Notice. The Participant shall also comply with Section 2.6 of this Plan with regards to any applicable withholding tax and shall comply with all such other procedures and policies as the Corporation may prescribe or determine to be necessary or advisable from time to time in connection with such "cashless exercise."

(c) In addition, in lieu of exercising any vested Option in the manner described in this Article 4, and pursuant to the terms of this Article 4, a Participant may provide a properly endorsed notice of surrender to the Secretary of the Corporation, substantially in the form of Exhibit "C" to the Grant Agreement (a "**Surrender Notice**") pursuant to which the Participant agrees to transfer, dispose and surrender an Option ("**Surrender**") to the Corporation

and elects to receive that number of Shares calculated using the following formula, after deduction of any income tax and other amounts required by law to be withheld pursuant to Section 2.6:

$$X = Y * (A-B) / A$$

Where:

X = the number of Shares to be issued to the Participant

Y = the number of Shares underlying the Options to be Surrendered

A = the Fair Market Value of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

The decision of whether or not to permit Surrender for any Option is at the sole discretion of the Corporation and will be made on a case by case basis.

(d) Where Shares are to be issued to the Participant pursuant to the terms of this Section 4.1, as soon as practicable following the receipt of the Exercise Notice and, if Options are exercised only in accordance with the terms of Section 4.1(a), the required bank draft, certified cheque or other acceptable form of payment, the Corporation shall duly issue such Shares to the Participant as fully paid and non-assessable.

Section 4.2 Exercise Period

(a) The Exercise Period shall be determined by the Board in its sole and absolute discretion at the time the Option is granted and:

- (i) each Option shall Expire not later than ten (10) years after the Date of Grant;
- (ii) unless otherwise provided in the Participant's Grant Agreement, the Exercise Period shall be automatically reduced or the Expiry Date postponed in accordance with this Article 4 upon the occurrence of any of the events referred to herein; and
- (iii) unless otherwise provided in the Participant's Grant Agreement, no Option in respect of which Shareholder approval is required under the rules of the Stock Exchange shall be exercisable until the time that such Option has been approved by the Shareholders.

(b) Notwithstanding any other provision of the Plan, if the Expiry Date of an Option falls on a date upon which such Participant is prohibited from exercising such Option due to a blackout period or other trading restriction imposed by the Corporation, then the Expiry Date of such Option shall be automatically extended to the tenth (10th) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed; provided, however, that notwithstanding the foregoing, the Expiry Date of an Option shall in no case extend beyond the tenth (10th) anniversary of the date on which it is granted.

Section 4.3 Termination Date

(a) Subject to Section 4.2, unless otherwise provided in the Participant's Grant Agreement, employment agreement or consulting agreement:

(i) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's retirement with the concurrence of the Board, any Options granted to such Participant and vested as of the Termination Date (as defined below) shall remain exercisable by such Participant until the earlier of: (i) 90 days following the Termination Date; and (ii) the Expiry Date. As of the Termination Date, all unvested Options of such Participant shall Expire and such Participant shall no longer be eligible for a grant of Options;

(ii) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's death or Incapacity, any Options granted to such Participant and vested as of the Termination Date shall remain exercisable by such Participant (or, in accordance with Section 2.7, the Participant's legal representative) until the earlier of: (i) one year following the date of death or the date on which the Board determines that the Incapacity will prevent the employee from fulfilling his or her duties with the Corporation; and (ii) the Expiry Date. As of the Termination Date, all unvested Options of such Participant shall Expire;

(iii) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's termination for cause, as determined by the Board, in its discretion, then, as of the Termination Date, the vested and unvested Options granted to such Participant shall Expire and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of Options;

(iv) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's resignation, then any Options granted to such Participant and vested as of the Termination Date shall remain exercisable by such Participant until the earlier of: (i) 90 days following the Termination Date; and (ii) the Expiry Date. As of the Termination Date, all unvested Options granted to such Participant shall Expire and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of Options;

(v) if, at any time, a Participant ceases to be an employee of the Corporation or a subsidiary as a result of the Participant's dismissal without cause, any Options granted to such Participant and vested as of the Termination Date shall remain exercisable by such Participant until the earlier of: (i) ninety (90) days following the Termination Date; and (ii) the Expiry Date. As of the Termination Date, all unvested Options of such Participant shall Expire (for certainty, without regard to any period of reasonable notice that the Corporation or a subsidiary, as the case may be, may be required at law to provide to the Participant) and such Participant shall no longer be eligible for a grant of Options;

(vi) where, in the case of a Consultant, the Participant's consulting agreement or arrangement terminates by reason of: (i) termination by the Corporation or an Affiliate for any reason whatsoever other than for material breach of the consulting agreement or arrangement (whether or not such termination is effected in compliance with any termination provisions contained in the Participant's consulting agreement or arrangement); or (ii) voluntary termination by the Participant, then any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by

the Participant until the earlier of: (A) the date that is ninety (90) days from the Termination Date; and (B) the Expiry Date. Any Options held by the Participant that are not exercisable at the Termination Date immediately expire and are cancelled on such date;

(vii) where, in the case of a Consultant, the Participant's consulting agreement or arrangement terminates by reason of the death or Incapacity of the Participant, then any Options held by the Participant that are exercisable at the date of the death or Incapacity of the Participant continue to be exercisable by the Participant (or, in accordance with Section 2.7, the Participant's legal representative) until the earlier of: (i) the date that is one year from the date of the death or Incapacity of the Participant; and (ii) the Expiry Date. Any Options held by the Participant that are not exercisable at the date of the death or Incapacity of the Participant immediately expire and are cancelled on such date;

(viii) where, in the case of a Consultant, the Participant's consulting agreement or arrangement is terminated by the Corporation or an Affiliate for material breach of the consulting agreement or arrangement (whether or not such termination is effected in compliance with any termination provisions contained in the Participant's consulting agreement or arrangement), as determined by the Board, in its discretion, then any Options held by the Participant, whether or not such Options are exercisable at the Termination Date, immediately expire and are cancelled on the Termination Date at a time determined by the Board, in its discretion;

(ix) if, at any time, a Participant ceases to be a director, officer or member of an advisory board of the Corporation or a subsidiary (and is not or does not continue as an employee or consultant of the Corporation or a subsidiary) for a reason other than the death or Incapacity of the Participant, the Options granted to such Participant and vested as of the Termination Date may be exercised by such Participant until the earlier of: (i) ninety (90) days following the Termination Date; and (ii) the Expiry Date. As of the Termination Date, all unvested Options granted to such Participant shall cease and terminate and be of no further force or effect whatsoever;

(x) if, at any time, a Participant ceases to be a director, officer or member of an advisory board of the Corporation or a subsidiary (and is not or does not continue as an employee or consultant of the Corporation or a subsidiary) as a result of the Participant's death or Incapacity, any Options granted to such Participant and vested as of the Termination Date shall remain exercisable by such Participant (or, in accordance with Section 2.7, the Participant's legal representative) until the earlier of: (i) the date that is one year from the date of the death or Incapacity of the Participant; and (ii) the Expiry Date. As of the Termination Date, all unvested Options granted to such Participant shall cease and terminate and be of no further force or effect whatsoever; and

(xi) if, at any time, a Participant who is a Non-Executive Director, ceases to be a director of the Corporation or a subsidiary for a reason other than the death or Incapacity of the Participant, the Options granted to such Participant and vested as of the Termination Date may be exercised by such Participant until the earlier of: (i) the date that is one year from the Termination Date; and (ii) the Expiry Date. As of the Termination Date, all unvested Options of such Participant shall Expire and such Participant shall no longer be eligible for a grant of Options.

(b) Notwithstanding any other provisions of this Section 4.3, the Board may extend the expiration date of vested and unvested Options of a Participant beyond the Expiry

Dates set out above, provided that such extended dates are not later than the initial assigned maximum Expiry Date of any such Option.

(c) For purposes of the foregoing:

"Incapacity" means the permanent and total incapacity of a Participant as determined in accordance with procedures established by the Board for purposes of this Plan; and

"Termination Date" means:

(i) in the case of a Participant whose employment or term of office with the Corporation or a subsidiary terminates in the circumstances set out in Section 4.3, the date that is designated by the Corporation or a subsidiary, as the case may be, as the last day of the Participant's employment or term of office with the Corporation or a subsidiary, as the case may be, provided that in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and, in the case of a termination by the Corporation without cause, "Termination Date" specifically does not mean the date on which any period of

reasonable notice that the Corporation or a subsidiary, as the case may be, may be required at law to provide to the Participant, would expire; and

(ii) in the case of a Participant who is a Consultant and whose consulting agreement or arrangement with the Corporation or a subsidiary, as the case may be, terminates in the circumstances set out in Section 4.3, the date that is designated by the Corporation or a subsidiary, as the case may be, as the date on which the Participant's consulting agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant, such date shall not be earlier than the date notice of voluntary termination was received by the Corporation, and, in the case of a termination by the Corporation without cause, "Termination Date" specifically does not mean the date on which any period of notice of termination that the Corporation or a subsidiary, as the case may be, may be required to provide to the Participant under the terms of the consulting agreement or arrangement, would expire.

Section 4.4 Change of Control

(a) Notwithstanding anything else in this Plan or any Grant Agreement, the Board has the right to provide for the conversion or exchange of any outstanding Awards into or for options, rights or other securities in any entity participating in or resulting from a Change of Control, cash or other property.

(b) Upon the Corporation entering into an agreement relating to a transaction which, if completed, would result in a Change of Control, or otherwise becoming aware of a pending Change of Control, the Corporation shall give written notice of the proposed Change of Control to the Award holders, together with a description of the effect of such Change of Control on outstanding Awards, not less than seven (7) days prior to the closing of the transaction resulting in the Change of Control.

(c) The Board may, in its sole discretion, accelerate the vesting and/or the Expiry Date of any or all outstanding Awards to provide that, notwithstanding the vesting provisions of such Awards or any Grant Agreement, such designated outstanding Awards shall be fully vested and conditionally exercisable (in the case of Options) upon (or prior to) the completion of the Change of Control provided that the Board shall not, in any case, authorize the exercise of Options pursuant to this Section 4.4(c) beyond the Expiry Date of the Options. If the

Board elects to accelerate the vesting and/or the Expiry Date of the Options, then if any of such Options are not exercised within seven (7) days after the applicable holders are given the notice contemplated in Section 4.4(b) (or such later Expiry Date as the Board may prescribe), such unexercised Options shall, unless the Board otherwise determines, terminate and Expire following the completion of the proposed Change of Control. If, for any reason, the Change of Control does not occur within the contemplated time period, the acceleration of the vesting and the Expiry Date of the Awards shall be retracted and vesting shall instead revert to the manner provided in the Grant Agreement.

(d) To the extent that the Change of Control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the share capital of the Corporation (and the Board does not accelerate the vesting and/or the Expiry Date of Awards pursuant to Section 4.4(c)), the Corporation shall make adequate provisions to ensure that, upon completion of the proposed Change of Control, the number and kind of shares subject to outstanding Awards and, if applicable, the Exercise Price per share of Options shall be appropriately adjusted (including by substituting the Awards for awards with respect to securities in any successor entity to the Corporation) in such manner as the Board considers equitable to prevent substantial dilution or enlargement of the rights granted to Award holders. The Board may make changes to the terms of the Awards or the Plan to the extent necessary or desirable to comply with any rules, regulations or policies of any stock exchange on which any securities of the Corporation may be listed, provided that the value of previously granted Awards and the rights of Award holders are not materially adversely affected by any such changes.

(e) Notwithstanding anything else to the contrary herein, in the event of a potential Change of Control, the Board shall have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards (including, for greater certainty, to cause the vesting of all unvested Awards) to assist the Participants to tender into a take-over bid or other transaction leading to a Change of Control. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to permit Participants to conditionally exercise their Options, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of such take-over bid (or the effectiveness of such other transaction leading to a Change of Control). If, however, the potential Change of Control referred to in this Section 4.4(e) is not completed within the time specified therein (as the same may be extended), then notwithstanding this Section 4.4(e) or the definition of "Change of Control": (i) any conditional exercise of vested Options shall be deemed to be null, void and of no effect, and such conditionally exercised Options shall for all purposes be deemed not to have been exercised; (ii) Shares which were issued pursuant to exercise of Options which vested pursuant to this Section 4.4 shall be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares; and (iii) the original terms applicable to Options which vested pursuant to this Section 4.4 shall be reinstated.

ARTICLE V

OTHER AWARDS

Section 5.1 General

In addition to Awards of Options hereunder, the Board may grant the types of Awards described in this Article 5 ("**Other Awards**"), in accordance with the terms of this Article and the Plan.

The Board has the right to accelerate the date upon which any Other Award vests notwithstanding the vesting schedule set forth for such Other Award, regardless of any adverse or potentially adverse tax consequences resulting from such acceleration.

Section 5.2 Restricted Stock

The Board may grant or award Shares to Eligible Persons that are subject to transfer, vesting and forfeiture restrictions ("**Restricted Stock**") in respect of such number of Shares, and subject to such terms or conditions, as it shall determine and specify in a Grant Agreement, and may provide in a Grant Agreement for an Option to be exercisable for Restricted Stock. A holder of Restricted Stock shall have all of the rights of a shareholder of the Corporation, including the right to vote the shares, unless the Board shall otherwise determine at the time of grant; provided that unless the Board determines otherwise any dividends paid on Restricted Stock will be held in escrow until all restrictions on such Shares have lapsed. Unless a Participant's Grant Agreement provides to the contrary, unvested Restricted Stock shall not be transferred without the written consent of the Board. In addition, at the time of termination for any reason of a Participant's employment or other service relationship with the Corporation or a subsidiary, unvested Restricted Stock shall be forfeited to the Corporation for no consideration, unless otherwise determined by the Board. Share certificates, if any, representing Awards of Restricted Stock (which may also be held in book entry or similar form) shall be imprinted with a legend to the effect that the Shares represented may not be sold, exchanged, transferred, pledged, hypothecated or otherwise disposed of except in accordance with the terms of the Grant Agreement and, if the Board so determines, the holder may be required to deposit the share certificates or other evidence of legal and beneficial ownership with the President, Chief Financial Officer, Secretary or other officer of the Corporation or with an escrow agent designated by the Board, together with a stock power or other instrument of transfer appropriately endorsed in blank. In the event that the Restricted Stock is not represented by a share certificate, the Corporation shall direct the Corporation's registrar and transfer agent to make an appropriate notation of the restrictions on transfer to which the Restricted Stock is subject in the stock books and records of the Corporation.

Section 5.3 Restricted Stock Units

The Board may grant Awards payable in Shares upon vesting ("**Restricted Stock Units**") to Eligible Persons hereunder, in respect of such number of Shares, and subject to such terms or conditions, as it shall determine and specify in a Grant Agreement. A Restricted Stock Unit represents the right to receive, without payment to the Corporation, a Share. Restricted Stock Units shall become vested as determined by the Board as set forth in the applicable Grant Agreement, unless otherwise described in the Plan. Amounts payable in connection with a Restricted Stock Unit shall be paid to the holder thereof as set forth in the applicable Grant Agreement, but in no event later than two and one-half months following the end of the calendar year in which the applicable vesting condition is met (unless receipt is deferred in accordance with procedures adopted by the Board, any of which shall comply with the requirements of Section 409A of the Code if the Participant is a United States taxpayer). Restricted Stock Units shall not constitute or be treated as property or as a trust fund of any kind. All amounts at any time attributable to the Restricted Stock Units shall be and remain the sole property of the Corporation and all holders' rights thereunder are limited to the rights to receive Shares as provided in the Plan and the applicable Grant Agreement.

Section 5.4 Other Share-Based Awards; Performance Vesting

The Board may grant such Other Awards payable in Shares as the Board may determine to be necessary or appropriate, including awards of Shares that are not subject to vesting or forfeiture restrictions. The vesting of Other Awards hereunder may be made subject to the attainment of performance goals, as the Board may determine in its discretion.

APPENDIX 1

US RESIDENT EMPLOYEES

The terms of the Plan are hereby modified with respect to those Participants who are U.S. Participants:

SPECIAL APPENDIX

to the

Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan

Special Provisions Applicable to Participants Subject to
the United States Internal Revenue Code

This Appendix sets forth special provisions of the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the “Plan”) that apply to U.S. Participants. All Options issued under the Plan to U.S. Participants are intended to be exempt from Section 409A of the Code, or any successor thereto, and all provisions hereunder shall be read, interpreted, and applied with that purpose in mind. Terms used herein that are defined in the Plan shall have the meanings set forth in the Plan, as amended from time to time.

1. Interpretation

- (a) For the purposes of this Appendix, the following terms have the following meanings:
- (i) “Code” means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;
 - (ii) “Incentive Stock Option” means any Option granted under the Plan which is designated in the Grant Agreement (at the time it is granted) as an incentive stock option within the meaning of Section 422 of the Code or any successor thereto and which also satisfies the requirements of such section (including, without limitation, the requirement that the Participant is employed by the Corporation or a “parent corporation” or “subsidiary corporation” of the Corporation (as such terms are defined in Section 424 of the Code));
 - (iii) “Non-Qualified Option” means any Option granted under the Plan to a U.S. Participant which is not an Incentive Stock Option;
 - (iv) “Ten Percent Shareholder” means a U.S. Participant who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation or any subsidiary of the Corporation, as applicable (determined in accordance with Section 422 of the Code);
 - (v) “Separation From Service” shall have the meaning as set forth in United States Treasury Regulation Section 1.409A-1(h) (after giving effect to the presumptions contained therein); and
 - (vi) “U.S. Participant” shall have the meaning set forth in Section 2(a), below.
- (b) The Plan and this Appendix are complementary to each other and shall, with respect to Options granted to U.S. Participants, be read and deemed as one. In the event of any

contradiction, whether explicit or implied, between the provisions of this Appendix and the Plan, the provisions of this Appendix shall prevail with respect to Options granted to U.S. Participants. Options may be granted under this Appendix either as Incentive Stock Options or as Non-Qualified Options, subject to any applicable restrictions or limitations as provided under applicable law.

2. Application

- (a) The following special rules and limitations are applicable to Options issued under the Plan to Participants subject to taxation in the United States (referred to hereunder as “U.S. Participants”) at the time of grant.
- (b) Incentive Stock Options may be granted with respect to a maximum fixed amount equal to 20% of the Shares reserved for issuance under the Plan at the Effective Time (subject to adjustment pursuant to Section 2.2(e) of the Plan).
- (c) To the extent that the aggregate fair market value (determined as of the time the Option is granted) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the U.S. Participant under all Share Compensation Arrangements of the Corporation and/or its Affiliates (if applicable) exceeds US\$100,000 during any calendar year, the Options or portions thereof that exceed such limit (according to the order in which they are granted) shall constitute Non-Qualified Options in accordance with Section 422(d) of the Code or any successor thereto, notwithstanding any contrary provision of the Plan and/or Grant Agreement.
- (d) Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate of the Corporation shall have any obligation to pay, indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.
- (e) The Corporation and its Affiliates, if applicable, shall withhold taxes according to the requirements of applicable laws, rules and regulations, including the withholding of taxes at source to satisfy any applicable U.S. and non-U.S. federal, provincial, state or local tax withholding obligation and employment taxes.

- (f) Each recipient of an Option hereunder who is or who becomes a U.S. Participant is advised to consult with his or her personal tax advisor with respect to the tax consequences under federal, state, local and other tax laws of the receipt and/or exercise of an Option hereunder.
- (g) Without derogating from the powers and authorities of the Board detailed in the Plan, and unless specifically required under applicable law, the Board shall also have the sole and full discretion and authority to administer the provisions of this Appendix and all actions related thereto including, in addition to any powers and authorities specified in the Plan, the performance, from time to time and at any time, of either or both of the following:
 - (i) deciding whether to issue Options as Incentive Stock Options or as Non-Qualified Options; and
 - (ii) adopting standard forms of Grant Agreements to be applied with respect to U.S. Participants, incorporating and reflecting, inter alia, relevant provisions regarding

the grant of Options in accordance with this Appendix and amending or modifying the terms of such standard forms from time to time.

3. Exercise Price

The Exercise Price of each Option granted under the Plan to a U.S. Participant shall not be less than the Fair Market Value of a Share on the date such Option is granted. Notwithstanding any other provision of the Plan, in determining the Fair Market Value of a Share under the Plan in connection with the grant of an Option to a U.S. Participant, the Board will make the determination of Fair Market Value in good faith consistent with the rules of Sections 422 and 409A of the Code and the rules of the NYSE, to the extent applicable.

4. Expiry of Option

Notwithstanding any other provision of the Plan and any provisions of the Grant Agreement to the contrary, Options granted to U.S. Participants may not be exercised under any circumstance following the ten (10) year anniversary of the date of grant.

5. Disqualifying Disposition

Without limiting the generality of the foregoing, if a U.S. Participant sells or otherwise disposes of any of the Shares acquired pursuant to an Incentive Stock Option on or before the later of (i) the date two years after the date the Option is granted or (ii) the date one year after the transfer of such Shares to the U.S. Participant upon exercise of the Incentive Stock Option, the U.S. Participant shall notify the Corporation in writing within 30 days after the date of any such disposition ("**Disqualifying Disposition**") and shall remit to the Corporation or its Affiliate, as applicable, the amount of any applicable U.S. and non-U.S. federal, state, provincial and local withholding and employment taxes which the Corporation is required to collect in accordance with applicable laws (if any).

6. Adjustments to Options

In the event of a corporate transaction requiring the adjustment of an Option held by a U.S. Participant, the number of Shares deliverable on the exercise of an Option held by a U.S. Participant and the Exercise Price of an Option held by a U.S. Participant shall be adjusted in a manner intended to keep the Options exempt from Section 409A of the Code and to comply with Section 422 of the Code, if applicable, in the case of an Incentive Stock Option.

7. Amendment of Appendix

The Board shall retain the power and authority to amend or modify this Appendix and any Option issued hereunder to the extent the Board in its sole discretion deems necessary or advisable to comply with law or regulation, including to comply with any guidance issued under Sections 409A or 422 of the Code. Such amendments may be made without the approval of any U.S. Participant.

8. Ten Percent Shareholders

- (a) If any U.S. Participant to whom an Incentive Stock Option is to be granted under this Plan is, at the time of the grant of such Option, a Ten Percent Shareholder, then the following special provisions shall apply:
 - (i) the per share price at which Shares may be purchased upon the exercise of an Incentive Stock Option shall be no less 110% of the Fair Market Value of a Share

at such time as the Option is granted (as determined under the applicable provisions of the Code); and
 - (ii) the maximum term of the Option shall not exceed five (5) years from the date the Option is granted.

- (b) Subject to the provisions of this Section 8 regarding Ten Percent Shareholders, and applicable requirements for securityholder approval, no Incentive Stock Option may be granted hereunder to a U.S. Participant following the expiry of ten (10) years after the date on which this Plan is adopted by the Board.

Neither this document, nor any stock option agreement connected with it, is an approved prospectus for the purposes of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA") and no offer of transferable securities to the public (for the purposes of section 102B of FSMA) is being made in connection with the UK Sub-Plan to the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Sub-Plan"). The Sub-Plan is exclusively available to bona fide employees and former employees of Zymeworks Inc., Zymeworks Management Inc., and any other UK Subsidiary.

UK SUB-PLAN TO THE

ZYMEWORKS INCORPORATED AMENDED AND RESTATED STOCK OPTION AND EQUITY COMPENSATION PLAN

Additional Terms and Conditions for Options received by Participants resident in the UK.

1. **The purpose of this Sub-Plan is to provide incentives for present and future UK tax resident employees of Zymeworks, Inc., Zymeworks Management Inc., and any other UK Subsidiary through the grant of options over shares of Common Stock of Zymeworks, Inc (the "Corporation").**
2. **Capitalized terms are defined in the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "US Plan"), subject to the provisions of this Sub-Plan.**
3. **References to Incentive Stock Options and Nonstatutory Stock Options shall not apply to Options granted under the Sub-Plan.**
4. **The Options granted under this Sub-Plan shall be designated as Non-tax favoured Options.**
5. **This Sub-Plan is governed by the Plan and all its provisions shall be identical to those of the Plan SAVE THAT**

(i) "Sub-Plan" shall be substituted for "Plan" where applicable and

(ii) the following provisions shall be as stated in this Sub-Plan in order to accommodate the specific requirements of the laws of England and Wales:

6. **SECTION 1.1 Definitions.**

The following definitions shall be deleted: "Consultant", "Incentive Stock Option", "Non-Executive Director", "Non-Qualified Option" and "Ten Percent Shareholders".

In the definition of "Eligible Person", the words "director, officer, or" and the words "or Consultant" shall be deleted and the words "(including any of those persons who is also an officer or director of the Corporation or its subsidiaries)" shall be added.

In Section 1.1, the following definitions shall be inserted:

"Award Tax Liability" means any liability or obligation of the Corporation and/or any subsidiary to account (or pay) for income tax (under the UK withholding system of PAYE (pay as you earn)) or any other taxation provisions and primary class 1 National Insurance Contributions in the United Kingdom to the extent arising from the grant, exercise, assignment, release, vesting, settlement, cancellation or any other disposal of an Award or arising out of the acquisition, retention and disposal of the Shares acquired under this Plan.

"Data" means certain personal information about the Participant, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any stock, units or directorships held in the Corporation or any subsidiary, details of all options or other entitlement to shares awarded, cancelled, exercised, vested, unvested, or outstanding in the Participant's favour.

"Data Recipients" means third parties assisting the Corporation in the implementation, administration, and management of the Plan.

"ITEPA" shall mean the Income Tax (Earnings and Pensions) Act 2003.

"Non-tax favoured Option" means an option over shares in the Corporation that is neither an HM Revenue & Customs company share option (under Schedule 4 of ITEPA) nor an enterprise management incentive (EMI) option which meets the requirements of Schedule 5 of ITEPA.

"Option Tax Liability" means any liability or obligation of the Corporation and/or any subsidiary to account (or pay) for income tax (under the UK withholding system of PAYE (pay as you earn)) or any other taxation provisions and primary class 1 National Insurance Contributions in the United Kingdom to the extent arising from the grant, exercise, assignment, release, cancellation or any other disposal of an Option or arising out of the acquisition, retention and disposal of the Shares acquired under this Plan.

"Personal Representative" means the personal representative(s) of a Participant (being either the executors of the will or, if a Participant dies intestate, the duly appointed administrator(s) of the estate) who has provided to the Board evidence of their appointment as such.

"Secondary Contributor" means a person or company who has a liability to account (or pay) the Secondary NIC Liability to HM Revenue and Customs.

"Secondary NIC Liability" means any liability to employer's Class 1 National Insurance Contributions (including Health and Social Care Levy, when applicable) to the extent arising from the grant, exercise, release or cancellation of an Option or arising out of the acquisition, retention and disposal of the Shares acquired pursuant to an Option.

"Section 431 Election" means an election made under section 431 of ITEPA.

"UK Subsidiary" means a subsidiary of the Corporation which is incorporated in the UK.

"US Plan" means the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan, originally effective June 7, 2018, as amended through the Arrangement Effective Time and as it may be further amended from time to time.

7. **SECTION 2.2 Shares Reserved**

The word "Plan" shall be replaced with "the US Plan (together with the Plan)".

8. **SECTION 2.3 Amendment and Termination**

In Subsection (b) insert the following sentence "The Plan will terminate upon the expiry of the US Plan".

In Subsection (c) delete the words " and without the approval of Shareholders" and "that do not require the approval of Shareholders under Section 2.3(d)".

Subsection (d) to be deleted in its entirety.

The following footnote shall be inserted:

"Any changes adverse to the Participant (other than those described in Section 2.3(c) (vi) will normally require Participant consent under UK law."

9. **SECTION 2.4. Compliance with Legislation.**

The words "all applicable U.S. and non-U.S. federal, provincial, state and local laws, rules and regulations" shall be deleted and replaced with the words "any applicable law".

10. **SECTION 2.5. Effective Time and Termination.**

The words "The March 4, 2020 amendment and restatement of the Plan was effective at the time (the "Effective Time") it was approved by the shareholders of Zymeworks." shall be deleted. The words "March 4, 2020" shall be inserted after the words "anniversary of" and "(the "Effective Time")".

The words "The amendment and restatement through the Arrangement Effective Date is effective as of, and contingent upon, the Arrangement Effective Time, except that the changes to Section 1.1(g)(vi) are effective as of immediately prior to, and contingent upon, the Arrangement Effective Time." Shall be deleted and replaced with the words "The Plan will terminate automatically on the termination of the US Plan".

11. **SECTION 2.6. Withholding Obligations.**

The title of Section 2.6 shall be deleted and replaced with the title "Withholding Obligations".

Section 2.6 shall be deleted in its entirety and replaced with the paragraph below:

"In the event that the Corporation or any subsidiary determines that it is required to account to HM Revenue & Customs for any Award Tax Liability or Secondary NIC Liability (under the Award Agreement) arising from the grant, exercise, assignment, release, vesting, settlement, cancellation or any other disposal of an Award or arising out of the acquisition, retention and disposal of the Shares acquired pursuant to an Award, the Participant, as a condition to the issue of Shares in connection with an Award, shall make such arrangements satisfactory to the Corporation to enable it or any subsidiary to satisfy any requirement to account for any Award Tax Liability (and, if applicable, any Secondary NIC Liability) that may arise in connection with the Award including, but not limited to, arrangements satisfactory to the Corporation for withholding Shares that would otherwise be issued to the Participant."

12. **SECTION 2.7. Non-Transferability.**

Any reference to the words "legal representative" shall be deleted and replaced with the words "Personal Representative".

In Subsection (a) the word "or" shall be added.

In Subsection (c), the word "estate" shall be deleted and replaced with the words "within 12 months of the Participant's death".

Subsections (b) and (d) shall be deleted in their entirety.

13. **SECTION 2.8. Participation in this Plan.**

In Subsection (b), the words "or the Participant's legal representative" shall be deleted.

14. **SECTION 2.13. Governing Law.**

The words "The Section 431 Election shall be governed by the laws of England and Wales." shall be inserted at the end of the Section.

15. **SECTION 3.3. Vesting.**

In Subsection (b) the following footnote shall be inserted:

"Note that to avoid employment claims, vesting should not be suspended in periods of maternity, shared parental leave etc. Please seek advice if in doubt."

16. **SECTION 4.1. Conditions of Exercise.**

In Subsection (a) the words " or upon the Participant's death or Incapacity, his or her legal representative (provided that such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise such vested Options)" shall be deleted. Insert the words "(and any Option Tax Liability and any Secondary NIC Liability), and a signed Section 431 Election if required" after the word "taxes".

In Subsection (b) insert the words "and any Option Tax Liability and any Secondary NIC Liability)" after the word "tax".

In Subsection (c) the words 'transfer, dispose' shall be deleted and replaced with the word 'release'. The words 'to the Corporation' shall also be deleted. .

17. **SECTION 4.2. Exercise Period.**

In Subsection (a)(ii), the word "and" shall be deleted.

Subsection (a)(iii) shall be deleted in its entirety.

18. **SECTION 4.3. Termination Date.**

In Subsection (a) the words "or consulting agreement" shall be deleted and the word "or" shall be added.

In Subsection (a)(ii) the words "in accordance with Section 2.7" shall be deleted and replaced with the word "by". The words "legal representative" shall be deleted and replaced with "Personal Representative".

In Subsection (a)(iii) delete the word "cause" and replace with "gross misconduct".

In Subsection (a)(v) the words "without cause" shall be deleted and replaced with the words "other than for gross misconduct".

Subsections (a)(vi), (a)(vii), (a)(viii) and (a)(xi) shall be deleted in their entirety.

In Subsection 4.3(c)(i), the words "without cause" shall be deleted and replaced with the words "other than for gross misconduct".

Subsection 4.3(c)(ii) shall be deleted in its entirety.

19. SECTION 5.2. Restricted Stock.

The words "Specific UK securities laws advice must be taken where Restricted Stock is acquired other than on exercise of an Option" shall be added below the heading.

20. SECTION 5.4. Other Share-Based Awards; Performance Vesting

The words "Specific UK securities laws advice must be taken where restricted stock is acquired other than on exercise of an Option" shall be added below the heading.

SCHEDULE "A"

ZYMEWORKS INC. STOCK OPTION GRANT AGREEMENT

This agreement (the "Grant Agreement") evidences the Options granted by Zymeworks Inc. (the "Corporation") to the undersigned (the "Participant"), pursuant to and subject to the terms of the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Plan"), which is incorporated herein by reference. The Exhibits attached to this Stock Option Grant Agreement shall form an integral part of this Stock Option Grant Agreement.

The Corporation hereby grants to the Participant on the Date of Grant such number of Options as set forth in the attached Exhibit "A", as may be amended from time to time, with each Option representing the right to purchase, on the terms provided herein and in the Plan (including, without limitations, the applicable exercise provisions), a Share with an Exercise Price per Share as set forth in the attached Exhibit "A", as may be amended from time to time, in each case subject to adjustment in accordance with the provisions of the Plan.

ARTICLE 1

INTERPRETATION

- (a) Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.
- (b) Words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.
- (c) Unless otherwise specified herein, all references to money amounts are to U.S. dollars.
- (d) The words "including" and "includes" mean "including (or includes) without limitation".

ARTICLE 2

VESTING

Section 2.1 Options

Unless earlier terminated, relinquished or expired, Options granted pursuant to this Grant Agreement shall vest in accordance with the provisions set forth in the attached Exhibit "A" as may be amended from time to time.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1 Participation in the Plan

No Participant has any claim or right to be granted an Option (including, without limitation, an Option granted in substitution for any Option that has expired pursuant to the terms of this Plan), and the granting of any Option is not to be construed as giving a Participant a right to continued employment or to remain a Consultant, director, officer or employee, as the case may be, of the Corporation or an Affiliate of the Corporation. Nothing contained in this Grant Agreement or the Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment or termination of any such person. Upon any such termination, a Participant's rights to exercise Options will be subject to restrictions and time limits for the exercise of Options. Complete details of such restrictions are set out in the Plan, and in particular in Article 4 thereof (except to the extent that such provisions are varied in

accordance with Exhibit "A" hereto). The Participant hereby agrees that any rule, regulation or determination, including the interpretation by the Board of the Plan, the Option granted hereunder and the exercise thereof, is final and conclusive for all purposes and binding on all persons including the Corporation and the Participant.

Section 3.2 Binding Agreement

The exercise of the Options granted hereby, issuance of Shares and ownership of the Shares are subject to the terms and conditions of the Plan (all of which are incorporated into and form part of this Grant Agreement) and this Grant Agreement. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

Section 3.3 Governing Law

This Grant Agreement shall be governed by the laws of the State of Delaware and the federal laws of the United States, in each case, without giving effect to the principles of conflicts of law thereof.

[The remainder of this page is intentionally left blank]

By acceptance of these Options, the undersigned acknowledges receipt of the Plan text and agrees hereby to be subject and bound to the terms of the Plan. The undersigned further acknowledges and agrees that the Participant's abovementioned participation is voluntary and has not been induced by expectation of engagement, appointment, employment, continued engagement or continued employment, as the case may be.

Accepted and agreed to this ____ day of _____, _____.

Corporation:	ZYMEWORKS INC.
By:	
Name:	
Title:	
Participant:	
	Signature of Option Holder
	Name of Option Holder (Please Print)
Address:	

EXHIBIT "A" OPTION GRANT

Participant: ☐

Number of Options ☐

Exercise Price: ☐

Date of Grant: ☐

Vesting Schedule ☐

Expiry Date¹ ☐

[1] Include here any provisions with respect to the expiry of vested/unvested options that would depart from Section 4.3 of the Plan (i.e., the impact of certain events on the vesting/exercise period, including termination for cause, voluntary resignation, termination other than for cause, termination upon a change of control, and retirement, death or disability).

EXHIBIT "B" ELECTION TO EXERCISE STOCK OPTIONS

TO: ZYMEWORKS INC. (the "Corporation")

The undersigned option holder hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to a Grant Agreement dated _____, 20____ under the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Plan"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired:

Option Exercise Price (per Share): \$

Aggregate Purchase Price: \$

Amount enclosed that is payable on account of any Source Deductions relating to this Option exercise (contact the Corporation for details of such amount):



Or check here if alternative
arrangements have been made
with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all Source Deductions, and directs such Shares to be registered in the name of

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, ____

Signature of Option Holder

Name of Option Holder (Please Print)

EXHIBIT "C" SURRENDER NOTICE

TO: ZYMEWORKS INC. (the "Corporation")

The undersigned option holder hereby elects to transfer, dispose and surrender Options granted by the Corporation to the undersigned pursuant to a Grant Agreement dated _____, 20__ under the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Plan") to the Corporation in exchange for Shares as calculated in accordance with Section 4.1(c) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of: _____

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, ____.

Signature of Option Holder

Name of Option Holder (Please Print)

Type of Option² [Incentive Stock Option/Non-Qualified Option]

² Add for U.S. Participants

SCHEDULE "A"

UK SUB-PLAN

ZYMEWORKS INC. STOCK OPTION GRANT AGREEMENT

This agreement (the "Grant Agreement") evidences the Options granted by Zymeworks Inc. (the "Corporation") to the undersigned (the "Participant"), pursuant to and subject to the terms of the UK Sub-Plan to the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Plan"), which is incorporated herein by reference. The Exhibits attached to this Stock Option Grant Agreement including the Section 431 Election, if required, shall form an integral part of this Stock Option Grant Agreement. For the avoidance of doubt, unless the Board determines otherwise, the Section 431 Election will be required.

The Corporation hereby grants to the Participant on the Date of Grant such number of Options as set forth in the attached Exhibit "A", as may be amended from time to time, with each Option representing the right to purchase, on the terms provided herein and in the Plan (including, without limitations, the applicable exercise provisions), a Share with an Exercise Price per Share as set forth in the attached Exhibit "A", as may be amended from time to time, in each case subject to adjustment in accordance with the provisions of the Plan.

ARTICLE 1

INTERPRETATION

- (a) Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.
- (b) Words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.
- (c) Unless otherwise specified herein, all references to money amounts are to U.S. dollars.
- (d) The words "including" and "includes" mean "including (or includes) without limitation".

ARTICLE 2

VESTING

Section 2.1 Options

Unless earlier terminated, relinquished or expired, Options granted pursuant to this Grant Agreement shall vest in accordance with the provisions set forth in the attached Exhibit "A" as may be amended from time to time.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1 Participation in the Plan

No Participant has any claim or right to be granted an Option (including, without limitation, an Option granted in substitution for any Option that has expired pursuant to the terms of this Plan), and the granting of any Option is not to be construed as giving a Participant a right to continued employment or to remain a director, officer or employee, as the case may be, of the Corporation or an Affiliate of the Corporation. Nothing contained in this Grant Agreement or the Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment or termination of any such person. Upon any such termination, a Participant's rights to exercise Options will be subject to restrictions and time limits for the exercise of Options. Complete details of such restrictions are set out in the Plan.

and in particular in Article 4 thereof (except to the extent that such provisions are varied in accordance with Exhibit "A" hereto). The Participant hereby agrees that any rule, regulation or determination, including the interpretation by the Board of the Plan, the Option granted hereunder and the exercise thereof, is final and conclusive for all purposes and binding on all persons including the Corporation and the Participant.

Section 3.2 Binding Agreement

The exercise of the Options granted hereby, issuance of Shares and ownership of the Shares are subject to the terms and conditions of the Plan (all of which are incorporated into and form part of this Grant Agreement) and this Grant Agreement. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

Section 3.3 Governing Law

This Grant Agreement shall be governed by the laws of the State of Delaware and the federal laws of the United States, in each case, without giving effect to the principles of conflicts of law thereof. The Section 431 Election is governed by the laws of England and Wales.

ARTICLE 4 TAX OBLIGATIONS

Section 4.1 Secondary NIC Liability

As a condition of the exercise of this Option, the Participant irrevocably agrees to reimburse the Corporation or any other company or person who is or becomes a Secondary Contributor for any Secondary NIC Liability.

Section 4.2 Withholding

In the event that the Corporation determines that it or any subsidiary is required to account to HM Revenue & Customs for the Option Tax Liability and any Secondary NIC Liability or to withhold any other tax as a result of the exercise of this Option, the Participant, as a condition to the exercise of the Option, shall make arrangements satisfactory to the Corporation to enable it or any subsidiary to satisfy all withholding liabilities. The Participant shall also make arrangements satisfactory to the Corporation to enable it to satisfy any withholding requirements that may arise in connection with the vesting or disposition of Shares purchased by exercising this Option.

Section 4.3 Tax Consultation

The Participant understands that he or she may suffer adverse tax consequences as a result of the Participant's purchase or disposition of the Shares. The Participant represents that he or she will consult with any tax advisors the Participant deems appropriate in connection with the purchase or disposition of the Shares and that the Participant is not relying on the Corporation or any Affiliate for any tax advice.

Section 4.4 Section 431 Election

Unless determined otherwise by the Board, as a further condition of the exercise of this Option, the Participant must enter into a Section 431 Election in the form set out in Exhibit D or in such other form as may be determined by HM Revenue & Customs from time to time.

Section 4.5 Participant's Tax Indemnity

Indemnity. To the extent permitted by law, the Participant hereby agrees to indemnify and keep indemnified the Corporation, and the Corporation as trustee for and on behalf of any related corporation, for any Option Tax Liability and Secondary NIC Liability.

No Obligation to Issue Shares. The Corporation shall not be obliged to allot and issue any Shares or any interest in Shares pursuant to the exercise of this Option unless and until the Participant has paid to the Corporation such sum as is, in the opinion of the Corporation, sufficient to indemnify the Corporation in full against the Option Tax Liability and the Secondary NIC Liability, or the Participant has made such other arrangement

as in the opinion of the Corporation will ensure that the full amount of any Option Tax Liability and any Secondary NIC Liability will be recovered from the Participant within such period as the Corporation may then determine.

Right of Retention. In the absence of any such other arrangement being made, the Corporation shall have the right to retain out of the aggregate number of Shares to which the Participant would have otherwise been entitled upon the exercise of this Option, such number of Shares as, in the opinion of the Corporation, will enable the Corporation to sell as agent for the Participant (at the best price which can reasonably expect to be obtained at the time of the sale) and to pay over to the Corporation sufficient monies out of the net proceeds of sale, after deduction of all fees, commissions and expenses incurred in relation to such sale, to satisfy the Participant's liability under such indemnity.

ARTICLE 5 DATA PROTECTION

As a condition of the grant of the Option, the Participant hereby explicitly and unambiguously acknowledges the necessity of the collection, use, processing and transfer, in electronic or other form, of personal data as described in this paragraph by and among, as applicable, the Corporation and its subsidiaries for the exclusive purpose of implementing, administering and managing the Option.

The Participant understands that the Corporation and its subsidiaries, may hold certain Data for the purpose of managing and administering the Option.

The Participant acknowledges that Data may be transferred to such Data Recipient as may be selected by the Corporation in the future (such as a stock plan service provider or broker), provided that the Corporation ensures that the Data Recipient maintains a level of privacy broadly equivalent to the standard set forth in the Corporation's Internal Privacy Policy (if any) and in any event, no less than that required by any relevant applicable legislation. The Participant accepts that Data Recipients may be located in the United States or the European Economic Area or elsewhere and the Data Recipient's country may have different data privacy laws and protections than the Participant's country.

The Participant authorizes the Corporation and any Data Recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Option, including any requisite transfer of Data to a designated broker or other third party with whom the Participant may elect to deposit any Option Shares acquired upon exercise of the Option, as such Data may be required for the administration of the Option and/or the subsequent holding of Option Shares on the Participant's behalf.

The Participant understands Data will be held only as long as necessary to implement, administer and manage the Participant's participation in the Option.

The Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, without cost to the Participant, by contacting in writing the Participant's human resources representative. Further, the Participant understands that the Participant is providing the representations herein on a purely voluntary basis. If the Participant opposes, or later seeks to oppose any processing of the Data, the Participant's employment status or service and career with the Corporation will not be affected; the only consequence opposing such processing is that the Corporation would not be able to grant the Participant Options or other equity awards or administer or maintain such awards. Therefore, the Participant understands that opposing the processing of the Data may affect the Participant's ability to participate in the Option or in any future equity awards.

For more information on the consequences of opposing the processing of the Data, the Participant understands that the Participant may contact the Participant's human resources representative.

As a condition of the grant of the Option, the Participant unambiguously gives the Participant's consent to the transfer of Data, as described in this Grant Agreement, and although countries outside of the United Kingdom may lack legal provisions that offer an adequate level of protection, similar to the General Data Protection Regulation 2016/679 (the EU GDPR), the UK General Data Protection Regulation (the UK GDPR) and the UK Data Protection Act 2018 and any national implementing laws, regulations and secondary legislation as amended or updated from time to time in the United Kingdom, the Participant agrees that Data may be transferred to such countries.

ARTICLE 6
ADDITIONAL TERMS

The Participant has no right to compensation or damages for any loss in respect of the Option where such loss arises (or is claimed to arise), in whole or in part, from the termination of the Participant's employment; or notice to terminate employment given by or to the Participant. This exclusion of liability shall apply however termination of employment, or the giving of notice, is caused other than in a case where a competent tribunal or court, from which there can be no appeal (or which the relevant employing Corporation has decided not to appeal), has found that the cessation of the Participant's employment amounted to unfair or constructive dismissal of the Participant and however compensation or damages may be claimed.

The Participant has no right to compensation or damages for any loss in respect of an Option where such loss arises (or is claimed to arise), in whole or in part, from any company ceasing to be a subsidiary of the Corporation; or the transfer of any business from a subsidiary of the Corporation to any person which is not a subsidiary of the Corporation. This exclusion of liability shall apply however the change of status of the relevant company, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.

[The remainder of this page is intentionally left blank]

By acceptance of these Options, the undersigned acknowledges receipt of the Plan text and agrees hereby to be subject and bound to the terms of the Plan. The undersigned further acknowledges and agrees that the Participant's abovementioned participation is voluntary and has not been induced by expectation of appointment, employment or continued employment, as the case may be.

Accepted and agreed to this ____ day of _____, _____.

Corporation:

ZYMEWORKS INC.

By: _____

Name: _____

Title: _____

Participant:

Signature of Option Holder

Name of Option Holder (Please Print)

Address:

EXHIBIT "A" OPTION GRANT

Participant: ☐
Number of Options ☐
Exercise Price: ☐
Date of Grant: ☐
Vesting Schedule ☐
Expiry Date ¹ ☐

[1] Include here any provisions with respect to the expiry of vested/unvested options that would depart from Section 4.3 of the Plan (i.e., the impact of certain events on the vesting/exercise period, including termination as a result of gross misconduct, voluntary resignation, termination upon a change of control, and retirement, death or disability)

EXHIBIT "B" ELECTION TO EXERCISE STOCK OPTIONS

TO: ZYMEWORKS INC. (the "Corporation")

The undersigned option holder hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to a Grant Agreement dated _____, 20____ under the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Plan"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired:

Option Exercise Price (per Share): \$

Aggregate Purchase Price: \$

Amount enclosed that is payable on account of any Option Tax Liability and Secondary NIC Liability relating to this Option exercise (contact the Corporation for details of such amount):

☐

Or check here if alternative
arrangements have been made
with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, any Option Tax Liability and Secondary NIC Liability, and directs such Shares to be registered in the name of _____.

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, ____.

Signature of Option Holder

Name of Option Holder (Please Print)

EXHIBIT "C" SURRENDER NOTICE

TO: ZYMEWORKS INC. (the "Corporation")

The undersigned option holder hereby elects to release and surrender Options granted by the Corporation to the undersigned pursuant to a Grant Agreement dated _____, 20__ under the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Plan") in exchange for Shares as calculated in accordance with Section 4.1(c) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of: _____

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, ____.

Signature of Option Holder

Name of Option Holder (Please Print)

EXHIBIT "D" SECTION 431 ELECTION

Joint Election under s431 ITEPA 2003 for full or partial disapplication of Chapter 2 Income Tax (Earnings and Pensions) Act 2003

One Part Election

1. Between

the Employee
whose National Insurance Number is
and the Company (who is the Employee's employer) Zymeworks Management Inc.
of Company Registration Number n/a

2. Purpose of Election

This joint election is made pursuant to section 431(1) or 431(2) Income Tax (Earnings and Pensions) Act 2003 (ITEPA) and applies where employment-related securities, which are restricted securities by reason of section 423 ITEPA, are acquired.

The effect of an election under section 431(1) is that, for the relevant Income Tax and NIC purposes, the employment-related securities and their market value will be treated as if they were not restricted securities and that sections 425 to 430 ITEPA do not apply. An election under section 431(2) will ignore one or more of the restrictions in computing the charge on acquisition. Additional Income Tax will be payable (with PAYE and NIC where the securities are Readily Convertible Assets).

Should the value of the securities fall following the acquisition, it is possible that Income Tax/NIC that would have arisen because of any future chargeable event (in the absence of an election) would have been less than the Income Tax/NIC due by reason of this election. Should this be the case, there is no Income Tax/NIC relief available under Part 7 of ITEPA 2003; nor is it available if the securities acquired are subsequently transferred, forfeited or revert to the original owner.

3. Application

This joint election is made not later than 14 days after the date of acquisition of the securities by the employee and applies to:

Number of securities
Description of securities shares of common stock

Name of issuer of securities Zymeworks Inc.

To be acquired by the Employee after [date] under the terms of the UK Sub-Plan to the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan.

4. Extent of Application

This election disapplies:

S.431(1) ITEPA: All restrictions attaching to the securities.

5. Declaration

This election will become irrevocable upon the later of its signing or the acquisition (and each subsequent acquisition) of employment-related securities to which this election applies.

In signing this joint election, we agree to be bound by its terms as stated above.

..... /...../.....

Signature (Employee) Date

..... /...../.....

Signature (for and on behalf of the Company) Date

.....

Position in Company

Note: Where the election is in respect of multiple acquisitions, prior to the date of any subsequent acquisition of a security it may be revoked by agreement between the employee and employer in respect of that and any later acquisition.

SCHEDULE "B"

ZYMEWORKS INC. RESTRICTED STOCK UNIT GRANT AGREEMENT

This agreement (the "Grant Agreement") evidences the Restricted Stock Units granted by Zymeworks Inc. (the "Corporation") to the undersigned (the "Participant"), pursuant to and subject to the terms of the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Plan"), which is incorporated herein by reference. Exhibit "A" attached to this Restricted Stock Unit Grant Agreement shall form an integral part of this Restricted Stock Unit Agreement.

The Corporation hereby grants to the Participant on the Date of Grant such number of Restricted Stock Units as set forth in the attached Exhibit "A", as may be amended from time to time, with each Restricted Stock Unit representing the right to receive, on the terms provided herein and in the Plan, a Share as set forth in the attached Exhibit "A", as may be amended from time to time, in each case subject to adjustment in accordance with the provisions of the Plan.

ARTICLE 1

INTERPRETATION

- (a) Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.
- (b) Words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.

ARTICLE 2

VESTING

Section 2.1 Restricted Stock Units

Unless earlier terminated, relinquished or expired, Restricted Stock Units granted pursuant to this Grant Agreement shall vest in accordance with the provisions set forth in the attached Exhibit "A" as may be amended from time to time.

ARTICLE 3
GENERAL PROVISIONS

Section 3.1 Participation in the Plan

No Participant has any claim or right to be granted a Restricted Stock Unit, and the granting of any Restricted Stock Unit is not to be construed as giving a Participant a right to continued employment or to remain a Consultant, director, officer or employee, as the case may be, of the Corporation or an Affiliate of the Corporation. Nothing contained in this Grant Agreement or the Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment or termination of any such person. Upon any such termination, a Participant's rights with respect to unvested Restricted Stock Units shall be terminated, unless otherwise determined by the Board. The Participant hereby agrees that any rule, regulation or determination, including the interpretation by the Board of the Plan, the Restricted Stock Units granted hereunder and the exercise thereof, is final and conclusive for all purposes and binding on all persons including the Corporation and the Participant.

Section 3.2 Issuance; Binding Agreement

Any issuance of Shares and ownership of the Shares are subject to the terms and conditions of the Plan (all of which are incorporated into and form part of this Grant Agreement) and this Grant Agreement. The Participant's record of Share ownership shall be recorded in the books of the Corporation only when the Restricted Stock Units vest and the Shares are issued. Shares shall be delivered to the Participant as soon as practicable following the applicable vest date, subject to the Participant's employment or service on such date. This Grant Agreement shall inure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

Section 3.3. Miscellaneous

- (a) The Participant hereby acknowledges and agrees that any sums required to satisfy the U.S. and non-U.S. federal, state, provincial and local tax withholding obligations of the Corporation that arise in connection with the Award or the transactions contemplated by this Grant Agreement (the "Tax Obligations") are the sole responsibility of the Participant. By accepting this Grant Agreement, the Participant hereby agrees that, until and unless the Board determines otherwise, Shares held by the Participant shall be sold on Participant's behalf in such amounts and at such times as is determined in accordance with this Section 3.3(a), and to allow the Agent (as defined below) to remit the cash proceeds of such sales to the Corporation as more specifically set forth below, as the method by which Participant shall satisfy the Tax Obligations (the "Sell-to-Cover Arrangement"). The Participant further acknowledges and agrees to the following provisions:
- (i) The Participant hereby irrevocably appoints the Corporation's designated broker Solium Capital Inc., or such other broker as the Corporation may select, as the Participant's agent (the "Agent"), and authorizes and directs the Agent to implement the Sell-to-Cover Arrangement while in effect, including but not limited to:
1. Sell on the open market at the then prevailing market price(s), on the Participant's behalf, as soon as practicable on or after the delivery of Shares underlying the Restricted Stock Units, the number (rounded up to the next whole number) of Shares sufficient to generate proceeds to cover (A) the satisfaction of the Tax Obligations arising from the settlement of the associated vested Restricted Stock Units and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto;
 2. Remit directly to the Corporation the proceeds necessary to satisfy the Tax Obligations arising from the settlement of the associated vested Restricted Stock Units
 3. Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale; and
 4. Deposit any remaining funds in the Participant's account.

- (ii) The Participant acknowledges that by accepting this Award, he or she is agreeing to the Sell-to-Cover Arrangement as the method through which the Participant

shall satisfy the Tax Obligations. The Participant authorizes the Corporation and the Agent to cooperate and communicate with one another to determine the number of Shares that must be sold pursuant to this Section 3.3(a) to satisfy the Tax Obligations.

- (iii) The Participant acknowledges that the Agent is under no obligation to arrange for the sale of Shares at any particular price under the Sell-to-Cover Arrangement and that the Agent may effect sales under the Sell-to-Cover Arrangement in one or more orders and that the average price for executions resulting from bunched orders may be assigned to the Participant's account. In addition, the Participant acknowledges that it may not always be possible to sell Shares under the Sell-to-Cover Arrangement and in the event of the Agent's inability to sell Shares, the Participant will continue to be responsible for the Tax Obligations.
- (iv) The Participant hereby agrees to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of the Sell-to-Cover Arrangement. The Agent is a third-party beneficiary of this Section 3.3(a).
- (v) The Participant's agreement to the Sell-to-Cover Arrangement is irrevocable.
- (vi) The Participant further represents that:
1. The Participant is agreeing to the Sell-to-Cover Arrangement in good faith and not as part of a plan or scheme to evade any law, including, without limitation, any securities laws; and
 2. The Participant will not disclose to the Agent any information concerning the Corporation that might influence the Agent's execution of sales under the Sell-to-Cover Arrangement.
- (vii) If the Administrator determines that Participant cannot satisfy Participant's Tax Obligation through the Sell-to-Cover Arrangement or the Board otherwise determines it is in the best interests of the Corporation for Participant to satisfy Participant's Tax Obligation by a method other than through the Sell-to-Cover Arrangement, it may permit or require Participant to satisfy Participant's Tax Obligation, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Corporation withhold otherwise deliverable Shares having a value equal to the minimum amount statutorily required to be withheld (or such greater amount as Participant may elect if permitted by the Board, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligation from Participant's wages or other cash compensation paid to Participant by the Corporation and/or the Affiliate employing or engaging the Participant, (iv) delivering to the Corporation Shares that Participant owns and that have vested with a fair market value equal to the amount required to be withheld (or such greater amount as Participant may elect if permitted by the Board, if such greater amount would not result in adverse financial accounting consequences), or (v) such other means as the Board deems appropriate. To the

extent determined appropriate by the Corporation in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant.

- (b) To the extent that the Corporation declares a cash dividend while all or a portion of the Restricted Stock Units are unvested, the Participant shall be credited with dividend equivalent rights (as determined by the Board in its discretion) with respect to each Share subject to the unvested portion of the Restricted Stock Units. Such dividend equivalent right will entitle the Participant to payment of such dividend only upon vesting of the corresponding portion of the Restricted Stock Unit; and such right will be forfeited to the extent the corresponding portion of the Restricted Stock Unit is forfeited.
- (c) No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Stock Units by any holder thereof shall be valid (other than pursuant to the laws of descent and distribution).
- (d) This Grant Agreement, together with the Plan, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Grant Agreement shall affect or be used to interpret, change or restrict the express terms and provisions of this Grant Agreement provided, however, in any event, this Grant Agreement shall be subject to and governed by the Plan.
- (e) The award of Restricted Stock Units evidenced by this Grant Agreement to any Participant who is a United States taxpayer is intended to be exempt from the nonqualified deferred compensation rules of Section 409A of the Code as a "short term deferral" (as that term is used in the final regulations and other guidance issued under Section 409A of the Code, including Treasury Regulation Section 1.409A-1(b)(4)(i)), and shall be construed and administered accordingly.
- (f) This Grant Agreement shall be governed by the laws of the State of Delaware and the federal laws of the United States, in each case, without giving effect to the principles of conflicts of law thereof.

[The remainder of this page is intentionally left blank]

By acceptance of these Restricted Stock Units, the undersigned acknowledges receipt of the Plan text and agrees hereby to be subject and bound to the terms of the Plan. The undersigned further acknowledges and agrees that the Participant's abovementioned participation is voluntary and has not been induced by expectation of engagement, appointment, employment, continued engagement or continued employment, as the case may be.

Accepted and agreed to this ____ day of _____, _____.

Corporation:

ZYMEWORKS INC.

By:

Name:

Title:

Participant:

Signature of Restricted Stock Unit Holder

Name of Restricted Stock Unit Holder (Please Print)

Address:

EXHIBIT "A" RESTRICTED STOCK UNIT GRANT

Participant: ☐

Number of Restricted Stock

Units ☐

Date of Grant: ☐

Vesting Schedule ☐ There shall be no proportionate or partial vesting between the foregoing vesting dates. All vesting shall be subject to the Participant's continued employment or service on the applicable vesting date.

SCHEDULE "B"

UK SUB-PLAN

ZYMEWORKS INC. RESTRICTED STOCK UNIT GRANT AGREEMENT

This agreement (the "Grant Agreement") evidences the Restricted Stock Units granted by Zymeworks Inc. (the "Corporation") to the undersigned (the "Participant"), pursuant to and subject to the terms of the UK Sub-Plan to the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan (the "Plan"), which is incorporated herein by reference. The Exhibits attached to this Restricted Stock Unit Grant Agreement including the Section 431 Election, if required, shall form an integral part of this Restricted Stock Unit Agreement. For the avoidance of doubt, unless the Board determines otherwise, the Section 431 Election will be required.

The Corporation hereby grants to the Participant on the Date of Grant such number of Restricted Stock Units as set forth in the attached Exhibit "A", as may be amended from time to time, with each Restricted Stock Unit representing the right to receive, on the terms provided herein and in the

Plan, a Share as set forth in the attached Exhibit "A", as may be amended from time to time, in each case subject to adjustment in accordance with the provisions of the Plan.

ARTICLE 1 INTERPRETATION

- (a) Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.
- (b) Words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.

ARTICLE 2 VESTING

Section 2.1 Restricted Stock Units

Unless earlier terminated, relinquished or expired, Restricted Stock Units granted pursuant to this Grant Agreement shall vest in accordance with the provisions set forth in the attached Exhibit "A" as may be amended from time to time.

ARTICLE 3 GENERAL PROVISIONS

Section 3.1 Participation in the Plan

No Participant has any claim or right to be granted a Restricted Stock Unit, and the granting of any Restricted Stock Unit is not to be construed as giving a Participant a right to continued employment or to remain a director, officer or employee, as the case may be, of the Corporation or an Affiliate of the Corporation. Nothing contained in this Grant Agreement or the Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment or termination of any such person. Upon any such termination, a Participant's rights with respect to unvested Restricted Stock Units shall be terminated, unless otherwise determined by the Board. The Participant hereby agrees that any rule, regulation or determination, including the interpretation by the Board of the Plan, the Restricted Stock Units granted hereunder and the exercise thereof, is final and conclusive for all purposes and binding on all persons including the Corporation and the Participant.

Section 3.2 Issuance; Binding Agreement

Any issuance of Shares and ownership of the Shares are subject to the terms and conditions of the Plan (all of which are incorporated into and form part of this Grant Agreement) and this Grant Agreement. The Participant's record of Share ownership shall be recorded in the books of the Corporation only when the Restricted Stock Units vest and the Shares are issued. Shares shall be delivered to the Participant as soon as practicable following the applicable vest date, subject to the Participant's employment or service on such date. This Grant Agreement shall inure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

Section 3.3. Miscellaneous

- (a) The Participant hereby acknowledges and agrees that any sums including the Award Tax Liability and the Secondary NIC Liability required to satisfy the U.S. and non-U.S. federal, state, provincial and local tax withholding obligations of the Corporation that arise in connection with the Award or the transactions contemplated by this Grant Agreement (the "Tax Obligations") are the sole responsibility of the Participant. By accepting this Grant Agreement, the Participant hereby agrees that, until and unless the Board determines otherwise, Shares held by the Participant shall be sold on Participant's behalf in such amounts and at such times as is determined in accordance with this Section 3.3(a), and to allow the Agent (as defined below) to remit the cash proceeds of such sales to the Corporation as more specifically set forth below, as the method by which Participant shall satisfy the Tax Obligations (the "Sell-to-Cover Arrangement"). The Participant further acknowledges and agrees to the following provisions:

- (i) The Participant hereby irrevocably appoints the Corporation's designated broker Solium Capital Inc., or such other broker as the Corporation may select, as the

Participant's agent (the "Agent"), and authorizes and directs the Agent to implement the Sell-to-Cover Arrangement while in effect, including but not limited to:

- a. Sell on the open market at the then-prevailing market price(s), on the Participant's behalf, as soon as practicable on or after the delivery of Shares underlying the Restricted Stock Units, the number (rounded up to the next whole number) of Shares sufficient to generate proceeds to cover (A) the satisfaction of the Tax Obligations arising from the settlement of the associated vested Restricted Stock Units and (B) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto;
 - b. Remit directly to the Corporation the proceeds necessary to satisfy the Tax Obligations arising from the settlement of the associated vested Restricted Stock Units;
 - c. Retain the amount required to cover all applicable fees and commissions due to, or required to be collected by, the Agent, relating directly to the sale; and
 - d. Deposit any remaining funds in the Participant's account.
- (ii) The Participant acknowledges that by accepting this Award, he or she is agreeing to the Sell-to-Cover Arrangement as the method through which the Participant shall satisfy the Tax Obligations. The Participant authorizes the Corporation and the Agent to cooperate and communicate with one another to determine the number of Shares that must be sold pursuant to this Section 3.3(a) to satisfy the Tax Obligations.
- (iii) The Participant acknowledges that the Agent is under no obligation to arrange for the sale of Shares at any particular price under the Sell-to-Cover Arrangement and that the Agent may effect sales under the Sell-to-Cover Arrangement in one or more orders and that the average price for executions resulting from bunched orders may be assigned to the Participant's account. In addition, the Participant acknowledges that it may not always be possible to sell Shares under the Sell-to-Cover Arrangement and in the event of the Agent's inability to sell Shares, the Participant will continue to be responsible for the Tax Obligations.
- (iv) The Participant hereby agrees to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of the Sell-to-Cover Arrangement. The Agent is a third-party beneficiary of this Section 3.3(a).
- (v) The Participant's agreement to the Sell-to-Cover Arrangement is irrevocable.
- (vi) The Participant further represents that:
- a. The Participant is agreeing to the Sell-to-Cover Arrangement in good faith and not as part of a plan or scheme to evade any law, including, without limitation, any securities laws; and

- b. The Participant will not disclose to the Agent any information concerning the Corporation that might influence the Agent's execution of sales under the Sell-to-Cover Arrangement.
- (vii) If the Administrator determines that Participant cannot satisfy Participant's Tax Obligation through the Sell-to-Cover Arrangement or the Board otherwise determines it is in the best interests of the Corporation for Participant to satisfy Participant's Tax Obligation by a method other than through the Sell-to-Cover Arrangement, it may permit or require Participant to satisfy Participant's Tax Obligation, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Corporation withhold otherwise deliverable Shares having a value equal to the minimum amount statutorily required to be withheld (or such greater amount as Participant may elect if permitted by the Board, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligation from Participant's wages or other cash compensation paid to Participant by the Corporation and/or the Affiliate employing or engaging the Participant, or (iv) such other means as the Board deems appropriate. To the extent determined appropriate by the Corporation in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant.
- (b) To the extent that the Corporation declares a cash dividend while all or a portion of the Restricted Stock Units are unvested, the Participant shall be credited with dividend equivalent rights (as determined by the Board in its discretion) with respect to each Share subject to the unvested portion of the Restricted Stock Units. Such dividend equivalent right will entitle the Participant to payment of such dividend only upon vesting of the corresponding portion of the Restricted Stock Unit; and such right will be forfeited to the extent the corresponding portion of the Restricted Stock Unit is forfeited.
- (c) No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Stock Units by any holder thereof shall be valid.
- (d) This Grant Agreement, together with the Plan, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Grant Agreement shall affect or be used to interpret, change or restrict the express terms and provisions of this Grant Agreement provided, however, in any event, this Grant Agreement shall be subject to and governed by the Plan.
- (e) The award of Restricted Stock Units evidenced by this Grant Agreement to any Participant who is a United States taxpayer is intended to be exempt from the nonqualified deferred compensation rules of Section 409A of the Code as a "short term deferral" (as that term is used in the final regulations and other guidance issued under Section 409A of the Code, including Treasury Regulation Section 1.409A-1(b)(4)(i)), and shall be construed and administered accordingly.
- (f) This Grant Agreement shall be governed by the laws of the State of Delaware and the federal laws of the United States, in each case, without giving effect to the principles of conflicts of law thereof. The Section 431 Election is governed by the laws of England and Wales.

ARTICLE 4

TAX OBLIGATIONS

Section 4.1 Secondary NIC Liability

By accepting the Restricted Stock Units, the Participant irrevocably agrees to reimburse the Corporation or any other company or person who is or becomes a Secondary Contributor for any Secondary NIC Liability.

Section 4.2 Withholding

In the event that the Corporation determines that it or any subsidiary is required to account to HM Revenue & Customs for the Award Tax Liability and any Secondary NIC Liability or to withhold any other tax as a result of the Restricted Stock Units, the Participant, by accepting this award, shall accept to make arrangements satisfactory to the Corporation to enable it or any subsidiary to satisfy all withholding liabilities. The Participant shall also make arrangements satisfactory to the Corporation to enable it to satisfy any withholding requirements that may arise in connection with the grant, vesting, settlement or cancellation of the Restricted Stock Units.

Section 4.3 Tax Consultation

The Participant understands that he or she may suffer adverse tax consequences as a result of the Participant's purchase or disposition of the Shares following vesting or settlement of the Restricted Stock Units. The Participant represents that he or she will consult with any tax advisors the Participant deems appropriate in connection with the purchase or disposition of the Shares and that the Participant is not relying on the Corporation or any Affiliate for any tax advice.

Section 4.4 Section 431 Election

Unless determined otherwise by the Board, as a condition to acceptance of this Award, the Participant must enter into a Section 431 Election in the form set out in Exhibit "B" or in such other form as may be determined by HM Revenue & Customs from time to time.

Section 4.5 Participant's Tax Indemnity

Indemnity. To the extent permitted by law, the Participant hereby agrees to indemnify and keep indemnified the Corporation, and the Corporation as trustee for and on behalf of any related corporation, for any Award Tax Liability and Secondary NIC Liability.

No Obligation to Issue Shares. The Corporation shall not be obliged to allot and issue any Shares or any interest in Shares pursuant to the vesting or settlement of the Restricted Stock Units unless and until the Participant has paid to the Corporation such sum as is, in the opinion of the Corporation, sufficient to indemnify the Corporation in full against the Award Tax Liability and the Secondary NIC Liability, or the Participant has made such other arrangement as in the opinion of the Corporation will ensure that the full amount of any Award Tax Liability and any Secondary NIC Liability will be recovered from the Participant within such period as the Corporation may then determine.

Right of Retention. In the absence of any such other arrangement being made, the Corporation shall have the right to retain out of the aggregate number of Shares to which the Participant would have otherwise been entitled pursuant to the settlement of the Restricted Stock Units, such number of Shares as, in the opinion of the Corporation, will enable the Corporation

to sell as agent for the Participant (at the best price which can reasonably expect to be obtained at the time of the sale) and to pay over to the Corporation sufficient monies out of the net proceeds of sale, after deduction of all fees, commissions and expenses incurred in relation to such sale, to satisfy the Participant's liability under such indemnity.

ARTICLE 5 DATA PROTECTION

- (a) By accepting the Restricted Stock Units, the Participant hereby explicitly and unambiguously acknowledges the necessity of the collection, use, processing and transfer, in electronic or other form, of personal data as described in this paragraph by and among, as applicable, the Corporation and its subsidiaries for the exclusive purpose of implementing, administering and managing the award of the Restricted Stock Units.
- (b) The Participant understands that the Corporation and its subsidiaries, may hold certain Data for the purpose of managing and administering the Restricted Stock Units.
- (c) The Participant acknowledges that Data may be transferred to such Data Recipient as may be selected by the Corporation in the future (such as a stock plan service provider or broker), provided that the Corporation ensures that the Data Recipient maintains a level of privacy broadly

equivalent to the standard set forth in the Corporation's Internal Privacy Policy (if any) and in any event, no less than that required by any relevant applicable legislation. The Participant accepts that Data Recipients may be located in the United States or the European Economic Area or elsewhere and the Data Recipient's country may have different data privacy laws and protections than the Participant's country.

- (d) The Participant authorizes the Corporation and any Data Recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the award of the Restricted Stock Units, including any requisite transfer of Data to a designated broker or other third party with whom the Participant may elect to deposit any Shares pursuant to the vesting or settlement of the Restricted Stock Units, as such Data may be required for the administration of the Restricted Stock Units and/or the subsequent holding of the resulting Shares on the Participant's behalf.
 - (e) The Participant understands Data will be held only as long as necessary to implement, administer and manage the Participant's participation in the award of the Restricted Stock Units.
 - (f) The Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, without cost to the Participant, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing the representations herein on a purely voluntary basis. If the Participant opposes, or later seeks to oppose any processing of the Data, the Participant's employment status or service and career with the Corporation will not be affected; the only consequence opposing such processing is that the Corporation would not be able to offer the Participant the Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, the Participant understands that opposing the processing of the Data may affect the Participant's ability to participate in the award of the Restricted Stock Units or in any future equity awards.
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- (g) For more information on the consequences of opposing the processing of the Data, the Participant understands that the Participant may contact the Participant's local human resources representative.
- (h) By accepting the Restricted Stock Units, the Participant unambiguously gives the Participant's consent to the transfer of Data, as described in this Grant Agreement, and although countries outside of the United Kingdom may lack legal provisions that offer an adequate level of protection, similar to the General Data Protection Regulation 2016/679 (the EU GDPR), the UK General Data Protection Regulation (the UK GDPR) and the UK Data Protection Act 2018 and any national implementing laws, regulations and secondary legislation as amended or updated from time to time in the United Kingdom, the Participant agrees that Data may be transferred to such countries.

ARTICLE 6 ADDITIONAL TERMS

The Participant has no right to compensation or damages for any loss in respect of the Restricted Stock Units where such loss arises (or is claimed to arise), in whole or in part, from the termination of the Participant's employment; or notice to terminate employment given by or to the Participant. This exclusion of liability shall apply however termination of employment, or the giving of notice, is caused other than in a case where a competent tribunal or court, from which there can be no appeal (or which the relevant employing Corporation has decided not to appeal), has found that the cessation of the Participant's employment amounted to unfair or constructive dismissal of the Participant and however compensation or damages may be claimed.

The Participant has no right to compensation or damages for any loss in respect of the Restricted Stock Units where such loss arises (or is claimed to arise), in whole or in part, from any company ceasing to be a subsidiary of the Corporation; or the transfer of any business from a subsidiary of the Corporation to any person which is not a subsidiary of the Corporation. This exclusion of liability shall apply however the change of status of the relevant company, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.

[The remainder of this page is intentionally left blank]

By acceptance of these Restricted Stock Units, the undersigned acknowledges receipt of the Plan text and agrees hereby to be subject and bound to the terms of the Plan. The undersigned further acknowledges and agrees that the Participant's abovementioned participation is voluntary and has not been induced by expectation of, appointment, employment or continued employment, as the case may be.

Accepted and agreed to this ____ day of _____, ____.

Corporation:

ZYMEWORKS INC.

By:

Name:

Title:

Participant:

Signature of Restricted Stock Unit Holder

Name of Restricted Stock Unit Holder (Please Print)

Address:

EXHIBIT "A" RESTRICTED STOCK UNIT GRANT

(a) Participant: ☐

(b) Number of Restricted Stock
Units ☐

(c) Date of Grant: ☐

(d) Vesting Schedule ☐ There shall be no proportionate or partial vesting between the foregoing vesting dates. All vesting shall be subject to the Participant's continued employment or service on the applicable vesting date.

EXHIBIT "B" SECTION 431 ELECTION

Joint Election under s431 ITEPA 2003 for full or partial disapplication of Chapter 2 Income Tax (Earnings and Pensions) Act 2003

One Part Election

1. Between

the Employee
whose National Insurance Number is
and the Company (who is the Employee's employer) Zymeworks Management Inc.
of Company Registration Number n/a

2. Purpose of Election

This joint election is made pursuant to section 431(1) or 431(2) Income Tax (Earnings and Pensions) Act 2003 (ITEPA) and applies where employment-related securities, which are restricted securities by reason of section 423 ITEPA, are acquired.

The effect of an election under section 431(1) is that, for the relevant Income Tax and NIC purposes, the employment-related securities and their market value will be treated as if they were not restricted securities and that sections 425 to 430 ITEPA do not apply. An election under section 431(2) will ignore one or more of the restrictions in computing the charge on acquisition. Additional Income Tax will be payable (with PAYE and NIC where the securities are Readily Convertible Assets).

Should the value of the securities fall following the acquisition, it is possible that Income Tax/NIC that would have arisen because of any future chargeable event (in the absence of an election) would have been less than the Income Tax/NIC due by reason of this election. Should this be the case, there is no Income Tax/NIC relief available under Part 7 of ITEPA 2003; nor is it available if the securities acquired are subsequently transferred, forfeited or revert to the original owner.

3. Application

This joint election is made not later than 14 days after the date of acquisition of the securities by the employee and applies to:

Number of securities

Description of securities shares of common stock

Name of issuer of securities Zymeworks Inc.

To be acquired by the Employee after [date] under the terms of the UK Sub-Plan to the Zymeworks Inc. Amended and Restated Stock Option and Equity Compensation Plan.

4. **Extent of Application**

This election disapplies:

S.431(1) ITEPA: All restrictions attaching to the securities.

5. **Declaration**

This election will become irrevocable upon the later of its signing or the acquisition (and each subsequent acquisition) of employment-related securities to which this election applies.

In signing this joint election, we agree to be bound by its terms as stated above.

..... .../.../.....

Signature (Employee) Date

..... .../.../.....

Signature (for and on behalf of the Company) Date

.....

Position in Company

Note: Where the election is in respect of multiple acquisitions, prior to the date of any subsequent acquisition of a security it may be revoked by agreement between the employee and employer in respect of that and any later acquisition.

Name of Subsidiary	State or Jurisdiction of Incorporation or Organization
Zymeworks CallCo ULC	Province of British Columbia
Zymeworks ExchangeCo Ltd.	Province of British Columbia
Zymeworks BC Inc.	Province of British Columbia
Zymeworks Management Inc.	Province of British Columbia
Zymeworks Management Inc. (UK Establishment)	United Kingdom
Zymeworks Biopharmaceuticals Inc.	Washington
Zymeworks Zanidatamab Inc.	Washington
Zymeworks Pharmaceuticals Limited	Ireland
Zymeworks Lifesciences Pte. Ltd.	Singapore

* Inclusion on the list above is not an admission that any of the above entities, individually or in the aggregate, constitutes a significant subsidiary within the meaning of Rule 1-02(w) of Regulation S-X and Item 601(b)(21)(ii) of Regulation S-K.

4854-6759-2529.5

Exhibit 23.1

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Zymeworks Inc.

We consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-259970-01) and Form S-8 (No. 333-225556-01, 333-257819-01, 333-263043-01 and 333-263042-01) of Zymeworks Inc. (the "Entity") of use of:

our report dated **March 7, 2023** **March 6, 2024** on the consolidated financial statements of **the Entity Zymeworks Inc. (the "Entity")** which comprise the consolidated balance sheets as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, the related consolidated statements of (loss) income (loss), and comprehensive (loss) income, (loss), changes in stockholders' equity, and cash flows for each of the years in the three-year period ended **December 31, 2022** **December 31, 2023**, and the related notes (collectively the "consolidated financial statements"), and

• our report dated March 6, 2024 on the effectiveness of the Entity's internal control over financial reporting as of December 31, 2023

each of which appears is included in the Annual Report on Form 10-K of the Entity for the fiscal year ended December 31, 2022 December 31, 2023.

We also consent to the incorporation by reference of such reports in the Registration Statements (Nos. 333-270338, 333-225556-01, 333-257819-01, 333-263043-01 and 333-263042-01) on Form S-8, and (No. 333-259970-01) on Form S-3 of the Entity.

/s/ KPMG LLP

Chartered Professional Accountants

March 7, 2023 6, 2024

Vancouver, Canada

Exhibit 31.1

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kenneth Galbraith, certify that:

1. I have reviewed this Annual Report on Form 10-K of Zymeworks Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2023 March 6, 2024

/s/ Kenneth Galbraith

Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christopher Astle, certify that:

1. I have reviewed this Annual Report on Form 10-K of Zymeworks Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: ~~March 7, 2023~~ March 6, 2024

/s/ Christopher Astle

Chief Financial Officer

Exhibit 32.1

SECTION 906 CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) in connection with the Annual Report on Form 10-K of Zymeworks Inc. for the annual period ended ~~December 31, 2022~~ December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer hereby certifies, to such officer's knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Zymeworks Inc.

/s/ Kenneth Gabraith

Name: Kenneth Galbraith

Title: Chief Executive Officer

Date: March ~~7, 2023~~ 6, 2024

This certification accompanies the Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed "filed" by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

Exhibit 32.2

SECTION 906 CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) in connection with the Annual Report on Form 10-K of Zymeworks Inc. for the annual period ended ~~December 31, 2022~~ December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned officer hereby certifies, to such officer's knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Zymeworks Inc.

/s/ Christopher Astle

Name: Christopher Astle

Title: Chief Financial Officer

Date: March ~~7, 2023~~ 6, 2024

This certification accompanies the Report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed "filed" by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section.

ZYMEWORKS INC.

COMPENSATION RECOVERY POLICY

As adopted by Compensation Committee on November 28, 2023

Zymeworks Inc. (the “**Company**”) is committed to strong corporate governance. As part of this commitment, the Compensation Committee (the “**Committee**”) of the Company’s Board of Directors (the “**Board**”) has adopted this clawback policy called the Compensation Recovery Policy (the “**Policy**”). The Policy is intended to further the Company’s pay-for-performance philosophy and to comply with applicable laws by providing rules relating to the reasonably prompt recovery of certain compensation received by Covered Executives in the event of an Accounting Restatement. The application of the Policy to Covered Executives is not discretionary, except to the limited extent provided below, and applies without regard to whether a Covered Executive was at fault. Capitalized terms used in the Policy are defined below, and the definitions have substantive impact on its application so reviewing them carefully is important to your understanding.

The Policy is intended to comply with, and will be interpreted in a manner consistent with, Section 10D of the Securities Exchange Act of 1934 (the “**Exchange Act**”), with Exchange Act Rule 10D-1 and with the listing standards of the national securities exchange (the “**Exchange**”) on which the securities of the Company are listed, including any official interpretive guidance.

Persons Covered by the Policy

The Policy is binding and enforceable against all “**Covered Executives**.” A Covered Executive is each individual who is or was ever designated as an “officer” by the Board in accordance with Exchange Act Rule 16a-1(f) (a “**Section 16 Officer**”). The Committee may (but is not obligated to) request or require a Covered Executive to sign and return to the Company an acknowledgement that such Covered Executive will be bound by the terms and comply with the Policy. The Policy is binding on each Covered Executive whether or not the Covered Executive signs and/or returns any acknowledgment.

Administration of the Policy

The Committee has full delegated authority to administer the Policy. The Committee is authorized to interpret and construe the Policy and to make all determinations necessary, appropriate, or advisable for the administration of the Policy. In addition, if determined in the discretion of the Board, the Policy may be administered by the independent members of the Board or another committee of the Board made up of independent members of the Board, in which case all references to the Committee will be deemed to refer to the independent members of the Board or the other Board committee. All determinations of the Committee will be final and binding and will be given the maximum deference permitted by law.

Accounting Restatements Requiring Application of the Policy

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (an “**Accounting Restatement**”), then the Committee must determine the Excess Compensation, if any, that must be recovered. The Company’s obligation to recover Excess Compensation is not dependent on if or when restated financial statements are filed.

Compensation Covered by the Policy

The Policy applies to certain **Incentive-Based Compensation** (certain terms used in this Section are defined below) that is **Received** on or after October 2, 2023 (the “**Effective Date**”), during the **Covered Period** while the Company has a class of securities listed on a national securities exchange. Such Incentive-Based Compensation is considered “**Clawback Eligible Incentive-Based Compensation**” if the Incentive-Based

Compensation is Received by a person after such person became a Section 16 Officer and the person served as a Section 16 Officer at any time during the performance period for the Incentive-Based Compensation. **"Excess Compensation"** means the amount of Clawback Eligible Incentive-Based Compensation that exceeds the amount of Clawback Eligible Incentive-Based Compensation that otherwise would have been Received had such Clawback Eligible Incentive-Based Compensation been determined based on the restated amounts. Excess Compensation must be computed without regard to any taxes paid and is referred to in the listing standards of the Exchange as "erroneously awarded compensation".

To determine the amount of Excess Compensation for Incentive-Based Compensation based on stock price or total shareholder return, where it is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received and the Company must maintain documentation of the determination of that reasonable estimate and provide that documentation to the Exchange.

"Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. For the avoidance of doubt, no compensation that is potentially subject to recovery under the Policy will be earned until the Company's right to recover under the Policy has lapsed. The following items of compensation are not Incentive-Based Compensation under the Policy: salaries, bonuses paid solely at the discretion of the Committee or Board that are not paid from a bonus pool that is determined by satisfying a Financial Reporting Measure, bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period, non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures, and equity awards for which the grant is not contingent upon achieving any Financial Reporting Measure performance goal and vesting is contingent solely upon completion of a specified employment period (e.g., time-based vesting equity awards) and/or attaining one or more non-Financial Reporting Measures.

"Financial Reporting Measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission.

Incentive-Based Compensation is **"Received"** under the Policy in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment, vesting, settlement or grant of the Incentive-Based Compensation occurs after the end of that period. For the avoidance of doubt, the Policy does not apply to Incentive-Based Compensation for which the Financial Reporting Measure is attained prior to the Effective Date.

"Covered Period" means the three completed fiscal years immediately preceding the Accounting Restatement Determination Date. In addition, Covered Period can include certain transition periods resulting from a change in the Company's fiscal year.

"Accounting Restatement Determination Date" means the earliest to occur of: (a) the date the Board, a committee of the Board, or one or more of the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

Repayment of Excess Compensation

The Company must recover Excess Compensation reasonably promptly and Covered Executives are required to repay Excess Compensation to the Company. Subject to applicable law, the Company may recover Excess Compensation by requiring the Covered Executive to repay such amount to the Company by direct payment to the Company or such other means or combination of means as the Committee determines to be appropriate (these determinations do not need to be identical as to each Covered Executive). These means include (but are not limited to):

- (a) requiring reimbursement of cash Incentive-Based Compensation previously paid;

- (b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation or vest based on the achievement of performance goals;
- (c) offsetting the amount to be recovered from any unpaid or future compensation to be paid by the Company or any affiliate of the Company to the Covered Executive, including (but not limited to) payments of severance that might otherwise be due in connection with a Covered Executive's termination of employment and without regard to whether such amounts are Incentive-Based Compensation;
- (d) cancelling outstanding vested or unvested equity awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation; and/or
- (e) taking any other remedial and recovery action permitted by law, as determined by the Committee.

The repayment of Excess Compensation must be made by a Covered Executive notwithstanding any Covered Executive's belief (whether or not legitimate) that the Excess Compensation had been previously earned under applicable law and therefore is not subject to clawback.

In addition to its rights to recovery under the Policy, the Company or any affiliate of the Company may take any legal actions it determines appropriate to enforce a Covered Executive's obligations to the Company or to discipline a Covered Executive. Failure of a Covered Executive to comply with their obligations under the Policy may result in (without limitation) termination of that Covered Executive's employment, institution of civil proceedings, reporting of misconduct to appropriate governmental authorities, reduction of future compensation opportunities or change in role. The decision to take any actions described in the preceding sentence will not be subject to the approval of the Committee and can be made by the Board, any committee of the Board, or any duly authorized officer of the Company or of any applicable affiliate of the Company. For avoidance of doubt, any decisions of the Company or the Covered Executive's employer to discipline a Covered Executive or terminate the employment of a Covered Executive are independent of determinations under this Policy. For example, if a Covered Executive was involved in activities that led to an Accounting Restatement, the Company's decision as to whether or not to terminate such Covered Executive's employment would be made under its employment arrangements with such Covered Executive and the requirement to apply this no-fault and non-discretionary clawback policy will not be determinative of whether any such termination is for cause, although failure to comply with the Policy might be something that could result in a termination for cause depending on the terms of such arrangements.

Limited Exceptions to the Policy

The Company must recover the Excess Compensation in accordance with the Policy except to the limited extent that any of the conditions set forth below is met, and the Committee determines that recovery of the Excess Compensation would be impracticable:

- (a) The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before reaching this conclusion, the Company must make a reasonable attempt to recover such Excess Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange; or
- (b) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the legal requirements as such.

Other Important Information in the Policy

The Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer, as well as any other applicable

-3-

laws, regulatory requirements, rules, or pursuant to the terms of any existing Company policy or agreement providing for the recovery of compensation.

Notwithstanding the terms of any of the Company's organizational documents (including, but not limited to, the Company's bylaws), any corporate policy or any contract (including, but not limited to, any indemnification agreement), neither the Company nor any affiliate of the Company will indemnify or provide advancement for any Covered Executive against any loss of Excess Compensation. Neither the Company nor any affiliate of the Company will pay for or reimburse insurance premiums for an insurance policy that covers potential recovery obligations. In the event that the Company is required to recover Excess Compensation pursuant to the Policy from a Covered Executive who is no longer an employee, the Company will be entitled to seek recovery in order to comply with applicable law, regardless of the terms of any release of claims or separation agreement that individual may have signed.

The Committee or Board may review and modify the Policy from time to time.

If any provision of the Policy or the application of any such provision to any Covered Executive is adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of the Policy or the application of such provision to another Covered Executive, and the invalid, illegal or unenforceable provisions will be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

The Policy will terminate and no longer be enforceable when the Company ceases to be a listed issuer within the meaning of Section 10D of the Exchange Act.

-4-

ACKNOWLEDGEMENT

- I acknowledge that I have received and read the Compensation Recovery Policy (the "**Policy**") of Zymeworks Inc. (the "**Company**").
- I understand and acknowledge that the Policy applies to me, and all of my beneficiaries, heirs, executors, administrators or other legal representatives and that the Company's right to recovery in order to comply with applicable law will apply, regardless of the terms of any release of claims or separation agreement I have signed or will sign in the future.
- I agree to be bound by and to comply with the Policy and understand that determinations of the Committee (as such term is used in the Policy) will be final and binding and will be given the maximum deference permitted by law.
- I understand and agree that my current indemnification rights, whether in an individual agreement or the Company's organizational documents, exclude the right to be indemnified for amounts required to be recovered under the Policy.
- I understand that my failure to comply in all respects with the Policy is a basis for termination of my employment with the Company and any affiliate of the Company as well as any other appropriate discipline.
- I understand that neither the Policy, nor the application of the Policy to me, gives rise to a resignation for good reason (or similar concept) by me under any applicable employment agreement or arrangement.
- I acknowledge that if I have questions concerning the meaning or application of the Policy, it is my responsibility to seek guidance from the Company's General Counsel, Head of Human Resources or my own personal advisers.
- I acknowledge that neither this Acknowledgement nor the Policy is meant to constitute an employment contract.

Please review, sign and return this form to the Company's General Counsel.

Covered Executive

(print name)

(signature)

(date)

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