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, 2024

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	**88-3099146**
(State or other jurisdiction of incorporation or organization)	**(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

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

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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 Nasdaq Stock Market LLC, was approximately $488.1 million.

The number of outstanding shares of common stock of the registrant, $0.00001 par value per share, as of March 3, 2025 was 69,576,883.

DOCUMENTS INCORPORATED BY REFERENCE

None.

ZYMEWORKS INC.

FORM 10-K

For the Fiscal Year Ended December 31, 2024

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes "forward-looking statements" or 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.

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, equity, or non-dilutive 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;
- 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 and royalties 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 pandemics or other health crises;
- global economic and political conditions, including as a result of the Russian invasion of Ukraine and the conflicts in Israel and the broader Middle East, 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;
- unanticipated tax consequences in connection with the Redomicile 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, global health concerns or the change in Presidential administration;
- 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;
- 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 or a third party's ability to successfully develop any companion diagnostic tests for our product candidates without significant delays;
- our reliance on third-party manufacturers to produce our product candidate supplies and on other third parties to monitor and transport bulk drug substance and drug product;
- our reliance on third parties to oversee clinical trials of our product candidates and, in some cases, maintain regulatory files for those product candidates;
- risks related to the manufacture of product candidates and 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
- 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" and "our" (i) for periods until the Redomicile Transactions, refer to Zymeworks BC Inc. and its subsidiaries and (ii) for periods after the Redomicile Transactions, refer to Zymeworks Inc. and its subsidiaries.

PART I

Item 1. Business

Overview

Zymeworks is a clinical-stage biotechnology company developing a diverse pipeline of novel, multifunctional biotherapeutics to improve the standard of care for difficult-to-treat diseases such as cancer, autoimmune and inflammatory diseases ("AIID"). 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 from preclinical candidate screening through to registrational clinical trials.

We believe our strategic development priorities position us as thought leaders in our therapeutic areas of interest, driven by a patient-centric approach, scientific innovation, and operational excellence. Our research and development strategy centers on three key pillars:

- ***Target Selection:*** Our data-driven target strategy is informed by target expression, target biology (including internalization rate), tumor biology, clinical precedence and differentiation to prior therapeutic programs. For example, mesothelin ("MSLN"), folate receptor-α ("FRα") and sodium-dependent phosphate transporter 2b ("NaPi2b") are each expressed at higher levels than other targets pursued in ovarian cancer or non-small cell lung cancer ("NSCLC").
- ***Therapeutic Modality:*** By utilizing our proprietary platforms and in-house expertise, we have the ability to take a modality-agnostic approach to drug development for our selected targets. We are therefore able to tailor the therapeutic modality – whether antibody drug conjugates ("ADCs"), bispecific T cell engagers ("TCEs"), or trispecific T cell engagers ("TriTCEs") – with the goal of maximizing efficacy for each target.
- ***Patient-Centric:*** We integrate patient needs and biological diversity into every stage of development, helping to ensure that our therapies have the potential to improve both survival outcomes and quality of life. As we advance our mission, we aim to deliver life-changing therapies while creating value for all stakeholders.

Our protein engineering expertise and proprietary structure-guided molecular modeling capabilities enable our therapeutic platforms. Together with our access to both internal and external 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 AIID.

Our first internally developed product candidate, zanidatamab, is a novel bispecific antibody that targets two distinct domains of the human epidermal growth factor receptor 2 ("HER2"). Through rigorous scientific investigation, innovative protein engineering, and our proprietary Azymetric bispecific platform technology, we developed the unique binding mechanism of zanidatamab which enables it to bind to two extracellular sites on 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. Zanidatamab is currently being evaluated in multiple global clinical trials as a potential best-in-class treatment for patients with HER2-expressing cancers.

The FDA granted accelerated approval of Ziihera® (zanidatamab-hrii) 50mg/mL for injection for intravenous use for the treatment of adults with previously-treated, unresectable or metastatic HER2-positive ("HER2+") (IHC 3+) second-line biliary tract cancer ("BTC"). Ziihera® is the first and only dual HER2-targeted bispecific antibody approved for HER2+ BTC in the U.S. A Biologics License Application ("BLA") submitted by our partner, BeiGene, has also been accepted for review by the Center for Drug Evaluation (the "CDE") of the National Medical Products Administration (the "NMPA") in China, and the European Medicines Agency (the "EMA") has validated our partner Jazz's marketing authorization application for zanidatamab in second-line BTC. With initial uptake in BTC in the United States, we look forward to reporting on the outcomes of pending regulatory actions in the European Union and China as early as 2Q-2025 with our partners Jazz Pharmaceuticals and BeiGene, as well as the top-line results from the HERIZON-GEA-01 study of Ziihera® expected in 2H-2025. Zanidatamab is also under development for multiple HER2-expressing indications. For additional information regarding these agreements with BeiGene and Jazz, see the section titled "Strategic Partnerships and Collaborations" below.

Wholly-Owned Pipeline

Our wholly-owned programs include novel ADC and multispecific antibody therapeutics ("MSAT") candidates, such as TCEs, focusing on highly-expressed targets which provide opportunities for benchmarking in preclinical development and expected clinical differentiation. Our ADC candidates exploit our proprietary topoisomerase 1 inhibitor ("TOPO1i") 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) TCE 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.

Solid Tumors in Oncology: Antibody Drug Conjugates (ADCs)

ZW191: A clinical-stage ADC that targets FRα-expressing tumors including ovarian cancer, endometrial cancer, and NSCLC, is built using our novel, bystander active, TOPO1i payload technology, ZD06519. The FRα-targeting monoclonal antibody incorporated in ZW191 was selected based on compelling internalization characteristics to enable targeting of high, mid, and low levels of FRα expression. A drug-antibody-ratio ("DAR") of eight was selected due to the restricted expression profile of FRα in normal tissues and to enhance our ability to deliver payload to tumors with lower levels of FRα. FRα is a clinically validated target, found in approximately 75% of high-grade serous ovarian carcinomas, 50% of endometrial cancers, and in 70% of NSCLC. Preclinical data demonstrate strong ZW191 activity across a range of FRα-expressing patient-derived xenografts, including models with low levels of FRα. The ability to target lower levels of FRα is in part due to the DAR-eight format and the observed superior internalization, payload delivery, and tissue penetration derived from the ZW191 monoclonal antibody compared to other FRα monoclonal antibodies used in ADCs currently or previously in development. In a good laboratory practices ("GLP") toxicology study, ZW191 achieved a highest non-severely toxic dose ("HNSTD") in non-human primates of 60 mg/kg, which presents a compelling profile and enables the expectation of potentially achieving an efficacious dose level in the Phase 1 clinical trial. We are optimistic about the prospects of ZW191 and we believe the design features and preclinical profile support the potential of ZW191 to target cancers with lower levels of FRα. This would allow ZW191 to potentially unlock efficacy for both ovarian cancer patients who are unable to receive Elahere, as it is only approved in FRα-high platinum-resistant ovarian cancer ("PROC"), and other indications including endometrial and NSCLC which typically express lower levels of FRα. We are currently recruiting patients in an ongoing global Phase 1, open-label, multicenter study of ZW191, registered under NCT06555744 on clinicaltrials.gov. The study aims to enroll 145 participants with advanced solid tumors, including ovarian, endometrial, and non-small cell lung cancers, across North America, Europe, and the Asia-Pacific region. The study is designed to evaluate the safety, tolerability, pharmacokinetics, and preliminary anti-tumor activity of ascending doses of ZW191.

ZW251: A potential first-in-class ADC molecule designed for the treatment of glypican 3 ("GPC3")-expressing hepatocellular carcinoma ("HCC"), incorporates the same Zymeworks proprietary bystander-active TOPO1i payload utilized in ZW191 (anti-FRα) and ZW220 (anti-NaPi2b), ZD06519. The GPC3-targeting monospecific antibody incorporated in ZW251 was selected based on favorable binding and internalization properties to enable targeting of a range of GPC3-expressing tumors. A DAR of four was selected for this program as a lower DAR potentially could unlock a broader range of dose levels, a potential benefit as HCC patients are commonly challenged by impairment of liver function as a result of chronic liver disease and cirrhosis. GPC3, a glycosylphosphatidylinositol ("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. In preclinical studies, anti-tumor activity for ZW251 was observed in multiple patient-derived xenograft models of HCC reflecting a range of GPC3 over-expression. In non-GLP non-human primate studies, ZW251 was tolerated at doses up to 120 mg/kg, suggesting the potential for high doses in humans. We are encouraged by published research demonstrating the potential of targeting GPC3 with an antibody in HCC patients as evidenced by tumor localization of iodine radio-labeled condrituzumab, a clinical-stage anti-GPC3 monoclonal antibody, and believe that ADC-based targeting of GPC3 could enable a novel and effective approach to treatment of HCC. We expect to submit an IND to commence Phase 1 clinical studies for ZW251 by mid-2025, with equivalent non-U.S. applications to be submitted thereafter.

ZW220: An ADC that targets NaPi2b-expressing NSCLC and ovarian cancer, is built, like ZW191, using our proprietary bystander active TOPO1i payload technology, ZD06519. The strong and persistent bystander effect of the ZD06519 payload that we have observed in preclinical studies may help overcome NaPi2b heterogeneity across different cancers. The NaPi2b-targeting monospecific antibody incorporated in ZW220 was selected based on a favorable binding profile and enhanced internalization properties to enable targeting of both Napi2b-high and NaPi2b-low expressing tumors. Distinct from ZW191, ZW220 utilizes a DAR-four format paired with mutations in the fragment crystallizable ("Fc") region to attenuate binding to Fc-gamma family receptors. These features were incorporated in ZW220 with the goal of minimizing potential toxicities associated with expression of NaPi2b in normal lung tissue. NaPi2b is expressed in approximately 83% of ovarian (serous)

cancer, 81% of endometrial cancer, and 77% of adenocarcinoma NSCLC. Preclinical data demonstrate that ZW220 is active in models of ovarian cancer and NSCLC with strong anti-tumor activity observed in patient-derived xenograft models and growth inhibition observed in three-dimensional spheroid models. ZW220 is tolerated at high doses in non-GLP animal studies with a maximum tolerated dose ("MTD") ≥90 mg/kg in non-human primates and ≥200 mg/kg in rats, suggesting the potential for high doses in humans. NaPi2b is a compelling ADC target, and we believe the design of ZW220 may overcome some of the challenges encountered with other NaPi2b-targeted ADCs, including Lifa-V, UpRi, and XMT-1592, and may potentially provide a safe and meaningful benefit to patients with NaPi2b-expressing tumors. We have made the decision to pause the preparations for the commencement of a Phase 1 study of ZW220 to help facilitate the accelerated development of ZW251. However, we believe ZW220 remains a highly differentiated, IND-ready asset with strong clinical, commercial, and partnership potential.

Solid Tumors in Oncology: Multispecific Antibody Therapeutics (MSATs)

ZW171: A clinical-stage multispecific antibody built using our Azymetric platform, is a novel 2 + 1 format TCE targeting 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 in NSCLC (~36%), making it an appealing target for therapeutic development with our proprietary TCE technology. In preclinical studies, ZW171 has demonstrated potent preferential killing of tumor cells expressing relatively medium to high thresholds of MSLN while sparing cell line models representative of normal tissue MSLN expression, demonstrating reduced potential for on-target-off tumor toxicity. Incorporation of a low affinity anti-CD3 binding domain further mitigates the risk of peripheral T cell activation and cytokine release syndrome. Preclinical data demonstrated that ZW171 exhibits greater anti-tumor activity compared to benchmark in MSLN-expressing tumor models and is well tolerated in cynomolgus monkeys up to 30 mg/kg. We are actively recruiting patients in the global Phase 1, open-label, multicenter study of ZW171, registered under NCT06523803 on clinicaltrials.gov. The study aims to enroll 160 adult patients with advanced MSLN-expressing cancers in North America, Europe, and the Asia-Pacific region. The study is designed to evaluate the safety, tolerability, pharmacokinetics, and preliminary anti-tumor activity of ascending doses of ZW171.

ZW209: A novel TriTCE targeting Delta-like ligand 3 ("DLL3")-expressing tumor cells, is designed using our clinically validated Azymetric and EFECT platforms. By leveraging obligate cis-T cell binding and conditional cluster of differentiation 28 ("CD28") engagement, this potentially first-in-class molecule has been designed to prevent unintended T cell activation, while enabling tumor-targeted cytotoxicity. The innovative design has demonstrated differentiated long-term cytotoxicity in vitro at low E:T (effector to target) ratios, with enhanced T cell proliferation and survival, offering significant potential to increase durability of responses in DLL3-expressing cancers. We expect to submit an IND to commence Phase 1 clinical studies for ZW209 in 1H-2026, with equivalent non-U.S. applications to be submitted thereafter.

Autoimmune and Inflammatory Diseases (AIID)

ZW1528: Our first program in AIID, is a novel IL-4Rα x IL-33 bispecific molecule designed to address respiratory inflammation such as mixed-type chronic obstructive pulmonary disease ("COPD") by inhibiting multiple pathways. By blocking three cytokines (IL-4, IL-13 and IL-33) in a single biologic, ZW1528 offers a unique approach to inhibit clinically validated pathways. The bispecific antibody is designed to provide complete, prolonged IL-4Rα blockade with simultaneous blockade of IL-33. Based on non-clinical in vitro studies, the bispecific can independently suppress IL-13, IL-4 and IL-33 driven cell signaling equivalent to that achieved with anti-IL-4Rα monoclonal antibody ("mAb") or anti-IL-33 clinical benchmarks mAbs. Furthermore, in preclinical studies, ZW1528-mediated blockade of cytokine-driven activation of human epithelial cells was superior to that achieved with mAbs targeting either IL-4Rα or IL-33, indicating potential benefits of dual blockade. Additionally, preclinical studies with human peripheral blood mononuclear cells ("PBMCs") demonstrate ZW1528 provides blockade of IL-33 mediated effects beyond that achievable with an anti-IL33 benchmark mAb. With native Immunoglobulin G ("IgG")-like geometry, ZW1528 demonstrates the potential for high manufacturability and incorporates half-life extending Fc modifications. We expect to submit an IND to commence Phase 1 clinical studies for ZW1528 in 2H-2026, with equivalent non-U.S. applications to be submitted thereafter.

Continued Pipeline Development

We continue to develop and advance additional product candidates in multiple different product formats for selected therapeutic indications in solid tumors, hematological cancers, and AIID, with further potential IND applications in 2027 and beyond. With

these candidates, we intend to continue innovating with increased novelty in targets and unique mechanisms of action through bispecific or biparatopic ADCs, dual-payload ADCs, multi-specific immune cell engagers and immune-oncology.

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 (EFECT), 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 TriTCE technology and our ProTECT platform to develop potential best-in-class trispecifics. The FDA approval of zanidatamab in 2024 provides validation of our proprietary Azymetric technology and capabilities for design and development of novel medicines. 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 TCEs 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, TCE 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 platforms.

Our TOPO1i ADC platform is one of 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 models and noteworthy tolerability in healthy mice, rats, and non-human primates.

EFECT Antibody Effector Function Modulation Platform

The EFECT platform consists of sets of modifications to the 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

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 programs for zanidatamab and zanidatamab zovodotin, we have received $446.0 million through December 31, 2024 in the form of non-refundable upfront payments and milestone payments. In addition, through these partnerships with Jazz and BeiGene with respect to zanidatamab, as of December 31, 2024, we remain eligible to receive up to $1.55 billion in potential regulatory, development and commercial milestone payments, as well as tiered royalties on potential future product sales, pending receipt of applicable regulatory approvals. These partnerships have provided us with a significant source of non-dilutive funding and provide for additional future funding 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.

Product Partnerships

Jazz

In October 2022, we entered into a 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 "Jazz Collaboration Agreement"). Under the Jazz Collaboration Agreement, Jazz is solely responsible for all development and commercialization rights for zanidatamab throughout the world, excluding existing Asia-Pacific territories (other than Japan) already governed by Zymeworks BC's agreement with BeiGene ("Territory").

As part of our collaboration, we granted to Jazz certain exclusive and non-exclusive licenses, under our intellectual property, to research, develop, manufacture, and commercialize 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 including to make and have made such antibodies for incorporation into zanidatamab zovodotin for development and commercialization 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 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 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.

Jazz is required to 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 submissions for Licensed Products in the Territory.

Zymeworks BC will continue to supply zanidatamab and Licensed Product to certain clinical sites pursuant to the terms of the Jazz Collaboration 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, as of December 31, 2024 we have 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, in addition to our delivery of other data, analyses and other information. As of December 31, 2024, we were 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. As a result of the FDA's approval of Ziihera®, $25.0 million of regulatory milestone revenue was recognized in November 2024, and we received this $25.0 million milestone payment in the first quarter of 2025. 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.

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"). The Amended Jazz Collaboration Agreement contains customary termination rights for Jazz and us, including the right for Jazz to terminate the agreement in its sole discretion with advance notice to us. We may also terminate the 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 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 and ZBI that worked on the Program; (iii) Jazz and its affiliates acquired from Zymeworks BC and ZBI and their affiliates the Acquired Assets (as defined in the Transfer Agreement); and (iv) Jazz and its affiliates assumed certain liabilities arising following the closing under the Transfer Agreement related to the Acquired Assets and the Program, including with respect to the transferred service providers, in each case subject to the terms and conditions of the Transfer Agreement. No shares of the Company's common stock were sold by the Company or acquired by Jazz Inc. and its affiliates in connection with such transactions under the Transfer Agreement.

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 (such agreement relating to zanidatamab, as amended, the "Zanidatamab Agreement," and such agreement relating to zanidatamab zovodotin, the "Zovodotin Agreement"). In September 2023, Zymeworks BC and BeiGene entered into a termination agreement relating to the 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. Under the Zanidatamab Agreement, as of December 31, 2024 we have received milestone payments of $31.0 million, including an $8.0 million milestone payment received from BeiGene in July 2024 in relation to the acceptance by the CDE of the NMPA in China of the BLA for zanidatamab for second-line treatment of HER2+ BTC. As of December 31, 2024, we remain eligible to receive development and commercial milestone payments of up to $164.0 million, 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 a royalty reduction of 0.5% reaches a cap in the low double-digit millions of dollars.

Under the 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, 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 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.

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 of December 31, 2024, we have received approximately $183.5 million in the form of non-refundable upfront and milestone payments from platform partnership and collaboration agreements. 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: 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"), and Merck Sharp & Dohme Research GmbH ("Merck"). As of December 31, 2024, we remain eligible to receive up to $1.03 billion in preclinical and development milestone payments and up to $3.08 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 using our platforms.

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

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. As of December 31, 2024, BMS had exercised one commercial license option and we received a $7.5 million option payment, but in 2023 BMS stopped development of such program. BMS's right to exercise options on eight programs expired in 2024 after the conclusion of BMS's research period. As at December 31, 2024, BMS remains eligible to exercise its one remaining option, and we remain eligible to receive up to $320.5 million for the two remaining programs (or $164.0 million not including the one program for which BMS stopped development in 2023), comprised of a commercial license option payment of $7.5 million for the one remaining program, development milestone payments of up to $101.5 million per program, and commercial milestone payments of up to $55.0 million per program. 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 for those product candidates that BMS elected to exercise its commercial license option. As BMS's research period has concluded, BMS is 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 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 as of December 31, 2024. 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. 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. As of December 31, 2024, we have received an upfront technology access fee payment of $6.0 million and a milestone payment of $2.5 million in relation to a sequence pair nomination by GSK. As of December 31, 2024, we remain eligible to receive research milestone payments of up to $35.0 million, development milestone payments of up to $182.5 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 this agreement, we received an upfront technology access fee payment of $2.0 million and research and commercial option related payments totaling $4.5 million. Under this agreement, we 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.

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 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 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 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 from Daiichi Sankyo confirming that Daiichi Sankyo has 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.

2018 Agreement

In May 2018, we entered into a 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, and we were eligible to receive up to $484.7 million in various milestone and other payments. As of December 31, 2024, we have received an upfront technology access fee payment of $18.0 million, and we remain eligible to receive development milestone payments totaling up to $63.4 million and commercial milestone payments of up to $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, and we were eligible to receive up to $1.45 billion in various license and milestone payments. As of December 31, 2024, 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. 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 $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, we are 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. 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.

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.

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, 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, evaluate them and take appropriate courses of action.

As of December 31, 2024, our patent portfolio includes more than 40 patent families related to our therapeutic antibody product (zanidatamab), our preclinical and clinical stage product candidates, and our therapeutic platform technologies. As of December 31, 2024, from these patent families we have more than 260 issued patents, 36 of which are U.S. patents. Additional patent families in our patent portfolio relate to other earlier stage potential product candidates or platforms that we do not consider material to our business at this time.

Therapeutic Antibody Portfolio

Our therapeutic antibody patent portfolio is directed to specific compositions of matter, methods of using and compositions used in manufacturing our approved products and product candidates.

Approved Product

Zanidatamab: As of December 31, 2024, we own U.S. and foreign patents and patent applications directed to compositions of matter of zanidatamab, compositions used in the manufacture of zanidatamab, and methods of using zanidatamab. Issued patents and patent applications, if granted, directed to compositions of matter of zanidatamab are anticipated to expire in 2034, absent any patent term adjustments or extensions. Issued patents and patent applications, if granted, directed to compositions used in the manufacture of zanidatamab are anticipated to expire in 2034, absent any patent term adjustments or extensions. Issued patents and patent applications, if granted, directed to methods of using zanidatamab are anticipated to expire between 2034 and 2042, absent any patent term adjustments or extensions.

Zanidatamab is also protected by our patent families directed to Azymetric Fc, as described below.

Clinical Stage Product Candidates

ZW191: As of December 31, 2024, we own patent applications filed in the United States and foreign jurisdictions directed to compositions of matter of ZW191, compositions used in the manufacture of ZW191, and methods of using ZW191. If granted, these patent applications are anticipated to expire in 2043, absent any patent term adjustments or extensions. ZW191 is also protected by a patent family directed to our TOPO1i technology.

ZW171: As of December 31, 2024, we own patent applications filed in the United States and internationally under the Patent Cooperation Treaty ("PCT") directed to compositions of matter of ZW171, compositions used in the manufacture of ZW171, and methods of using ZW171. If granted, these patent applications are anticipated to expire in 2043, absent any patent term adjustments or extensions. ZW171 is also protected by patent families relating to Azymetric Fc.

Lead Preclinical Product Candidates

ZW251: As of December 31, 2024, we own patent applications filed internationally under the PCT and in foreign jurisdictions directed to compositions of matter of ZW251 and methods of using ZW251. If granted, these patent applications are anticipated to expire in 2043, absent any patent term adjustments or extensions. ZW251 is also protected by a patent family directed to our TOPO1i technology.

ZW209: As of December 31, 2024, we own U.S. provisional patent applications directed to compositions of matter of ZW209, compositions used in the manufacture of ZW209, and methods of using ZW209. If converted to non-provisional applications and granted, these applications are anticipated to expire in 2045, absent any patent term adjustments or extensions.

ZW1528: As of December 31, 2024, we own U.S. provisional patent applications directed to compositions of matter of ZW1528, compositions used in the manufacture of ZW1528 and methods of using ZW1528. If converted to non-provisional applications and granted, these applications are anticipated to expire in 2045, absent any patent term adjustments or extensions.

ZW220: As of December 31, 2024, we own patent applications filed internationally under the PCT and in foreign jurisdictions directed to compositions of matter of ZW220, compositions used in the manufacture of ZW220, and methods of using ZW220. If granted, these patent applications are anticipated to expire between 2043 and 2044, absent any patent term adjustments or extensions. ZW220 is also protected by a patent family directed to our TOPO1i technology.

Therapeutic Platform Technology Portfolio

Our therapeutic platform technology portfolio includes biological formats and variants thereof, including the Azymetric platform, our drug conjugate platforms (including 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 patents and patent applications relating to the Azymetric platform for engineering Fc and Fab constructs for the development of bispecific antibodies.

Azymetric Fc: As of December 31, 2024, we own U.S. and foreign patents and patent applications directed to our Azymetric Fc platform. Patents and patent applications, if granted, directed to compositions of matter of engineered antibody Fc regions, methods of engineering antibody Fc regions to preferentially form heterodimers, and methods of making heterodimers comprising engineered Fc regions are expected to expire between 2031 and 2033, absent any adjustments or extensions.

***Azymetric Fab*:** As of December 31, 2024, we own U.S and foreign patents and patent applications directed to our Azymetric Fab platform. Patents and patent applications, if granted, directed to compositions of matter, methods of engineering antibody Fabs to preferentially form heterodimers, and methods of making heterodimers comprising engineered Fabs are expected to expire between 2033 and 2036 absent any adjustments or extensions.

Drug Conjugate Platforms

Our drug conjugate platforms are a suite of proprietary cytotoxins (including TOPO1i), stable linkers, and conjugation technologies that are compatible with and complementary to our antibody product candidates and enable delivery of cytotoxins directly to target cells.

TOPO1i Platform: As of December 31, 2024, we own patent applications filed in the United States and foreign jurisdictions directed to novel TOPO1i compounds (including ZD06519), TOPO1i-linker compositions and antibody-TOPO1i conjugates. If granted, these patent applications are expected to expire in 2042, absent any adjustments or extensions.

EFECT

As of December 31, 2024, we own U.S and foreign patents and patent applications directed to engineering Fc constructs with modulated FcγR-binding and Fc effector function, including compositions of matter and methods of making Fc constructs with altered FcγR-binding and Fc effector function, and compositions of matter and methods of making Fc constructs that lack FcγR-binding. These patents and patent applications, if granted, are expected to expire between 2031 and 2042, absent any adjustments or extensions.

ProTECT

As of December 31, 2024, we own patent applications filed in the United States and foreign jurisdictions directed to compositions of matter, methods of making and methods of using conditionally active antibody constructs comprising immunomodulatory ligands and their cognate receptors derived from the immunoglobulin superfamily (such as PDL1 and PD1) fused to the antibody variable heavy and light chain region termini. If granted, these patent applications are expected to expire in 2041, absent any adjustments or extensions.

Computational Chemistry

As of December 31, 2024, we own U.S and foreign patents and patent applications directed to computational and algorithmic advances incorporated into our ZymeCAD™ platform, including advances in general molecular modeling, conformational dynamics, docking, distal mutations, and molecular packing, as well as parallelization and graphical data analysis. These patents and patent applications, if granted, are expected to expire between 2026 and 2042, absent any adjustments or extensions.

Technology Licensing and In-Licensed Intellectual Property

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 and ZW209, using Daiichi Sankyo's proprietary immune-oncology antibodies. Under the surviving terms of the Collaboration and Cross 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.

Phanes

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 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.

ProBioGen

In February 2016, we entered into a master services and master license agreement with ProBioGen AG ("ProBioGen"). ProBioGen provided certain development and manufacturing services and granted us a non-exclusive, worldwide, sublicensable license to research, develop, manufacture and commercialize our product candidates (which include Ziihera® (zanidatamab-hrii)) using ProBioGen's platforms, including their proprietary GlymaxX technology for generating afucosylated antibodies. This license includes certain additional non-exclusive patent rights sub-licensed by ProBioGen. Licensing terms include preclinical, clinical and commercial milestones. In connection with the first commercial sale of Ziihera®, we expect to pay to ProBioGen €3.95 million for achievement of the first commercial sale milestone. In addition, subject to achievement of certain commercial sales thresholds of Ziihera®, we are required to make additional future payments to ProBioGen.

Chugai

In June 2020, we entered into a patent license agreement with Chugai Pharmaceuticals Co., Ltd ("Chugai"). Chugai granted Zymeworks a non-exclusive, worldwide, non-transferable (except in connection with an assignment of the agreement), sublicensable license under certain patents to research, develop, manufacture and commercialize certain antibody products covered by such patents. Under the license agreement, we are required to pay an immaterial annual fee for so long as there is a valid claim within the licensed patents covering certain antibody 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 multispecific therapeutic antibody and ADC 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 to continue ongoing clinical trials. Our strategic partners are responsible for the commercial manufacture of zanidatamab. For our clinical stage product candidates, we have sufficient cGMP-grade supply to complete our ongoing clinical trials. For ZW251, our preclinical stage product candidate for which we expect to submit an IND in mid-2025, we expect to have sufficient cGMP-grade supply, through additional manufacturing runs, to commence 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, 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 is 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, Pfizer's disitamab, Alphamab's anbenitamab, BioNTech's trastuzumab pamirtecan, Boehringer's Zongertinib, Bayer's BAY2927088 and various trastuzumab biosimilars, as well as other candidates in late-stage development.

ZW191 is being developed for patients with solid tumors that express FRα. Competing approved FRα -targeted therapies include ImmunoGen/AbbVie's Elahere. ADCs under development include Sutro's Luveltamab tazevibulin, Eisai's Farletuzumab ecteribulin, Coherent Bio's CBP-1008, Bio-Thera's BAT8006, ProfoundGenmab's PRO1184, AstraZeneca's AZD5335, Eli Lilly's MBK-103, Multitude's AMT-151 and ImmunoGen/AbbVie's IMGN151.

ZW171 is being developed for patients with solid tumors that express MSLN. TCEs under development include Amgen's AMG 305, Janssen's JNJ-79032421, RemeGen's RC88, and Light Chain Bio's NI-1801.

ZW251 is being developed for patients with solid tumors that express GPC3. Competing GPC3-targeted ADCs include Lepu/Miracogen's MRG006 and BioCity's BC2027. Alternative approaches targeting GPC3 include cell therapies, TCEs, radioconjugates and monoclonal antibodies exemplified by AstraZeneca's AZD5851 (C-CAR031), Legend Biotech's LB2101, Sotio's BOXR1030, Eureka Therapeutics' ECT204, CARsgen's CT011; AstraZeneca's AZD9793 & Keymed's CM350; BMS' RYZ801; and Roche's codrituzumab.

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.

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. Our antibody therapeutics, including MSATs, are regulated as biologics by the FDA.

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 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 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.

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 submit a summary of the results of their clinical trials after completion of a trial, unless an extension or a certification permitting delayed submission is obtained from the government.

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 of 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 may be eligible for "rolling review" where review of sections of a Fast Track product's New Drug Application or BLA is initiated before the full New Drug Application or BLA application is complete. The FDA has granted two Fast Track designations to zanidatamab for the first-line treatment of patients with HER2-overexpressing gastroesophageal adenocarcinomas ("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 a 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.

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 January 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.

Further, in June 2024, the U.S. Supreme Court overruled the Chevron doctrine, which gives deference to regulatory agencies' statutory interpretations in litigation against federal government agencies, such as the FDA, where the law is ambiguous. This Supreme Court decision may invite various stakeholders to bring lawsuits against the FDA to challenge longstanding decisions and policies, which could lead to uncertainties in the industry. Changes in the leadership of the FDA and other federal agencies under the new Presidential administration may lead to new policies and changes in the regulations that may impact our clinical development plans.

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, 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 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 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.

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, in January 2022, the Clinical Trials Regulation (CTR) repealed the Clinical Trials Directive (EC) No. 2001/20/EC and national implementing legislation in the EU Member States. The CTR harmonizes the processes for assessment and supervision of clinical trials throughout the EU. From January 2023 onwards, clinical trial sponsors must apply to start a new clinical trial via the Clinical Trials Information System (CTIS), and beginning January 2025, any trials approved under the Clinical Trials Directive that continue running need to comply with the CTR and their sponsors must have recorded information on them in CTIS. National regulators in the EU Member States and EU/EEA countries use the CTIS.

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 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. Only high-expenditure single-source drugs that have been approved for at least seven years (11 years for single-source biologics) can qualify for negotiation, with the negotiated price taking effect two years after the selection year. For 2026, the first year in which negotiated prices become effective, the Centers for Medicare & Medicaid Services ("CMS") selected ten high-cost Medicare Part D drugs in 2023, negotiations began in 2024, and the negotiated maximum fair price for each drug has been announced. CMS has selected 15 additional Medicare Part D drugs for negotiated maximum fair pricing in 2027. For 2028, up to an additional 15 drugs, which may be covered under either Medicare Part B or Part D, will be selected, and for 2029 and subsequent years, up to 20 additional Part B or Part D drugs will be selected. The impact of these legislative, executive, and administrative actions and any future healthcare measures and agency rules implemented by the Trump 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.

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, we have entered into a development and commercialization 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 with respect to the Licensed Products in the Territory. There are no other agreements granting commercialization rights to zanidatamab 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. We also evaluate opportunities to retain rights further into development for certain drug candidates, providing flexibility around future commercialization strategies. This approach includes the potential to retain commercial rights in one or more geographic jurisdictions, allowing us the option to independently commercialize and launch product(s) in the future.

Human Capital Resources

As of December 31, 2024, we had 286 employees, including 280 full-time employees, 203 of whom were primarily engaged in research and development activities and 53 of whom hold an M.D. or Ph.D. degree. 192 of our full-time employees were based in Canada, 75 were based in the United States, and 13 were based in Singapore, Ireland and United Kingdom (the "UK") combined.

Our ability to achieve our mission is dependent upon attracting and retaining the right talent. We seek to 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 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 Canadian System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca.

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, which are still in preclinical or clinical development. If we do not obtain regulatory approval 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.
- We face significant competition, and if our competitors develop and market products that are more effective, safer and/or less expensive than our product candidates, our commercial opportunities will be negatively impacted.
- If zanidatamab or any of our product candidates that receives regulatory approval in the future does not achieve broad market acceptance among physicians, patients, the medical community and third-party payors, revenue generated from royalties or 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 commercialization efforts of zanidatamab or our product candidates may need to be limited.
- 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 or our strategic partners to commercialize any approved products that we or our strategic partners develop and affect the prices that may be obtained.
- We have incurred significant losses since inception and anticipate that we will continue to incur losses for the foreseeable future. We have only one product approved for commercial sale, and, as of December 31, 2024, we have not received 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.
- Our effective tax rate may change in the future.

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

Our strategic partner Jazz has received accelerated approval from the FDA for Ziihera® (zanidatamab-hrii) for the treatment of adults with previously-treated, unresectable or metastatic HER2+ BTC. Ziihera® is the first product candidate from one of our therapeutic platforms to receive regulatory approval. Our other product candidates are in preclinical or clinical development and we have not submitted an application, or received marketing approval, for any other product candidates, and we may never be able to achieve such regulatory approval. In addition, although Jazz is developing zanidatamab for regulatory approval in additional indications, such regulatory approval may never be achieved.

Obtaining regulatory approval and commercializing any approved product candidates depends on many factors, including:

- successfully completing clinical trials that demonstrate the pre-specified efficacy endpoints and acceptable safety profile of the product candidate in the indication for which approval is sought;
- 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 adequate commercial manufacturing arrangements and maintaining a consistent, quality supply of product 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.

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.

Although our strategic partner Jazz has submitted a BLA with respect to zanidatamab, we have not submitted a BLA to the FDA or similar marketing applications to foreign health authorities with respect to any of our other product candidates. 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. 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. Patients treated with our product candidates also 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.

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. Similarly, interim results of a clinical trial do not necessarily predict final results. 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.

Applications for our product candidates could fail to receive regulatory approval for many reasons, including:

- the FDA or foreign health authorities may disagree with the design, implementation or data analyses of clinical trials;
- the FDA or foreign health authorities may determine that the product candidate(s) do not have adequate risk-benefit ratio or have undesirable or unintended side effects, toxicities or other characteristics that preclude 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 approval is sought;
- the FDA or foreign regulators may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of the 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 providing our clinical and commercial supplies; and

- the approval policies or regulations of the FDA or foreign health authorities may significantly change in a manner rendering clinical data insufficient for approval.

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 complied with all applicable U.S. laws and regulations. If the FDA does not accept the data from any clinical trials conducted 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 development of any future product candidates.

Even if regulatory approval is obtained for a particular indication, there is no guarantee that additional indications will be approved, which could materially limit the commercial potential of any approved product. For example, while Jazz intends to seek approval of zanidatamab in additional indications, we cannot be certain that such approvals will be obtained. If additional indications are not approved, our ability to achieve additional milestone payments and royalties on sales of zanidatamab will be materially and negatively impacted.

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

We currently have two clinical-stage product candidates, ZW171 and ZW191. We have licensed zanidatamab to our strategic partner Jazz, which has been responsible for completing its clinical development in the United States and other jurisdictions not covered by our license to BeiGene. In November 2024, Jazz announced the FDA granted accelerated approval for Ziihera® for injection for intravenous use for the treatment of adults with previously treated, unresectable or metastatic HER2+ (IHC 3+) BTC. Jazz is conducting the confirmatory trial for Ziihera® related to the accelerated approval. If the confirmatory trial fails to demonstrate a clinical benefit, the FDA may remove Ziihera® from the market, which would negatively impact our ability to earn milestone payments and royalties under our arrangement with Jazz.

Following the transfer of the zanidatamab development program to Jazz and the discontinuation of our zanidatamab zovodotin clinical development program following a strategic business review, we have been focused on the development of our early-stage product candidates and general discovery efforts. Following the clearance of our IND applications for both ZW171 and ZW191, we are actively progressing with additional submissions in selected non-U.S. countries in relation to our Phase 1 study sites in North America, Europe, and the Asia-Pacific region.

The commencement or completion of ongoing or 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 and patients required 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;
- 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 or to be lost to follow up;

- 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 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.

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.

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 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 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 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 zanidatamab and the product candidates we currently have in clinical and preclinical 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 generating sufficient data to support the initiation or continuation of clinical trials and obtaining regulatory permission to initiate 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. 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 strategic 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 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. Additionally, projections of addressable patient populations that have the potential to benefit from treatment with our or our strategic partners' product candidates are based on estimates, and, if such estimates are inaccurate, could have an adverse material impact on our business.

In addition, the U.S. federal Right to Try Act, among other things, provides a 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 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 becomes 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 is 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.

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.

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 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. While the FDA granted accelerated approval in November 2024 for Ziihera® for injection for intravenous use for the treatment of adults with previously treated, unresectable or metastatic HER2+ BTC (IHC 3+), these Fast Track designations do not ensure that zanidatamab will experience a faster development, regulatory review or approval process compared to conventional FDA procedures or that zanidatamab will ultimately obtain regulatory approval for additional indications. The FDA may withdraw Fast Track designation if it believes that the designation is no longer supported by data from the zanidatamab clinical development program. The FDA also granted Breakthrough Therapy designation for zanidatamab for treatment of patients with previously treated HER2 gene-amplified locally advanced/unresectable or metastatic BTC. 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 a clinical development program is suspended, terminated, or put on clinical hold due to unexpected adverse events or other issues, including clinical supply issues, the benefits associated with the Fast Track or Breakthrough Therapy designations 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 CDE 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.

We are subject to risks that the FDA, the EMA or other comparable foreign regulatory authorities could revoke approval of any therapies used in combination with zanidatamab or any other product candidate that receives marketing approval. We are also subject to the risk that safety, efficacy, manufacturing or supply issues could arise with such therapies. In addition, it is possible that existing therapies with which zanidatamab or our product candidates are approved for use could themselves fall out of favor or be relegated to later lines of treatment, which could result in such 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 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 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 zanidatamab or 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 is 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.

If we are unable to successfully develop any required companion diagnostic tests for our product candidates, or experience significant delays in doing so, or rely on third parties in the development of such companion diagnostic tests, we may not realize the full commercial potential of our product candidates.

If we develop a product candidate for which there are no commercially available diagnostic tests for identifying the appropriate patient population to ensure safe and effective use of such candidate, the FDA may require us to develop a companion diagnostic plan in conjunction with clinical development and regulatory approval for our product candidate. Lack of a reliable commercially available companion diagnostic can introduce uncertainties in the regulatory process for our product candidate. Developing a companion diagnostic or working with a third party to develop such companion diagnostic for our product candidate will require more resources and could expose us to additional liabilities related to government regulation of companion diagnostics. If the FDA expects to review and approve simultaneously marketing submissions for a therapeutic candidate and its companion diagnostic, any delay in diagnostic marketing clearance or approval could delay the drug approval.

In particular, in April 2020, the FDA issued guidance on developing and labeling companion diagnostics for a specific group of oncology therapeutic products, including recommendations to support a broader labeling claim rather than individual therapeutic products. In June 2023, the FDA announced a voluntary pilot program through which drug manufacturers can provide to the FDA the diagnostic test performance information used to enroll patients into clinical trials for drug approval. Based on assessment of the performance information, the FDA will publish the minimum performance characteristics recommended for similar tests that may be used to select patients for treatment with the approved drug to help laboratories identify specific biomarkers for their development of laboratory-developed tests ("LDTs"), and to ensure more consistent performance of these tests for drug selection and improved cancer patient care. In May 2024, the FDA issued a final rule that phases out its enforcement discretion for most LDTs and amends the FDA's regulations to make explicit that in vitro diagnostics are medical devices under the Federal Food, Drug, and Cosmetic Act, including when the manufacturer of the diagnostic product is a laboratory. This final rule is subject to ongoing judicial challenges. Changes in the leadership of the FDA and other federal agencies under the new Trump administration can result in changes in policies and new regulations that impact the regulation of LDTs and our companion diagnostic development plans. We will continue to evaluate the impact of this rule on our companion diagnostic development and strategy. Any future issuances from the FDA and other regulatory authorities, including changes in the FDA's regulation of diagnostic tests and LDTs, may impact our development of a companion diagnostic for our product candidates and result in delays in regulatory approval. We may be required to conduct additional studies to support a broader claim. Also, to the extent other approved diagnostics are able to broaden their labeling claims to include our approved drug products, we may be forced to abandon any of our companion diagnostic development plans, or we may not be able to compete effectively upon approval, which could adversely impact our ability to generate revenue from the sale of approved products and our business operations.

We may rely on third parties for the design, development and manufacture of companion diagnostic tests for our product candidates that require such tests. To be successful, we or our collaborators will need to address a number of scientific, technical, regulatory and logistical challenges. If we or such third parties are unable to successfully develop companion diagnostics, or experience delays in doing so, we may be unable to enroll enough patients for our current and planned clinical

trials, the development of our product candidates may be adversely affected or we may not obtain marketing approval, and we may not realize the full commercial potential of our product candidates.

Disruptions at the FDA and other government agencies caused by funding shortages, reductions in staff 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 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 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. Additionally, the current Presidential administration is pursuing significant reductions in the number of federal employees across numerous agencies. A significant reduction in the number of FDA personnel as a result of this initiative could materially impact review timelines and negatively and adversely impact 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 other product candidates under development or reprioritize our focus on other product candidates at any time and at our discretion.

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.

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. As our product candidates are evaluated in clinical trials, the results of such clinical trials may show that our 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.

If we or others later identify undesirable or unacceptable side effects caused by zanidatamab or other product candidates that receive marketing approval:

- regulatory authorities may require the approved product to be taken 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 or our partners may be required to change the way the product is administered, conduct additional clinical trials or change the labeling of the product;
- we or our partners 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 and/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 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 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 AIID, 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 targets.

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.

We expect to compete with biosimilar versions of already approved products, and even if additional 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.

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 zanidatamab or any of our product candidates that receives regulatory approval in the future does not achieve broad market acceptance among physicians, patients, the medical community and third-party payors, revenue generated from royalties or sales would be limited.

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

- limitations or warnings contained in the approved labeling;
- changes in the standard of care for the targeted indications;
- limitations in the approved clinical indications;
- demonstrated clinical safety and efficacy compared to other products;
- sales, marketing and distribution support;
- availability of coverage and the extent of access and 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;
- the extent to which the product 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 the product or favorable publicity about competitive products;
- convenience and ease of administration of the product; and
- potential product liability claims.

If zanidatamab or any of our product candidates that are approved in the future 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 zanidatamab or 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.

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 a product to meet the needs of patients, the FDA can withdraw 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 January 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. The U.S Supreme Court's recent Chevron decision may invite lawsuits against the FDA to challenge longstanding decisions and policies of the FDA, including the FDA's statutory interpretations of market exclusivities, which could undermine the FDA's authority, lead to uncertainty in the industry, and disrupt the FDA's normal operations. Further, the Trump administration, along with new leadership at the FDA, may issue new policies and regulations. Executive actions under the Trump administration, such as layoffs, a hiring freeze and budget cuts, may also disrupt the normal operations of federal agencies. 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 product candidates 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 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. Our failure to obtain regulatory approval in any country may delay or have negative effects on the process for regulatory approval in other countries. Zanidatamab is the only product developed using our therapeutic platforms to have received FDA approval, and as of the date of this report, no approvals in international markets have been obtained. Such approval was received by our strategic partner Jazz, and we do not have experience in obtaining regulatory approval in the United States or 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 IND and non-U.S. 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;
- achieving favorable results from clinical trials;

- receipt of marketing approvals from applicable regulatory authorities;
- establishing and maintaining sufficient manufacturing capabilities, 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. To become and remain profitable, we must develop, obtain approval for and eventually commercialize products, if approved, that generate significant revenue. 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. In many countries, particularly those in the 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.

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. 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. 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.

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 approved products.

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. Only high-expenditure single-source drugs that have been approved for at least seven years (11 years for single-source biologics) can qualify for negotiation, with the negotiated price taking effect two years after the selection year. 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, future challenges in view of the U.S. Supreme Court's overruling of the Chevron doctrine, changes in the leadership of the federal agencies, legislative, executive, and administrative actions and any future healthcare measures and agency rules implemented by the 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.

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 as of the date of this report have resulted in a pipeline of product candidates directed at various cancers and AIID, we may not be able to develop product candidates that are safe and effective. 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.

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 example, in November 2024 the FDA granted accelerated approval for Ziihera® for the treatment of adults with previously treated, unresectable or metastatic HER2+ (IHC 3+) BTC. However, continued approval for this indication may be contingent upon verification and description of clinical benefit in a confirmatory trial.

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. Our business also may be impacted by new policies and leadership at the FDA and other federal agencies under the new Presidential administration. Such changes and transition to the Trump administration may delay our interactions and submissions with the FDA, our clinical development timeline, or result in increased compliance costs. 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. We also cannot predict the full impact of the U.S. Supreme Court's recent decision overruling the Chevron doctrine, future judicial challenges brought against the FDA, or the nature or extent of government regulation that may arise from future legislation or administrative action. 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, 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 any 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 commercialization efforts of zanidatamab or our product candidates may need to be limited.

We face an inherent risk of product liability lawsuits related to the testing of our product candidates in seriously ill patients, and face an even greater risk as a result of commercialization of any approved product candidates. 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 current or 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 current or future approved products;
- injury to our reputation;
- limitations placed on our promotional activities;
- withdrawal of clinical trial participants;
- 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 approved products.

We may need to have in place increased product liability coverage when we begin the commercialization of any product candidates. Insurance coverage is becoming increasingly expensive and 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 zanidatamab and 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 zanidatamab or 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 the opportunity to receive or maintain regulatory approval to market zanidatamab or our product candidates, or require us or our strategic partners to suspend or abandon commercialization efforts. Even in circumstances in which we do not believe that an adverse event is related to zanidatamab or 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 zanidatamab or 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, our strategic partners or any of our third-party manufacturers encounter manufacturing difficulties, our ability to provide supply of our product candidates for clinical trials or any approved products for patients 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 the supply of our products or 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 products or product candidates will not occur in the future. Even if any of our product candidates is approved, these manufacturing difficulties and supply chain risks will persist and an inability to source sufficient commercial supply would materially and negatively impact our commercialization efforts and financial results. 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 relating to these laws 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. In addition, manufacturing methods and formulation changes for product candidates advancing towards commercialization carry the risk that such product candidates may perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. While such changes are common and intended to help optimize processes and results during the development process, any of these changes could increase costs, cause delays and impact 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. Any future acquisitions or dispositions could result in 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.

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 applications and data by using 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 that our CROs and our other third-party service providers may use in the past have been subject to, and may be vulnerable to, attacks by hackers or other third parties, viruses, ransomware or other malicious code, or 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. Any such breach, incident, outage, interruption, compromise or 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 maintained or otherwise processed 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, 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 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, outage, interruption, compromise or vulnerability. 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. Penalties for HIPAA violations can be significant, and criminal and monetary penalties, as well as injunctive relief, may be imposed for HIPAA violations. Most drug manufacturers are not directly subject to HIPAA, but prosecutors increasingly are 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, HIPAA regulations impose specific reporting requirements to regulators, individuals impacted by the breach, as defined by HIPAA, and, in some cases, the media. Issuing such notifications can be costly, time and resource intensive, and can generate significant negative publicity. In addition to HIPAA, other applicable data privacy and security obligations 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.

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 in January 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. The California Privacy Rights Act of 2020, which went into effect in January 2023, expanded the CCPA in numerous ways and established a new California Privacy Protection Agency to implement and enforce the new law. Many other privacy and security laws have been proposed at the federal level and in other states, certain of which impose obligations similar to the CCPA. Other privacy and security laws address specific subject matter, such as Washington's 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, these laws' recent enactment and evolving interpretations 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"), the UK, and Switzerland have adopted laws and regulations addressing privacy, data protection and security that impose significant compliance obligations. 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 numerous requirements, including, for example, high standards for obtaining consent, requirements for more robust disclosures to individuals and strengthened individual data rights, required 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 data processors. The GDPR allows EEA countries to make additional laws and regulations further limiting the processing of genetic, biometric or health data. The GDPR provides for fines of up to €20.0 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties; further, the GDPR permits other forms of relief and recovery, and other national and local data protection laws provide for additional penalties and relief. Furthermore, adverse publicity relating to actual or alleged GDPR noncompliance could cause a loss of goodwill, which could have an adverse effect on our reputation, brand, business and financial condition. The 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 laws and regulations governing cross-border personal information transfer and providing for data localization in certain cases. For example, absent appropriate safeguards or other circumstances, the GDPR and laws in Switzerland and the UK generally restrict the transfer of personal information to countries outside the EEA, Switzerland and the UK, such as the United States. In July 2023, the European Commission adopted its adequacy decision for the EU-U.S. Data Privacy Framework, and generally permits personal information to flow from the EU to the United States by companies participating in the EU-U.S. Data Privacy Framework. We are not certified under the EU-U.S. Data Privacy Framework, and instead rely on other data transfer tools such as the EU standard contractual clauses ("EU SCCs") and the UK addendum to the EU SCCs to transfer personal information to third countries outside the EEA and the UK, taking into consideration related obligations. 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 transfers. The U.S. Department of Justice also has issued rules regarding certain bulk sensitive personal data transfers. The interpretation of data transfer requirements, 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 EEA, Switzerland, the UK, the United States, 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.

We expect an increase in regulatory requirements relating to privacy, data protection and cybersecurity that may apply to our business. For instance, the EU has enacted numerous laws and regulations addressing cybersecurity, including substantial revisions to its Network and Information Security directive that EU member states are required to reflect in national law. Requirements for hosting health data will vary by jurisdiction within EEA countries and the UK, and we may be or become subject to other national healthcare regulations or regulatory requirements. 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, data protection and security laws in the United States, the EEA, Switzerland, the UK 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. 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 or our strategic partners to commercialize any approved products that we or our strategic partners develop and affect the prices that may be obtained.

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 or our strategic partners' 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 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 U.S. 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 Trump 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 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 2032 unless Congress takes further action. 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 zanidatamab or 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, Medicaid statutory rebates are no longer be 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 products, which could have a material impact on our business. 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. 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 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 has authorized the state of Florida to develop a drug importation program to import certain prescription drugs from Canada for a limited period 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 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. 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.

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, any approved products may lose any marketing approval that may have been obtained and we may not achieve or sustain profitability, which would adversely affect our business.

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

Our business, financial condition, and stock price may be adversely affected by economic downturns, a volatile business environment, or large-scale unpredictable or unstable or unfavorable market conditions, including a prolonged government shutdown, geopolitical events, or a global pandemic. If events like these occur, our business may be materially and adversely impacted, including making any necessary debt or equity financing more difficult, more costly and more dilutive.

Our business is subject to risks associated with conducting business internationally. We have physical operations and personnel in North America, Europe and Asia. 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 and the conflicts in Israel and the broader Middle East;
- 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;
- 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;
- restrictions on cross-border data exchanges;
- 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 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, treatment of intellectual property, taxes, and other limitations on cross-border operations, including but not limited to the provision of services and the exchange of data. 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, there have been legislative proposals that would limit the extension of certain specific types of government contracts or renewals, loans, or grants, to companies that may do business with select Chinese biotechnology equipment or service providers. If enacted, such legislation will preclude certain U.S. biotechnology companies from using equipment or services produced or provided by those Chinese biotechnology companies when performing on specified types of agreements with the U.S. government. Others in Congress have advocated for the use of existing executive branch authorities to limit certain Chinese service providers' ability to engage in business in the United States. We cannot predict whether any proposed legislation will be enacted, what executive actions may implicate these kinds of service relationships, or what other 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.

Relatedly, the United States has recently enacted and proposed to enact significant new tariffs. President Trump has directed various federal agencies to further evaluate key aspects of U.S. trade policy and there has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs. There continues to exist significant uncertainty about the future relationship between the United States and other countries with respect to such trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict our access to third party services as well as disrupt the supply chain for the sourcing of our product candidates. If we or our partners are unable to obtain or use services from existing service providers, unable to source supplies of product candidates or approved drugs, or unable to export or sell approved products our business, liquidity, financial condition, and/or results of operations would be materially and adversely affected.

Our business has been in the past and may in the future be adversely affected by public health outbreaks and pandemics.

Our business has been in the past and may in the future be adversely affected by public health outbreaks and pandemics. If a public health outbreak or pandemic, including a resurgence of COVID-19 cases, leads to disruptions in our industry or to our service providers, 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;
- delays or difficulties in enrolling patients in our ongoing and planned clinical trials;
- patients discontinuing their treatment or follow-up visits;
- 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 public health outbreaks, pandemics, or a resurgence of COVID-19 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.

The impact of 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. Public health outbreaks, pandemics, and related disruptions could disrupt the global financial markets, reducing our ability to access capital, which could negatively affect our liquidity and could heighten the volatility of the financial 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 zanidatamab and 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 approved products. 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, 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. 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.

In 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 UK 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.

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 only one product approved for commercial sale, and, as of December 31, 2024, we have not received any revenue or profit from product sales. We may never achieve or sustain profitability.

We have incurred significant losses since our inception. Our net losses for the years ended December 31, 2024 and 2023 were $122.7 million and $118.7 million, respectively, while our net income for the year ended December 31, 2022 was $124.3 million, 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 income positive on a regular basis for the foreseeable future. As of December 31, 2024, our accumulated deficit was $830.3 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 as of December 31, 2024, 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, including through the receipt of royalties from our strategic partners. 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 or our strategic partners 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 or royalties 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 received 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. Zanidatamab is the only product candidate developed with our therapeutic platforms that has received regulatory approval, and we and our strategic partners are still developing other product candidates. Our revenue as of December 31, 2024 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. While we anticipate receiving royalties from sales of zanidatamab, we do not anticipate generating revenue from sales of our wholly-owned product candidates in the near term.

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 product candidates, ZW171 and ZW191. We have licensed zanidatamab to our strategic partner Jazz, which has been responsible for completing its clinical development in the United States and other jurisdictions not covered by our license to BeiGene. In November 2024, Jazz announced the FDA granted accelerated approval for Ziihera® for injection for intravenous use for the treatment of adults with previously treated, unresectable or metastatic HER2+ (IHC 3+) BTC. Jazz is conducting the confirmatory trial for Ziihera® related to the accelerated approval. If the confirmatory trial fails to

demonstrate a clinical benefit, FDA may remove Ziihera® from the market, which would negatively impact our ability to earn milestone payments and royalties under our arrangement with Jazz. We are focused on the development of our early-stage product candidates and general discovery efforts. Following the clearance of our IND applications for both ZW171 and ZW191, we are actively progressing with additional submissions in selected non-U.S. countries in relation to our Phase 1 study sites in North America, Europe, and the Asia-Pacific region.

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 additional future funding for zanidatamab, we will continue to require additional funding to advance and complete 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.

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 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. For example, from time to time, we have entered into "at-the-market" equity offering programs to sell shares of our common stock including in August 2024, our entry into the Cowen Sales Agreement with TD Cowen as sales agent to sell shares of our common stock, subject to a maximum aggregate dollar amount registered pursuant to an applicable prospectus supplement. As part of the ongoing management of our operations and related funding needs, we evaluate various financing vehicles, including "at-the-market" equity offering programs, and may enter into similar "at-the-market" equity offering programs in the future, as well as other financing transactions. 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.

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 have had to include additional amounts in income (such as interest income) under the so-called "global intangible low-taxed income" regime and may be required to do so in the future under the "global intangible low-taxed income" regime or as a result of the application of "controlled foreign corporation" rules. 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 and our expenses may increase as a result of any steps we take to enhance our compliance efforts. 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 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 a License and Collaboration Agreement (the "Original Jazz Collaboration Agreement") with 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. In April 2023, certain of our subsidiaries entered into a stock and asset purchase agreement with Jazz Inc. (as amended, the "Transfer Agreement"). 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 (the "Program"). As part of the transactions contemplated by the Transfer Agreement, at the closing of the Transfer Agreement 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, were unchanged, except that the costs of the Program (including ongoing costs related to the service providers transferred to Jazz pursuant to the Transfer Agreement) incurred following the closing of the Transfer Agreement are directly borne by Jazz instead of being incurred by us and charged back to Jazz for reimbursement, though Zymeworks BC remains 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. 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;
- Jazz's ability to manufacture, directly or through third parties, commercially required quantities of zanidatamab in a timely manner or at all;
- Jazz's compliance with ongoing post-marketing obligations, including completion of the confirmatory trial for 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;
- possible disagreements with Jazz regarding the agreement, for example, with regard to ownership of intellectual property rights or program costs and reimbursement matters; and
- Jazz may not perform its obligations as expected.

In November 2024, Jazz announced the FDA granted accelerated approval for Ziihera® for injection for intravenous use for the treatment of adults with previously treated, unresectable or metastatic HER2+ (IHC 3+) BTC. Jazz is conducting the confirmatory trial for Ziihera® related to the accelerated approval. If the confirmatory trial fails to demonstrate a clinical benefit, the FDA may remove Ziihera® from the market, which would negatively impact our ability to earn milestone payments and royalties under our arrangement with Jazz. In addition, although Jazz is developing zanidatamab for regulatory approval in additional indications, such regulatory approval may never be achieved. If additional indications are not approved, our ability to achieve additional milestone payments and royalties on sales of zanidatamab will be materially and negatively impacted. Jazz is also subject to the risks relating to development and commercialization of product candidates or approved products discussed elsewhere in this "Risk Factors" section, which could restrict Jazz's ability to further develop and commercialize zanidatamab and negatively impact our ability to achieve milestone payments and royalties.

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. In addition, we depend on Jazz to provide certain information to us regarding the Program, and any delay by Jazz in fulfilling its information-sharing obligations under the Amended Collaboration Agreement could impact our understanding of the status of the Program, as well as result in potential delays or inaccuracies in our disclosures relating to the Program.

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 and 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;
- 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;
- we may be dependent on strategic partners to provide certain information to us regarding the development of product candidates, and any delay by our strategic partners to full information-sharing obligations could impact our understanding of such development, as well as result in potential delays or inaccuracies in our disclosures;
- 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 and 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 a pandemic or epidemic on our strategic partners' operations or business.

In addition, our strategic partners are subject to the risks relating to development and commercialization of product candidates discussed elsewhere in this "Risk Factors" section, which could limit their ability to develop and commercialize product candidates and negatively impact our ability to achieve milestone, royalty or other contractual payments.

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 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 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 for zanidatamab and one master cell bank for each 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 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 did not suffer any direct, material negative impacts from these supply chain disruptions, we cannot be certain that we will not be impacted by similar disruptions in the future, 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 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. 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.

There is 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.

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 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. These challenges could be

initiated in the courts or administratively in various patent offices. 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 or file an administrative action to invalidate our patent. 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 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;
- 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 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, judicial decisions in the United States 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 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 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. 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.

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 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. 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.

In September 2011, the Leahy-Smith America Invents Act, also known as the America Invents Act ("AIA"), was signed into law. 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.

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. 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.

The requirements for patentability may differ in certain countries, which may make it more difficult for us to obtain sufficient claim scope to protect our products in those jurisdictions. 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. 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 was introduced on June 1, 2023, which will significantly impact European patents, including those granted before the introduction of this system. Under the unitary patent system, European applications have the option, upon grant of a patent, of becoming a Unitary Patent which is subject to the jurisdiction of the Unitary Patent Court (the "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 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 are potentially vulnerable to a single 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 United States, 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. 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. 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. 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.

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.

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. If our product candidates are approved and we begin commercialization, we 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.

We may be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business, including HIPAA, as amended by HITECH, and its implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable 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.

The PPACA also included the federal Physician Payments Sunshine Act, which requires applicable 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 and teaching hospitals, 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.

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, 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.

We became a Delaware corporation in October 2022 as a result of the Redomicile Transactions. 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 (including, for example, the requirement to recognize certain income (such as interest income) under the "global intangible low-taxed income" regime).

We incurred a number of non-recurring costs associated with 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.

Risks Related to Employee Matters and Managing Growth

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, President, and Chief Executive Officer, Leone Patterson, our Chief Business Officer and 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. If we are successful in advancing the development of our early-stage candidates, we will need to evaluate any organizational hiring needs. In addition, we will need to effectively manage our managerial, operational, 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. 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. 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, 2024, we had 280 full-time employees. 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. As our product candidates enter and advance through preclinical studies and any clinical trials, we may need to expand or modify 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 or modification 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 or modification 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 or organizational modification 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 or organizational modifications, 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 or organizational modification.

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. Factors that may cause the market price of our common stock to fluctuate 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;
- our ability to achieve milestones and receive associated milestone payments pursuant to the terms of our partnerships;
- 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;
- 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;
- actions taken by industry or securities analysts that cover our company or common stock, including changes in estimates or recommendations, inaccurate or unfavorable research or a decision to drop coverage;
- 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;
- public concern over our product candidates or any future approved products;
- litigation;
- future sales of our common stock or the perception that such sales could occur;
- 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 zanidatamab or 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;
- our ability to effectively address environmental, social, and governance matters affecting our business that are a focus of certain investors, environmental activists, the media, and governmental and nongovernmental organizations;
- overall fluctuations in U.S. equity markets;
- purchases under our Repurchase Program; and
- other factors that may be unanticipated or out of our control.

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, 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, may negatively affect the market price of our common stock, regardless of our actual operating performance. Securities class action litigation has often been brought against companies following a decline in the market price of their securities. 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. 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.

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:

- 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.

Our management team has broad discretion to use the net proceeds from 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 proceeds we receive from our financing activities and from our strategic collaborations, 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. 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 received from our fundraising efforts or for funds received pursuant to our strategic collaborations and our actual expenditures will depend upon numerous factors. 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, and, as a result, 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 owned approximately 53.9% of our outstanding common stock as of December 31, 2024. Our directors and executive officers beneficially owned, in the aggregate, approximately 2.3% of our outstanding common stock as of December 31, 2024. Our principal stockholders, if acting together (with or without our 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 qualify as a smaller reporting company, and any decision on 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.

We qualify as a "smaller reporting company," as defined under the Exchange Act, and, for as long as we continue to be a smaller reporting company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies that are not smaller reporting companies.

In addition, we are a "non-accelerated filer" as defined under the Exchange Act. For as long as we continue to be a non-accelerated filer, we are eligible to take advantage of an 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. For this Annual Report on Form 10-K for the year ending December 31, 2024, we are relying on this exemption and have not obtained an attestation from our independent registered public accounting firm. Our decision to rely on this exemption may have a detrimental impact on our ability to maintain the adequacy of our internal control over financial reporting, and any failure to maintain adequacy, or 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. As a result of our decision to rely on certain of these disclosure exemptions, the information we provide stockholders will be different than the information that is available with respect to other public companies and some investors may find our shares of common stock less attractive, which may result in a less active trading market for our common stock.

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 plan to transition to a new enterprise resource planning system in 2025, which we believe will lead to improvements in our internal control over financial reporting; however, 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 ("Exchangeable Shares") in the capital of our subsidiary Zymeworks ExchangeCo Ltd. ("ExchangeCo"). Exchangeable Shares are exchangeable at the option of the holder for shares of our common stock.

Exchangeable Shares are subject to additional risks, including:

- 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 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.

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 provide 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 our 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.

There can be no assurance that we will repurchase additional shares of our common stock or that we will repurchase shares at favorable prices.

In August 2024, our board of directors approved the Repurchase Program, pursuant to which we are authorized to repurchase up to $60.0 million of our common stock from time to time through open market transactions, or other means in accordance with Rule 10b5-1 and Rule 10b-18 under the Exchange Act. As of December 31, 2024, we have repurchased 2,545,402 shares of our common stock under the Repurchase Program. The timing, number of shares repurchased, and prices paid for any additional shares of stock repurchased under this program will depend on general business and market conditions as well as corporate and regulatory limitations, prevailing stock prices, and other considerations. Our Repurchase Program may be suspended or discontinued at any time, and does not obligate us to acquire any additional shares of common stock.

Our ability to make share repurchases will depend upon market conditions, cash balances and future capital requirements, results of operations, financial condition, compliance with applicable legal requirements and other factors that we may deem relevant and which may be beyond our control. In addition, we can provide no assurance that we will repurchase stock at favorable prices. As a result, there can be no guarantee around the timing of our share repurchases. Any failure to repurchase additional shares of stock, a reduction in the frequency of repurchases, or the completion of our Repurchase Program could have a negative effect on our reputation, investor confidence in us and our stock price.

The existence of our Repurchase Program could cause our stock price to be higher than it otherwise would be and could potentially reduce the market liquidity for our stock. Although our Repurchase Program is intended to enhance long-term stockholder value, there is no assurance that it will do so because the market price of our common stock may decline below the levels at which we repurchase shares, and short-term stock price fluctuations could reduce the effectiveness of the program.

Repurchasing our common stock reduces the amount of cash we have available, and we may fail to realize the anticipated long-term stockholder value of any share repurchase program.

Item 1B. Unresolved Staff 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.

- ***Incident Response and Recovery Planning:*** We have established and maintain an incident response plan and a business continuity and disaster recovery plan designed to address our response to a cybersecurity incident.
- ***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, 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 Vice President of Information Technology and Facilities, who has over 20 years' experience with cybersecurity at public companies, in coordination with senior management including our Executive Vice President, Chief Business and Financial 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 Vice President of Information Technology and Facilities 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.

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 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.

Our primary U.S. office is located in Bellevue, Washington at 777 108th Avenue NE, Suite 1700, Bellevue, Washington, 98004. We entered into a sublease for this location in August 2023, which expired in December 2024. In November 2023, we entered into a direct lease for this location that has a term that commenced in January 2025 and that expires in June 2026, with one five-year extension option.

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 August 2027, with one five-year extension option.

Our Ireland office is located in Dublin at Digital Office Centre - Dublin Airport, Office 104, Balheary Demense, Balheary Road, Swords, Dublin, Ireland. The original license to occupy this space, which we entered into in December 2022, had an original expiration date in November 2023, but automatically renewed until November 2024. In December 2024, we entered

into a new license to occupy this space with a term expiring in November 2025, which automatically 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, 118222. The license to occupy this space, which we entered into in March 2023, has a term expiring in April 2025, which automatically renews for subsequent six-month periods unless we provide six months' prior written notice that we do not want to renew.

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 UK. Our personnel in the UK have access to a co-working space in the UK.

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, 2024, 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.

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, is traded on Nasdaq under the symbol "ZYME." Prior to December 16, 2022, our common stock was traded on the NYSE under the symbol "ZYME".

Holders

As of March 3, 2025, we had 80 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.

Performance Graph

As a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act, and pursuant to Instruction 6 to Item 201(e) of Regulation S-K, we are not required to provide the stock performance graph.

Recent Sales of Unregistered Securities

We did not sell securities without registration under the Securities Act during the fiscal year ended December 31, 2024.

Issuer Repurchases of Equity Securities

On August 1, 2024, our board of directors authorized the Repurchase Program, whereby we may repurchase up to $60.0 million of our outstanding common stock, par value $0.00001 per share. In the fourth quarter of 2024, shares of common stock purchased under the authorization consisted of the following:

Period	Total number of shares purchased	Average price paid per share[(1)]	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under publicly announced plans or programs (in millions)
October 1, 2024 - October 31, 2024	726,872	$ 12.95	726,872	$ 30.0
November 1, 2024 – November 30, 2024	—	—	—	30.0
December 1, 2024 – December 31, 2024	—	—	—	30.0
	726,872	$ 12.95	726,872	$ 30.0

(1) Average price paid per share excludes commission expense and estimated excise tax.

As of October 31, 2024, we completed the initial $30.0 million of the Repurchase Program for 2,545,402 shares of our common stock at an average price per share of $11.79 (exclusive of commission expense and estimated excise tax).

Item 6. Reserved

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 2023 as compared to fiscal 2022 has been omitted from this Annual Report on Form 10-K and is incorporated by reference from our Annual Report on 10-K for the fiscal year ended December 31, 2023, filed with the SEC and with the securities commissions in all provinces and territories of Canada on March 6, 2024, under the section titled "Part II, Item 7. 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 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 developing a diverse pipeline of novel, multifunctional biotherapeutics to improve the standard of care for difficult-to-treat diseases such as cancer, and AIID. Our 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 from preclinical candidate screening through to registrational clinical trials.

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 as of December 31, 2024, and, other than the anticipated receipt of royalties relating to sales of zanidatamab, we 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 and royalty 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, 2024, we received $1,003.0 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, 2024, we had $324.2 million of cash resources consisting of cash, cash equivalents and 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 marketable securities as of December 31, 2024, 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 loss of $122.7 million for the year ended December 31, 2024, and through December 31, 2024, we had an accumulated deficit of $830.3 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.

Recent Developments

Wholly-Owned Programs

In November 2024, we announced that the first patient has been dosed in our first-in-human Phase 1 trial (NCT06555744) to evaluate the safety and tolerability of the investigational therapy ZW191 in the treatment of advanced FRα-expressing solid tumors including ovarian, endometrial, and NSCLC cancers. The Phase 1 trial is a two-part, multi-center, global study that aims to enroll 145 adult patients with advanced FRα-expressing cancers. We are currently enrolling patients at investigator sites in North America, Europe, and the Asia-Pacific region. Recruitment in the dose escalation portion of the study remains ongoing to evaluate the safety and tolerability of ZW191 in patients with advanced ovarian, endometrial, and NSCLC cancers, with secondary endpoints assessing pharmacokinetics and confirmed objective response rate.

In November 2024, at the annual Society for Immunotherapy of Cancer ("SITC") Conference we shared a poster presentation titled "Mechanistic QSP modeling and translational strategy for determining a First-In-Human dose for ZW171, a bispecific 2+1 TCE molecule targeting mesothelin and CD3" (Abstract #: 1062), which demonstrates how a Quantitative System Pharmacology ("QSP") model was developed for ZW171 using in vitro data, pharmacokinetics ("PK") data from cynomolgus monkey, and literature data (e.g., CD3 receptors per T cells, number of T cells in central and peripheral compartments, and clinical PK data of MSLN-targeting TCE) to facilitate the selection of the ZW171 starting dose for our Phase 1 clinical study. Recruitment in the dose escalation portion of the clinical study remains ongoing in patients with advanced ovarian and NSCLC cancers.

In December 2024, we hosted an R&D day highlighting continued clinical progress on our solid tumor programs in oncology and expansion into AIID. Key highlights from the event included:

- Nomination of ZW209, a novel TriTCE, as fifth development candidate in our "5 by 5" solid tumor portfolio. We expect to submit an IND to commence Phase 1 clinical studies for ZW209 in 1H-2026, with equivalent non-U.S. applications submitted thereafter.
- Expansion into AIID and hematology oncology leverages our clinically validated Azymetric technology platform and expertise in multispecific therapeutics.
- Nomination of ZW1528, our first development candidate in AIID, demonstrates dual blockade of two complementary pathways of respiratory inflammation and offers potential benefit in mixed-type COPD. We expect to submit an IND to commence Phase 1 clinical studies for ZW1528 in 2H-2026, with equivalent non-U.S. applications submitted thereafter.

In March 2025, we announced that, based on our encouraging preclinical results and the unique potential opportunity to help hepatocellular carcinoma patients, we have decided to reprioritize resources for the advancement of ZW251, for which an IND submission is now planned for mid-2025. As a result, we have paused preparations for the commencement of Phase 1 studies of ZW220 at this time. However, we believe ZW220 remains a highly differentiated, IND-ready ADC with encouraging preclinical data and strong commercial rationale with partnership potential. We remain on track to deliver five IND applications as part of our "5 by 5" solid tumor strategy, including ZW220, which remains IND-ready.

Zanidatamab Clinical Program

In November 2024, the FDA granted U.S. Approval of Ziihera® (zanidatamab-hrii) for the treatment of adults with previously treated, unresectable or metastatic HER2+ (IHC 3+) BTC. Under the terms of the Jazz license and collaboration agreement, we have earned a milestone payment of $25.0 million based on the FDA approval in BTC. We are also eligible to receive up to a further $500 million in regulatory milestone payments and up to $862.5 million in commercial milestone payments, as well as tiered royalties between 10% to 20% of net sales by Jazz.

Ziihera® net product sales by Jazz were $1.1 million in 2024 and 4Q-2024 after the initial product launch and availability in December 2024 following FDA approval in November 2024. Our royalties from net sales by Jazz have been reflected in our income statement in 4Q-2024.

The Phase 3 HERIZON-BTC-302 confirmatory trial is ongoing to evaluate zanidatamab in combination with standard-of-care therapy versus standard-of-care therapy alone in the first-line setting for patients with HER2+ BTC. Zanidatamab is also being investigated in a number of additional tumor types, including Phase 3 trials in GEA and metastatic breast cancer ("mBC"). The HERIZON-GEA-01 trial is evaluating the potential of zanidatamab plus chemotherapy with or without tislelizumab as first-line treatment for patients with advanced/metastatic HER2+ GEA and top-line progression-free survival data from this study is

expected to be available in 2H-2025. The EmpowHER-303 trial is evaluating the potential of zanidatamab in combination with physician's choice chemotherapy for the treatment of HER2+ mBC for patients who have progressed on, or are intolerant to, previous trastuzumab deruxtecan treatment.

Other Matters

On February 18, 2025, we announced the appointment of Mr. Oleg Nodelman to our board of directors effective February 17, 2025.

In January 2025, we achieved a $14.0 million cash research milestone associated with a clinical milestone under our 2016 platform technology transfer and license agreement with GSK. Under the terms of this agreement, we previously received an upfront technology access fee payment and we remain eligible to receive research, development, and commercial milestone payments of up to $1.1 billion. In addition, we are eligible to receive tiered royalties on worldwide sales.

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, milestone payments and royalties 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.

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 other than zanidatamab royalties 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 current or future 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. We expect our research and development expenses to increase in the future, subject to periodic fluctuations, as we continue to advance, expand and complete the clinical development of our product candidates, support our ongoing collaborations, and 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 or modify 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.

For a summary of our significant accounting policies, see Note 2 to the Consolidated Financial Statements in Part II, Item 8, "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, 2024.

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, drug product manufacturing, and participation on joint research and/or development committees.

In accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 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"), 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 and when collectability is 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.

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 or delivery, depending on contractual terms.

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 milestones from any of our out-licensing arrangements, other than zanidatamab royalties from Jazz.

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 accrued revenue for which one or more performance obligations has been completed but not yet billed, 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.

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 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 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, 2024, 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, 2024.

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, 2024 within this Annual Report on Form 10-K.

Results of Operations for the Years Ended December 31, 2024, 2023 and 2022

Revenue

(dollars in millions)	Year Ended December 31, 2024	2023	2022	Change 2024 – 2023	
Revenue from research and development collaborations	$ 76.3	$ 76.0	$ 412.5	$ 0.3	—%

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

Total revenue increased by $0.3 million in 2024 compared to 2023. Revenue for 2024 included $25.0 million of milestone revenue from Jazz in relation to the FDA approval of Ziihera® (zanidatamab-hrii) for the treatment of HER2+ BTC, $37.5 million for development support and drug supply revenue from Jazz, $8.0 million of milestone revenue from BeiGene in relation to the acceptance by the CDE of the NMPA in China of the BLA for zanidatamab for second-line treatment of HER2+ BTC, $2.5 million of milestone revenue from GSK in relation to the sequence pair nomination under the 2016 licensing agreement, $3.0 million from BeiGene for drug supply and other research support payments and $0.2 million from our other partners for research support and other payments. 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, $1.6 million from BeiGene for drug supply and other research support payments and $2.9 million from our other partners for research support and other payments. The decrease in revenue from Jazz in 2023 and 2024 compared to 2022 reflects the transfer of responsibility for certain clinical trials regarding zanidatamab to Jazz pursuant to the Transfer Agreement and the Amended Jazz Collaboration Agreement, with such future costs to be borne by Jazz instead of being incurred by us and reimbursed by Jazz. We expect that revenue in future periods for development support from Jazz will continue to decrease, although we remain eligible for reimbursement of certain costs for activities where we maintain responsibility under the Amended Jazz Collaboration Agreement. We expect that royalty revenue in future periods for sales of Ziihera® by Jazz will increase as Jazz's commercialization efforts continue, though we cannot predict the magnitude or timing of such royalty revenue.

Research and Development Expense

(dollars in millions)	Year Ended December 31, 2024	2023	2022	Change 2024 – 2023	
Third-party research and development program expenses:					
Zanidatamab	$ 11.9	$ 44.8	$ 117.4	$ (32.9)	(73)%
Zanidatamab zovodotin	6.6	8.0	4.8	(1.4)	(18)%
ZW171	7.1	10.7	1.9	(3.6)	(34)%
ZW191	8.4	11.7	0.9	(3.3)	(28)%
ZW220	13.8	1.6	0.2	12.2	763 %
ZW251	8.1	0.7	0.3	7.4	1,057 %
Other preclinical and research programs	17.4	7.8	7.0	9.6	123 %
	73.3	85.3	132.5	(12.0)	(14)%
Unallocated departmental research and development expenses:					
Salaries and benefits	33.7	33.3	53.0	0.4	1 %
Stock-based compensation expense	8.7	2.4	2.4	6.3	263 %
Other unallocated expenses	18.9	22.6	20.7	(3.7)	(16)%
Research and development expense[(1)]	$ 134.6	$ 143.6	$ 208.6	$ (9.0)	(6)%

(1) Excluding zanidatamab and zanidatamab zovodotin, 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, support of our ongoing collaborations, and our ongoing preclinical research activities.

Research and development expense decreased by $9.0 million in 2024 compared to 2023. The decrease in research and development expense was primarily due to a decrease in expenses for zanidatamab, as a result of transfer of responsibility for this program to Jazz per our Transfer Agreement and the Amended Jazz Collaboration Agreement, and a decrease in expenses for ZW171 and ZW191 as the majority of manufacturing and IND enabling studies were completed in 2023 prior to filing of IND applications in 2024. This decrease was partially offset by an increase in manufacturing and IND enabling supporting activities for ZW220 and ZW251, along with other preclinical and research activities. Stock-based compensation expense increased primarily due to new grants during 2024 and a lower expense in 2023 as a result of the cancellation and modification of awards in respect of employees transferred to Jazz per the Transfer Agreement.

Our research and development expenses relating to zanidatamab, following the May 2023 transfer of responsibility for the zanidatamab development program to Jazz, have decreased compared to the years ended December 31, 2023 and 2022. We expect to continue incurring research and development expenses for activities over which we maintain responsibility under the Amended Jazz Collaboration Agreement. We are eligible for reimbursement of these expenses from Jazz and expect to recognize these reimbursements as revenue from research and collaborations. We similarly expect that research and development expenses relating to zanidatamab zovodotin will continue to decrease in future periods following our decision to discontinue the zanidatamab zovodotin clinical development program.

General and Administrative Expense

	Year Ended December 31,				
	2024	2023	2022	Change 2024 – 2023	
(dollars in millions)					
Salaries and benefits	$ 17.0	$ 17.0	$ 22.6	$ —	— %
Stock-based compensation expense	9.1	5.3	1.2	3.8	72 %
Professional fees, consulting and business insurance	19.3	29.1	35.6	(9.8)	(34)%
Other general and administrative expenses	16.1	19.0	14.0	(2.9)	(15)%
General and administrative expense	$ 61.5	$ 70.4	$ 73.4	$ (8.9)	(13)%

General and administrative expense decreased by $8.9 million in 2024 compared to 2023. The decrease in general and administrative expense was primarily due to a decrease in external consulting expenses for information technology, legal fees, and other expenses for advisory services, insurance and depreciation and amortization expenses compared to 2023. This was partially offset by costs incurred due to the termination of our long-term facility lease in Seattle in 2024 and an increase in stock-based compensation expense over 2023, primarily due to new grants during 2024 and reversal of compensation expense for options cancellations and modifications in 2023.

Impairment on Acquired IPR&D

	Year Ended December 31,				
	2024	2023	2022	Change 2024 – 2023	
(dollars in millions)					
Impairment on acquired IPR&D	$ 17.3	$ —	$ —	$ 17.3	NM

During the year ended December 31, 2024, we recorded an impairment charge of $17.3 million as a result of our decision to discontinue the zanidatamab zovodotin clinical development program which utilized the technology represented by acquired IPR&D assets.

Other Income, net

(dollars in millions)	Year Ended December 31, 2024	2023	2022	Change 2024 – 2023	
Other income, net	$ 20.5	$ 18.8	$ 4.7	$ 1.7	9 %

Other income, net increased by $1.7 million in 2024 compared to 2023. Other income, net for 2024 included $19.9 million of interest income and $0.8 million of foreign exchange gains, partially offset by other miscellaneous charges. Other income, net for 2023 included $19.7 million of interest income and $0.3 million of miscellaneous income, partially offset by $1.2 million of foreign exchange losses.

Income Tax

(dollars in millions)	Year Ended December 31, 2024	2023	2022	Change 2024 – 2023	
Current income tax expense	$ (5.4)	$ (0.2)	$ (9.0)	$ (5.2)	(2,600)%
Deferred income tax (expense) recovery	(0.7)	0.8	(1.9)	(1.5)	(188)%
Income tax (expense) recovery	$ (6.1)	$ 0.6	$ (10.9)	$ (6.7)	(1,117)%

Income tax expense increased by $6.7 million in 2024 compared to 2023, primarily due to an increase in U.S. taxes under the Subpart F income rules and due to an increase in deferred income tax expense due to changes in net deferred tax assets and liabilities and the valuation allowance in respect of these.

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.

In January 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 November 2022, we entered into a sales agreement (the "Sales Agreement") with Cantor Fitzgerald & Co. ("Cantor") to sell shares of our common stock subject to a maximum aggregate dollar amount registered pursuant to an applicable prospectus supplement, from time to time, through an "at-the-market" equity offering program under which Cantor would act as our sales agent. In June 2023, we sold an aggregate of 3,350,000 shares of common stock at $8.12 per share under the Sales Agreement. We received gross proceeds of $27.2 million and net cash proceeds of $26.2 million, after underwriting commissions and offering expenses. In July 2024, we notified Cantor of our decision to terminate the Sales Agreement effective July 31, 2024.

In August 2024, we entered into a sales agreement (the "Cowen Sales Agreement") with TD Securities (USA) LLC. ("TD Cowen") to sell shares of our common stock subject to a maximum aggregate dollar amount registered pursuant to an applicable prospectus supplement, from time to time, through an "at-the-market" equity offering program under which TD Cowen will act as our sales agent. Sales of shares of common stock through TD Cowen, 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) under the Securities Act. As of the date of this report, no shares of our common stock have been sold under the Cowen Sales Agreement. As part of the ongoing management of our operations and related funding needs, we evaluate various financing vehicles, including "at-the-market" equity offering programs, and may enter into similar "at-the-market" equity offering programs in the future, as well as other financing transactions.

In December 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 pre-funded warrants.

As of December 31, 2024, we had $324.2 million of cash, cash equivalents, and marketable securities, comprised of $66.1 million in cash and cash equivalents and $258.1 million in marketable securities.

Cash Flows

The following table represents a summary of our cash flows for the years ended December 31, 2024, 2023 and 2022:

	Year Ended December 31,		
(dollars in millions)	**2024**	**2023**	**2022**
Net cash (used in) provided by:			
Operating activities	$ (110.0)	$ (118.3)	$ 144.1
Financing activities	(20.5)	81.8	108.6
Investing activities	38.8	(207.3)	(53.8)
Effect of exchange rate changes on cash and cash equivalents	0.3	0.4	0.2
Net (decrease) increase in cash and cash equivalents	$ (91.5)	$ (243.4)	$ 199.0

Operating Activities

In 2024, cash used in operating activities was $110.0 million as opposed to $118.3 million cash provided by operating activities in 2023. The decrease in net cash used in operating activities was primarily due to a decrease in cash expenditures for operations as a result of transfer of responsibility over the zanidatamab program to Jazz and a reduction in general and administration costs compared to 2023, partially offset by an increase in research and development costs for other programs. The reduction in the net cash used in operating activities was partly offset by an overall negative movement in working capital compared to 2023, primarily due to an increase in our accounts receivable position as at December 31, 2024.

Financing Activities

Net cash used in financing activities in 2024 included $30.1 million used for the Repurchase Program partially offset by net proceeds of $8.9 million from stock option exercises and $0.9 million from the issuance of shares of common stock under our employee stock purchase plan. Net cash provided by financing activities in 2023 included net proceeds of $49.9 million from issuance of pre-funded warrants pursuant to 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 shares of common stock in relation to our employee stock purchase plan.

Investing Activities

Net cash provided by investing activities in 2024 was primarily related to redemptions, net of purchases, of investments in marketable securities of $41.8 million partially offset by cash outflows of $3.1 million for the acquisition of property and equipment in our office and laboratory spaces in Canada and the United States and software implementation. Net cash used in investing activities in 2023 is primarily related to purchases, net of redemptions of marketable securities of $203.2 million and cash outflows of $4.1 million for the acquisition of property and equipment for our office and lab spaces and for software implementation.

Funding Requirements

In the quarter ended December 31, 2024, we began recognizing royalty revenue from sales of zanidatamab by our partner Jazz. However, we have not generated revenue from sales of any of our wholly-owned product candidates as of December 31, 2024 and we do not expect to do so until such time as we obtain regulatory approval and commercialize one or more of our current or future 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. We expect that we will continue to increase our operating

expenses, subject to periodic fluctuations, 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 14 and other commitments and contingencies as presented in note 15 to the annual consolidated financial statements. Because of the inherent risks and uncertainties associated with the development and commercialization of our drug candidates, it is difficult to 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 marketable securities 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. The successful development of our product candidates and the achievement of milestones by our strategic partners is uncertain, and therefore it is difficult to 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.”

Additionally, on August 1, 2024, our board of directors authorized the Repurchase Program, under which we may repurchase up to $60.0 million of our common stock. As of the date of this report, there is $30.0 million of remaining capacity under the Repurchase Program. The shares may be repurchased from time to time in open market transactions, or other means in accordance with Rule 10b5-1 of the Exchange Act and Rule 10b-18 of the Exchange Act. As of December 31, 2024, we have repurchased 2,545,402 shares of our common stock under the Repurchase Program. The timing, number of shares repurchased, and prices paid for any additional shares of the stock repurchased under this program will depend on general business and market conditions as well as corporate and regulatory limitations, prevailing stock prices, and other considerations. The Repurchase Program may be suspended or discontinued at any time and does not obligate us to acquire any additional shares of common stock.

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, for any such drug candidates that 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, 2025, 69,576,883 shares of common stock were issued and outstanding. In addition, as of March 3, 2025, we had 5,086,521 shares of common stock issuable pursuant to 5,086,521 pre-funded warrants, 4,669,479 shares of common stock issuable pursuant to 4,669,479 exercisable outstanding stock options, 5,108,359 shares of common stock issuable pursuant to 5,108,359 outstanding options that were not exercisable at that date, and 1,979,321 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, 2024 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 outstanding, enabling the Share Trustee to exercise voting rights for the benefit of the holders of Exchangeable 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 ExchangeCo, when ExchangeCo redeems Exchangeable Shares from the holder, or when Zymeworks CallCo ULC ("CallCo") purchases Exchangeable Shares from the holder of Exchangeable Shares under CallCo's overriding call rights.

As of March 3, 2025, 854,126 Exchangeable Shares have been exchanged on a one-to-one basis for 854,126 shares of our common stock and 570,407 Exchangeable Shares are held by former Zymeworks BC shareholders and are exchangeable on a one-to-one basis, subject to adjustment, for up to 570,407 shares of our common stock.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

As a "smaller reporting company," as defined by Rule 12b-2 of the Exchange Act, and pursuant to Item 305 of Regulation S-K, we are not required to provide quantitative and qualitative disclosures about market risk.

Item 8. Financial Statements and Supplementary Data

Zymeworks Inc.

Index to Consolidated Financial Statements

Year ended December 31, 2024

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. and subsidiaries (the Company) as of December 31, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

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) 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.

Revenue recognition from drug supply for ongoing studies from Jazz Pharmaceuticals Ireland Limited (Jazz)

As discussed in Note 11 to the consolidated financial statements, the Company recognized revenue from Jazz related to drug supply for ongoing studies of $19,228 thousand for the year ended December 31, 2024. As discussed in Note 2, amounts receivable by the Company for the provision of drugs to clinical trials on behalf of the customer are recognized in revenue at a point in time when title to drugs has transferred to the customer, which generally occurs upon shipment or delivery, depending on contractual terms.

We identified the sufficiency of audit evidence relating to revenue recognition from drug supply for ongoing studies with Jazz as a critical audit matter. Subjective auditor judgment was required to evaluate the sufficiency of audit evidence obtained related to the Company's revenue from drug supply for ongoing studies because of the involvement of clinical research support organizations in tracking and fulfilment of the drugs provided across multiple locations.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and implementation of internal controls over the Company's revenue recognition process. We obtained a confirmation from the customer on invoices billed related to goods and services provided for the year ended December 31, 2024 and agreed the quantity of drugs invoiced to the Company's records. We assessed the recorded revenue by selecting a sample of revenue transactions and comparing the amounts recognized for consistency with relevant underlying documentation. We evaluated the sufficiency of audit evidence obtained over revenue by assessing the results of the procedures performed, including the appropriateness of the nature and extent of such evidence.

/s/ KPMG LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2015.

Vancouver, Canada
March 5, 2025

ZYMEWORKS INC.
Consolidated Balance Sheets
(Expressed in thousands of U.S. dollars except share data)

	December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 66,103	$ 157,557
Short-term marketable securities (note 5)	159,673	216,770
Accounts receivable	55,815	19,477
Prepaid expenses and other current assets	18,860	19,122
Total current assets	300,451	412,926
Long-term marketable securities (note 5)	98,428	81,930
Long-term prepaids and other assets	8,919	7,566
Deferred tax asset (note 13)	4,385	3,615
Property and equipment, net (note 7)	17,650	19,847
Operating lease right-of-use assets (note 14)	16,666	17,696
Intangible assets, net (note 8)	4,576	7,656
Acquired in-process research and development assets ("IPR&D") (note 6)	—	17,628
Goodwill (note 6)	12,016	12,016
Total assets	$ 463,091	$ 580,880
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	$ 59,838	$ 45,992
Income tax payable (note 13)	128	1,811
Current portion of operating lease liability (note 14)	2,740	4,261
Deferred revenue and other consideration (note 11)	25,588	3,699
Total current liabilities	88,294	55,763
Long-term portion of operating lease liability (note 14)	15,738	22,369
Deferred revenue (note 11)	14,607	32,941
Other long-term liabilities (note 9)	923	1,701
Deferred tax liability (note 13)	4,761	3,300
Total liabilities	124,323	116,074
Stockholders' equity:		
Common shares, $0.00001 par value; 900,000,000 authorized shares of common stock at December 31, 2024 and December 31, 2023 (68,964,319 and 70,115,997 shares issued and outstanding at December 31, 2024 and 2023, respectively (note 10b).	1,015,618	997,227
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, 2024 and December 31, 2023 (note 10b).	—	—
Exchangeable shares, no par value, 570,637 issued and outstanding shares at December 31, 2024 (December 31, 2023: 651,219) (note 10b).	8,188	9,345
Additional paid-in capital	152,249	142,274
Accumulated other comprehensive loss	(6,952)	(6,603)
Accumulated deficit	(830,335)	(677,437)
Total stockholders' equity	338,768	464,806
Total liabilities and stockholders' equity	$ 463,091	$ 580,880
Research collaboration and licensing agreements (note 11)		
Commitments and contingencies (note 15)		
Subsequent event (note 17)		

ZYMEWORKS INC.
Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in thousands of U.S. dollars except share and per share data)

	Year Ended December 31,		
	2024	2023	2022
Revenue:			
Research and development collaborations (note 11)	$ 76,304	$ 76,012	$ 412,482
Operating expenses:			
Research and development	134,621	143,619	208,596
General and administrative	61,506	70,446	73,358
Impairment on IPR&D (note 6)	17,287	—	—
Total operating expenses	213,414	214,065	281,954
(Loss) income from operations	(137,110)	(138,053)	130,528
Other income:			
Interest income	19,941	19,705	3,596
Other income (expense), net (note 12)	558	(894)	1,110
Total other income, net	20,499	18,811	4,706
(Loss) income before income taxes	(116,611)	(119,242)	135,234
Income tax (expense) recovery (note 13)	(6,084)	568	(10,893)
Net (loss) income	$ (122,695)	$ (118,674)	$ 124,341
Other comprehensive income:			
Unrealized (loss) income on available for sale securities, net of tax of nil (note 5)	(349)	56	—
Total other comprehensive (loss) income	(349)	56	—
Comprehensive (loss) income	$ (123,044)	$ (118,618)	$ 124,341
Net (loss) income per common share (note 4):			
Basic	$ (1.62)	$ (1.72)	$ 1.91
Diluted	$ (1.62)	$ (1.72)	$ 1.90
Weighted-average common stock outstanding (note 4):			
Basic	75,846,681	68,863,010	65,194,775
Diluted	75,878,738	68,863,010	65,249,184

ZYMEWORKS INC.

Consolidated Statements of Changes in Stockholders' Equity (Note 1) (Expressed in thousands of U.S. dollars except share data)

	Preferred stock		Exchangeable shares		Common stock		Accumulated deficit	Accumulated other comprehensive loss	Additional paid-in capital	Total stockholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount				
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 10f)	—	—	—	—	39,220	359	—	—	(79)	280
Issuance of common stock through employee stock purchase plan (note 10g)	—	—	—	—	179,238	2,191	—	—	—	2,191
Issuance of common stock upon vesting of restricted stock units ("RSUs") (note 10f)	—	—	—	—	93,966	2,350	—	—	(2,350)	—
Issuance of common stock upon exercise of pre-funded warrants (note 10d)	—	—	—	—	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 and pre-funded warrants in connection with public offering, net of offering costs (note 10a and 10d)	—	—	—	—	11,035,000	82,549	—	—	24,985	107,534
Stock-based compensation	—	—	—	—	—	—	—	—	9,516	9,516
Net loss	—	—	—	—	—	—	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
Issuance of common stock on exercise stock options (note 10f)	—	—	—	—	641,129	6,958	—	—	(1,736)	5,222
Issuance of common stock through employee stock purchase plan (note 10g)	—	—	—	—	111,911	955	—	—	—	955
Issuance of common stock upon vesting of RSUs (note 10f)	—	—	—	—	100,949	1,887	—	—	(1,887)	—
Issuance of common stock upon exercise of pre-funded warrants (note 10d)	—	—	—	—	2,079,193	63,775	—	—	(63,775)	—
Issuance of common stock for retracted exchangeable shares	—	—	(773,314)	(11,097)	773,314	11,097	—	—	—	—
Issuance of common stock in connection with At-The-Market ("ATM") sale (note 10a)	—	—	—	—	3,350,000	26,233	—	—	—	26,233
Private placement (note 10a and 10d)	—	—	—	—	—	—	—	—	49,862	49,862
Stock-based compensation	—	—	—	—	—	—	—	—	8,196	8,196
Net income	—	—	—	—	—	—	(118,674)	—	—	(118,674)
Other comprehensive income	—	—	—	—	—	—	—	56	—	56
Balance at December 31, 2023	1	$ —	651,219	$ 9,345	70,115,997	$ 997,227	$ (677,437)	$ (6,603)	$ 142,274	$ 464,806
Issuance of common stock on exercise of stock options (note 10f)	—	—	—	—	959,906	13,952	—	—	(4,770)	9,182
Issuance of common stock through employee share purchase plan (note 10g)	—	—	—	—	128,232	1,311	—	—	—	1,311
Issuance of common stock upon vesting of RSUs (note 10f)	—	—	—	—	225,004	1,971	—	—	(1,971)	—
Issuance of common stock for retracted exchangeable shares	—	—	(80,582)	(1,157)	80,582	1,157	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	—	—	16,716	16,716
Purchase and retirement of common stock (10c)	—	—	—	—	(2,545,402)	—	(30,051)	—	—	(30,051)
Excise tax on repurchase of common stock	—	—	—	—	—	—	(152)	—	—	(152)
Net loss	—	—	—	—	—	—	(122,695)	—	—	(122,695)
Other comprehensive loss	—	—	—	—	—	—	—	(349)	—	(349)
Balance at December 31, 2024	1	$ —	570,637	$ 8,188	68,964,319	$ 1,015,618	$ (830,335)	$ (6,952)	$ 152,249	$ 338,768

ZYMEWORKS INC.
Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

	Year Ended December 31,		
	2024	**2023**	**2022**
Cash flows from operating activities:			
Net (loss) income	$ (122,695)	$ (118,674)	$ 124,341
Items not involving cash:			
Depreciation of property and equipment (note 7)	4,188	7,462	6,220
Amortization of intangible assets (note 8)	4,496	2,702	1,015
Stock-based compensation (note 10f)	17,792	8,102	4,015
Amortization and impairment of operating lease right-of-use assets	2,509	7,141	4,769
Impairment of acquired IPR&D (note 6)	17,287	—	—
Deferred income tax expense (recovery) (note 13)	691	(757)	1,940
Change in fair value of contingent consideration liability (note 15)	(1,878)	630	(250)
Change in fair value of investments in equity instruments	—	667	—
Unrealized foreign exchange gain	(1,481)	(31)	(1,956)
Changes in non-cash operating working capital:			
Accounts receivable	(36,359)	13,922	(17,509)
Prepaid expenses and other current assets	(2,489)	4,295	(2,059)
Accounts payable and accrued liabilities	14,335	(44,768)	26,479
Operating lease liabilities	(8,313)	(3,663)	(3,736)
Deferred revenue and other consideration	3,555	3,699	—
Income taxes payable	(1,682)	970	840
Net cash (used in) / provided by operating activities	$ (110,044)	$ (118,303)	$ 144,109
Cash flows from financing activities:			
Proceeds from issuance of common stock under at-the-market program and from public offerings, net of issuance costs (notes 10a)	—	26,233	107,534
Private placement (note 10a)	—	49,862	—
Issuance of common stock on exercise of stock options (note 10f)	8,857	5,006	255
Issuance of common stock through employee stock purchase plan (note 10g)	930	820	1,403
Purchases of common stock for retirement (note 10c)	(30,051)	—	—
Deferred financing fees	(174)	(53)	(596)
Finance lease payments	(14)	(21)	(14)
Net cash (used in) / provided by financing activities	$ (20,452)	$ 81,847	$ 108,582
Cash flows from investing activities:			
Purchases of marketable securities	(283,743)	(553,249)	(113,005)
Proceeds from marketable securities	325,565	350,073	72,281
Acquisition of property and equipment	(1,991)	(2,474)	(8,150)
Acquisition of intangible assets	(1,075)	(1,603)	(4,975)
Net cash provided by / (used in) investing activities	$ 38,756	$ (207,253)	$ (53,849)
Effect of exchange rate changes on cash and cash equivalents	286	354	203
Net change in cash and cash equivalents	(91,454)	(243,355)	199,045
Cash and cash equivalents, beginning of year	157,557	400,912	201,867
Cash and cash equivalents, end of year	$ 66,103	$ 157,557	$ 400,912
Supplemental cash flow information:			
Net cash paid during the year for income taxes	$ 3,179	$ 165	$ 10,000
Supplemental disclosure of non-cash investing and finance items:			
Leased assets obtained in exchange for operating lease liabilities	$ 644	$ 1,900	$ 72
Acquisition of property and equipment and intangible assets in accounts payable and accrued liabilities	—	122	957

The accompanying notes are an integral part of these financial statements

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. 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 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 October 13, 2022, the Company 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 11). 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 (Loss) Income and Comprehensive (Loss) Income.

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, 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. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company determines 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.

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) identify the contract(s) with a customer; (ii) identify the performance obligations including whether they are distinct; (iii) determine the transaction price, including uncertainties related to variable consideration; (iv) allocate the transaction price to the performance obligations based on the stand-alone selling prices; and (v) recognize revenue when or as the Company satisfies each performance obligation and when collectability is probable.

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 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 or delivery, depending on contractual terms.

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. The Company started recognizing royalty income during the year ended December 31, 2024. The Company's commercial partner is obligated to report its net product sales and resulting royalty due to the Company within 60 days from the end of each quarter. The Company accrues royalty revenue based on historic product sales, royalty receipts and other relevant information as available and recognizes any adjustment when it receives royalty reports from its commercial partner in the subsequent period.

Contract assets and liabilities

Contract assets are mainly comprised of accrued revenue for which one of more performance obligations has been completed but not yet billed, 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.

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 investments include high credit quality investment grade debt securities which comprise investments in U.S. Treasury notes and 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 of greater than 90 days. These investments are recorded at cost plus accrued interest, which approximates their fair value.

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, less any impairment, including any adjustments resulting from observable price changes.

Accounts Receivable and Expected Credit Losses

Accounts receivable are recorded at invoiced amounts, net of any allowance for expected credit losses. The allowance for 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, 2024 and 2023.

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, 2024, 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 and long-term marketable securities 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, 2024, the maximum exposure to credit risk for accounts receivable was $55,815, 95% of which was from Jazz Pharmaceuticals Ireland Limited or Jazz Pharmaceuticals, Inc. (subsidiaries of Jazz Pharmaceuticals plc, collectively referred to as "Jazz") (December 31, 2023: $19,477 85% of which was from Jazz Pharmaceuticals Ireland Limited) and all accounts receivable are due within the next 12 months. As at December 31, 2024 and December 31, 2023, 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, 2024, the Company's net monetary liabilities denominated in Canadian dollars were $3,464 (C$4,982) (December 31, 2023: $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 ("CODM"), 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.

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 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* ("ASC 842"). The Company determines if an arrangement contains a lease at inception. Right-of-use ("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, 2024 and 2023, 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

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.

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 (loss) income and comprehensive (loss) income 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 (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.

Under ASC 718 *Compensation—Stock Options* ("ASC 718"), warrants or stock options with 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 *Derivatives and 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.

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 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, including the treatment of Exchangeable Shares and pre-funded warrants. Diluted net income (loss) per share attributable to common stockholders is computed by adjusting net income (loss) attributable 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 *Earnings Per 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 adopted

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. The change in the standard improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The changes improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. The guidance will be effective for annual reporting periods beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. Early adoption is permitted and the standard should be applied retrospectively. The Company has adopted this accounting pronouncement on the accompanying financial statements as of and for the year ended December 31, 2024 (note 16).

Recent accounting pronouncements not yet adopted

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments require disclosure of specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. The ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The standard is to be applied on a prospective basis, with the option for retrospective application. The Company is currently evaluating the impact of adoption of the standard on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement Reporting – Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses. The standard update improves the disclosures about a public business entity's expenses by requiring more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation and amortization) included within income statement expense captions. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The standard updates are to be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact of adoption of the standard update on its consolidated financial statements.

4. Net (Loss) Income per Share

Net (loss) income per share for the years ended December 31, 2024, 2023 and 2022 was as follows:

	Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net (loss) income attributable to common stockholders:			
Basic	$ (122,695)	$ (118,674)	$ 124,341
Adjustment for change in fair value of liability classified stock options	140	—	(231)
Diluted	$ (122,555)	$ (118,674)	$ 124,110
Denominator:			
Weighted-average common stock outstanding:			
Basic	75,846,681	68,863,010	65,194,775
Adjustment for dilutive effect of equity classified stock options and RSUs	—	—	53,535
Adjustment for dilutive effect of liability classified stock options	32,057	—	874
Diluted	75,878,738	68,863,010	65,249,184
Net (loss) income per common share – basic	$ (1.62)	$ (1.72)	$ 1.91
Net (loss) income per common share – diluted	$ (1.62)	$ (1.72)	$ 1.90

Weighted average number of shares of common 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 2022 offerings and December 2023 private placement as the warrants 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 years ended December 31, 2024 and 2023 as the effect would be antidilutive.

5. Cash, Cash Equivalents and Marketable Securities

The following table summarizes the Company's marketable securities as of December 31, 2024:

	December 31, 2024		
	Amortized Cost	Unrealized Gain (Loss)	Fair Value
Short-term marketable securities:			
Contractual maturity of one year or less:			
Guaranteed investment certificates ("GICs") and mutual funds	$ 37,166	$ —	$ 37,166
U.S. Treasury notes	71,500	72	71,572
Corporate debt securities	50,993	(58)	50,935
	159,659	14	159,673
Long-term marketable securities:			
Contractual maturity of one to three years:			
U.S. Treasury notes	14,979	2	14,981
Corporate debt securities	65,461	(153)	65,308
Contractual maturity of three to four years:			
Corporate debt securities	18,295	(156)	18,139
	98,735	(307)	98,428
	$ 258,394	$ (293)	$ 258,101

The following table summarizes the Company's marketable securities as of December 31, 2023:

	December 31, 2023		
	Amortized Cost	Unrealized Gain (Loss)	Fair Value
Short-term marketable securities:			
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 marketable securities:			
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
	82,262	(332)	81,930
	$ 298,644	$ 56	$ 298,700

The following tables present information about the Company's assets 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, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents:								
Cash				$ 34,620				$ 23,126
Cash equivalents:								
Money market funds	$ 16,398	$ —	$ —	$ 16,398	$ 64,247	$ —	$ —	$ 64,247
GICs	15,085	—	—	15,085	70,184	—	—	70,184
	31,483	—	—	66,103	134,431	—	—	157,557
Marketable securities:								
GICs and mutual funds	37,166	—	—	37,166	75,066	—	—	75,066
U.S. Treasury notes	86,553	—	—	86,553	46,552	—	—	46,552
Corporate debt securities	—	134,382	—	134,382	—	177,082	—	177,082
	123,719	134,382	—	258,101	121,618	177,082	—	298,700
	$ 155,202	$ 134,382	$ —	$324,204	$256,049	$177,082	$ —	$456,257

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 were classified as indefinite-lived intangible assets and were not amortized until their classification as definite-lived assets. During the year ended December 31, 2024, the Company determined that the fair value of IPR&D, which was estimated using an income approach, was less than its carrying value. Accordingly, the Company recorded an impairment charge of $17,287. The impairment was a result of the Company's decision to discontinue the zanidatamab zovodotin clinical development program which utilized the acquired technology represented by the IPR&D assets. As of July 1, 2024, the Company classified the remaining assets as definite-lived and commenced amortization.

The following table summarizes the carrying value of IPR&D, net of impairment:

	Acquired IPR&D	Accumulated Impairment	Accumulated Amortization	Net
Balance at December 31, 2021	$ 20,700	$ (3,072)	$ —	$ 17,628
Change during the period	—	—	—	—
Balance at December 31, 2022	$ 20,700	$ (3,072)	$ —	$ 17,628
Change during the period	—	—	—	—
Balance at December 31, 2023	$ 20,700	$ (3,072)	$ —	$ 17,628
Change during the period	—	(17,287)	(341)	(17,628)
Balance at December 31, 2024	$ 20,700	$ (20,359)	$ (341)	$ —

Goodwill

The Company performed its annual impairment test of goodwill as of December 31, 2024 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, 2024, 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, a quantitative impairment test was not required.

7. Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2024	2023
Computer hardware	$ 2,815	$ 2,464
Furniture and fixtures	2,408	2,976
Office equipment	1,736	2,142
Laboratory equipment	13,331	11,807
Leasehold improvements	15,190	20,992
Construction in progress	—	122
Property and equipment	$ 35,480	$ 40,503
Less accumulated depreciation	(17,830)	(20,656)
Property and equipment, net	$ 17,650	$ 19,847

Depreciation expense on property and equipment for the years ended December 31, 2024, 2023 and 2022 was $4,188, $7,462 and $6,220, respectively.

8. Intangible Assets

Intangible assets consist of the following:

	December 31,	
	2024	2023
Research licenses	$ 14,936	$ 14,936
Computer software	10,670	7,878
Costs for in-progress software implementations	—	1,717
Intangible assets	25,606	24,531
Less accumulated amortization	(21,030)	(16,875)
Intangible assets, net	$ 4,576	$ 7,656

Amortization expense on intangible assets for the years ended December 31, 2024, 2023 and 2022 was $4,496, $2,702 and $1,015, respectively.

At December 31, 2024, amortization expense on capitalized intangible assets is estimated to be as follows for the next five years:

	Amortization expense
2025	$ 3,936
2026	427
2027	213
Thereafter	—
	$ 4,576

9. Liabilities

Accounts payable and accrued liabilities consisted of the following:

	December 31,	
	2024	2023
Trade payables	$ 3,903	$ 6,212
Accrued research and development expenses	43,114	26,661
Goods and services tax payable	1,250	—
Employee compensation and related accruals	6,222	6,153
Fair value of liability classified stock options	1,264	960
Accrued legal, professional fees and other	4,085	4,436
Liability for contingent consideration (note 15)	—	1,570
Total	$ 59,838	$ 45,992

Other long-term liabilities consisted of the following:

	December 31,	
	2024	2023
Liability from in-licensing agreements	$ 447	$ 747
Liability for contingent consideration (note 15)	—	308
Finance lease liability (note 14)	28	92
Other	448	554
Total	$ 923	$ 1,701

10. Stockholders' Equity

a. Equity Offerings

2023 Private Placement

On December 28, 2023, the Company completed a private placement pursuant to which the Company sold 5,086,521 pre-funded warrants to purchase 5,086,521 shares of common stock at $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 $26,233 after underwriting commissions and offering 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 10d) 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, the Company issued to Computershare Trust Company of Canada, a trust company existing under the laws of Canada (the "Share Trustee"), one share of 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 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 Shares were issued to former Zymeworks BC shareholders. As of December 31, 2024, there were 570,637 Exchangeable Shares held by former Zymeworks BC shareholders (December 31, 2023: 651,219). The Company will issue shares of its common stock as consideration when a holder of Exchangeable 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 in substance to the Company's common stock and are treated as such in calculation of basic net (loss) income per share.

c. Stock Repurchase Program

On August 1, 2024, the board of directors of the Company authorized a stock repurchase program (the "Repurchase Program"), whereby the Company may repurchase up to $60,000 of the Company's outstanding common stock, par value $0.00001 per share. As part of the Repurchase Program, the Company adopted an accounting policy whereby the par value of each share is deducted from common stock and the remainder of the repurchase price is debited to accumulated deficit.

During the year ended December 31, 2024, the Company repurchased 2,545,402 shares of its common stock for a cost of $30,000, and incurred commission expense of $51, under the Repurchase Program, which have been recorded against accumulated deficit. The Company's share repurchases in excess of issuances are subject to a 1% excise tax enacted by the Inflation Reduction Act of $152. During the year ended December 31, 2024, the Company retired all 2,545,402 shares repurchased. These shares were returned to the status of authorized and unissued shares.

The following table presents the Company's Repurchase Program activity:

	Total number of shares purchased	Average price paid per share	Approximate value of shares purchased
Year Ended December 31, 2024	2,545,402	$ 11.79	$ 30,000

d. Pre-Funded Common Share Warrants

In connection with the public offerings completed on June 24, 2019, January 27, 2020, January 31, 2022 and private placement completed on December 28, 2023 (note 10a), the Company issued a total of 13,668,482 pre-funded warrants which granted holders of warrants the right to purchase up to 13,668,482 common shares or shares 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. As the amounts required to exercise the warrants are nominal, these instruments are considered in the calculation of basic net (loss) income per share.

On August 23, 2022, October 25, 2022, October 27, 2022 and October 19, 2023, a total of 8,581,961 pre-funded warrants were exercised in exchange for issuance of 8,581,868 common shares. As a result of the December 28, 2023 private placement, as of December 31, 2024, there were 5,086,521 pre-funded warrants outstanding (December 31, 2023: 5,086,521).

e. 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.

f. Stock-Based Compensation

In connection with Redomicile Transactions in 2022, Zymeworks BC. assigned to the Company, and the Company assumed, all of Zymeworks 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.

Original Stock Option Plan

On July 14, 2006, the shareholders of the Company approved an employee stock option plan (the "Original Plan"). 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. The exercise prices of the Company's stock options under the Original Plan are denominated in Canadian dollars. Upon the effectiveness of the Company's New 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.

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, 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, RSU and other share-based awards, in addition to stock

options. As of December 31, 2024, 5,196,630 shares of common stock were available for future award grants under the New Plan (December 31, 2023: 4,594,639 shares of common stock).

On January 5, 2022, the board of directors approved the Zymeworks Inc. Inducement Stock Option and Equity Compensation Plan (the "Inducement Plan") and reserved 750,000 of the Company's common shares for issuance pursuant to equity awards granted thereunder. On July 19, 2024, the board of directors approved an amendment and restatement of the Inducement Plan, which increased the number of shares of the Company's common stock available for future issuance pursuant to equity awards granted under the Inducement Plan by 700,000 shares. As a result of this increase, a total of 1,450,000 shares will have been available for issuance pursuant to equity awards granted under the Inducement Plan since the inception of the Inducement Plan in January 2022. As of December 31, 2024, 390,000 shares of common stock were available for future award grants under this plan (December 31, 2023: 50,000).

RSUs

The following table summarizes the Company's RSU activity under the New Plan:

	Number of RSUs	Weighted-average grant date fair value ($)
Outstanding, December 31, 2022	227,223	17.36
Granted	864,100	8.03
Vested and settled	(100,949)	18.69
Forfeited	(218,961)	10.65
Outstanding, December 31, 2023	771,413	8.63
Granted	957,750	10.56
Vested and settled	(225,004)	8.76
Forfeited	(210,189)	10.75
Outstanding, December 31, 2024	1,293,970	9.69

As of December 31, 2024, there was $3,415 of unamortized RSU expense that will be recognized over a weighted average period of 1.40 years.

Stock Options

The following table summarizes the Company's stock options granted in Canadian dollars under the Original Plan and the New Plan:

	Number of Options	Weighted-Average Exercise Price (C$)	Weighted-Average Exercise Price ($)	Weighted-Average Contractual Term (years)	Aggregate intrinsic value (C$)	Aggregate intrinsic value ($)
Outstanding, December 31, 2022	2,147,141	19.02	14.03	6.29	1,460	1,078
Granted	—	—	—			
Expired	(29,158)	18.29	13.55			
Exercised	(339,230)	11.31	8.44			
Forfeited	(289,275)	25.20	18.76			
Outstanding, December 31, 2023	1,489,478	19.59	14.39	5.50	2,987	2,255
Granted	—	—	—			
Expired	(58,902)	32.37	23.46			
Exercised	(224,042)	11.23	8.20			
Forfeited	(123,699)	21.85	16.11			
Outstanding, December 31, 2024	1,082,835	20.36	14.15	4.73	6,485	4,509
December 31, 2024						
Exercisable	1,042,393	21.31	14.81	4.29	5,360	3,724
Vested and expected to vest	1,073,006	20.46	14.22	4.68	6,374	4,429

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 ($)	Weighted-Average Contractual Term (years)	Aggregate intrinsic value ($)
Outstanding, December 31, 2022	5,565,145	17.10	7.86	1,928
Granted	2,691,325	8.25		
Expired	—	—		
Exercised	(302,052)	7.39		
Forfeited	(1,885,176)	19.39		
Outstanding, December 31, 2023	6,069,242	12.97	7.67	9,213
Granted	3,135,500	11.15		
Expired	—	—		
Exercised	(735,864)	9.57		
Forfeited	(1,137,794)	16.34		
Outstanding, December 31, 2024	7,331,084	12.01	7.97	30,459
December 31, 2024				
Exercisable	3,183,796	14.05	6.34	12,552
Vested and expected to vest	6,699,796	12.14	7.63	27,875

During the year ended December 31, 2024, the Company received cash proceeds of $8,857 (2023: $5,006 and 2022: $255) from stock options exercised. The stock options outstanding at December 31, 2024 expire at various dates from January 1, 2025 to December 9, 2034.

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:

	Number of options	Weighted-average grant date fair value (C$)	Weighted-average grant date fair value (US$)
Non-vested, December 31, 2023	279,755	10.65	8.04
Options granted	—	—	—
Options vested	(138,798)	12.77	8.87
Options forfeited and cancelled	(39,990)	11.75	8.16
Non-vested, December 31, 2024	100,967	7.31	5.08

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, 2023	3,137,583	5.93
Options granted	3,135,500	6.91
Options vested	(1,494,951)	6.31
Options forfeited and cancelled	(630,844)	5.85
Non-vested, December 31, 2024	4,147,288	6.65

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 and general and administration expense as follows:

	Year Ended December 31,		
	2024	2023	2022
Research and development expense	$ 8,382	$ 2,404	$ 2,393
General and administrative expense	$ 9,041	$ 5,316	$ 1,209

Amounts for equity classified instruments above include stock-based compensation expense relating to RSUs of $5,813 for the year ended December 31, 2024 (2023: $3,369 and 2022: $913).

For the year ended December 31, 2024, stock-based compensation expense of $16,716 was recorded in additional paid-in capital and $1,076 was recorded in the liability classified stock options and ESPP liability accounts (2023: $8,196 in additional paid-in capital and recovery of $630 in liability classified stock options and ESPP liability accounts, 2022: $9,516 in additional paid-in capital and recovery of $3,261 in liability classified stock options and ESPP liability accounts).

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,		
	2024	2023	2022
Dividend yield	0 %	0 %	0 %
Expected volatility	64.5 %	68.1 %	77.2 %
Risk-free interest rate	4.04 %	3.94 %	2.12 %
Expected average life of options	6.00 years	5.89 years	5.93 years

Expected Volatility — Volatility is a measure of the amount by which a financial variable such as a share price has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. The Company has calculated the expected volatility using the volatility of its own stock for the years ended December 31, 2024 and 2023 while also using stocks of several public entities of similar complexity and stage of development for the year ended December 31, 2022.

Risk-Free Interest Rate — This rate is from the Government of Canada and U.S. Federal Reserve marketable bonds for the month prior to each option grant during the year, having a term that most closely resembles the expected life of the option.

Expected Term — This is the period of time that the options granted are expected to remain unexercised. Options granted have a maximum term of ten years. The Company uses the simplified method to calculate the average expected term, which represents the average of the vesting period and the contractual term.

The weighted-average Black-Scholes option pricing assumptions for liability classified stock options outstanding at December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Dividend yield	0 %	0 %
Expected volatility	45.8 %	50.6 %
Risk-free interest rate	2.90 %	3.80 %
Expected average option term	0.85 years	0.91 years
Number of liability classified stock options outstanding	272,330	442,198

The total intrinsic value of stock options exercised during the years ended December 31, 2024, 2023 and 2022 was $2,242, $758 and $53 respectively. At December 31, 2024, the unamortized compensation expense related to unvested options was $11,993. The remaining unamortized compensation expense as of December 31, 2024 will be recognized over a weighted-average period of 1.7 years.

g. Employee Stock Purchase Plan (“ESPP”)

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.

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 and comprehensive (loss) income on a straight-line basis over the requisite service period. For the year ended December 31, 2024, the Company recorded compensation expense of $370 (2023: $387, 2022: $424) in research and development expense and general and administrative expense accounts. As of December 31, 2024, the total amount contributed by ESPP participants and not yet settled is $577 (December 31, 2023: $384).

11. Research, Collaboration and Licensing Agreements

Revenue recognized from the Company's strategic partnerships is summarized as follows:

	Year ended December 31,		
	2024	2023	2022
Jazz:			
Milestone revenue	$ 25,000	$ —	$ —
Recognition of licensing and technology transfer fee	—	—	375,000
Development support payments	2,835	52,619	20,671
Drug supply for ongoing studies	19,228	25,662	3,610
Credit note for amendment of program	—	(20,100)	—
Other drug supply	15,464	13,350	—
Royalties	100	—	—
Atreca:			
Recognition of licensing fee	—	—	5,000
BeiGene:			
Milestone revenue	8,000	—	—
Drug supply	3,009	1,080	194
Development support payments	—	537	6,234
GSK:			
Milestone revenue	2,500	—	—
Research and development support and other payments	168	2,864	1,773
	$ 76,304	$ 76,012	$ 412,482

Contract Assets and Liabilities

As at December 31, 2024, contract assets from research, collaboration and licensing agreements were $0.1 million, which is presented within accounts receivable (December 31, 2023: nil which is presented within accounts receivable) and contract liabilities were $40.2 million (December 31, 2023: $36.6 million). As at December 31, 2024 and 2023, $25.6 million and $3.7 million respectively, of the contract liabilities is classified as short term. Contract liabilities relate to deferred revenue from the BeiGene and Jazz agreements described below.

Jazz Collaboration Agreement

Original Jazz Collaboration Agreement:

On October 18, 2022, the Zymeworks BC entered into a License and Collaboration Agreement (the "Jazz Collaboration Agreement") with Jazz Pharmaceuticals Ireland Limited ("Jazz"), under which Jazz will have development and commercialization rights of zanidatamab throughout the world, but excluding the People's Republic of China, 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, and Vietnam.

Under the Jazz Collaboration Agreement, the Company received a $50.0 million upfront payment upon delivery of licenses and technology transfer to Jazz as well as the receipt of United States Hart-Scott Rodino Antitrust Improvements Act of 1976 ("HSR") Clearance ("Initial Technology Transfer"). A further payment of $325.0 million was received following Jazz's decision to continue the collaboration after readout of the top-line clinical data from HERIZON-BTC-01 ("BTC Data Transfer"). 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 $375.0 million of the transaction price to the Company's performance obligations in relation to the delivery of licenses, the Initial Technology Transfer and BTC Data Transfer under the Jazz Collaboration Agreement.

Development and commercial licenses, the Initial Technology and BTC Data Transfers were considered to be a single performance obligation. The consideration of $50.0 million allocated to this performance obligation was recognized as revenue

in November 2022, upon delivery of these performance obligations and receipt of the HSR Clearance. Remaining consideration of $325.0 million was recognized as revenue upon completion of BTC Data Transfer to Jazz and Jazz's decision to continue the Jazz Collaboration agreement, in December 2022.

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.

Remaining deliverables of Manufacturing Technology Transfer, Development Drug Supply, Commercial Drug Supply were considered individually distinct and the revenue related to these deliveries 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.

In November 2024, the Company recognized milestone revenue of $25.0 million from Jazz in relation to the FDA approval of Ziihera® (zanidatamab-hrii) for the treatment of HER2+ BTC. As at December 31, 2024, the Company is eligible to receive up to $525.0 million in certain regulatory milestone payments (of which $25.0 million of milestone revenue has been recognized but not received as of December 31, 2024) and up to $862.5 million in potential commercial milestone payments. 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 commercial milestone payments have been recognized to date.

As at December 31, 2024, contract liabilities under the Amended Jazz Collaboration Agreement include $7.3 million received in relation to drug supply provided to 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 EFECT 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 EFECT platforms.

Original License and Collaboration Agreements for Zanidatamab and Zanidatamab Zovodotin

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+ 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+ 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 were distinct together and the continuing technology transfer and the Company's participation to the JSC and other sub-committees' activities 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.

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, 2024 as the initial transfer of technologies and relevant know-how 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 $164.0 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, 2024, other than allocation of consideration and performance obligations under the Zanidatamab Zovodotin Agreement to Zanidatamab Agreement. As of December 31, 2024, the Company has received $32.9 million of the upfront fees from the Zanidatamab Agreement of which, $18.3 million is recorded as deferred revenue in current liabilities and $14.6 million as long-term deferred revenue on the Company's consolidated balance sheet (December 31, 2023: $32.9 million from the Zanidatamab Agreement and Zanidatamab Zovodotin Agreement recorded as long-term deferred revenue). 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.

In June 2024, the Company recognized $8.0 million of milestone revenue from BeiGene in relation to the acceptance by the CDE of the NMPA in China of the BLA for zanidatamab for second-line treatment of HER2+ BTC.

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. This agreement was expanded in 2018 to increase the number of programs from eight to ten and to extend BMS's research period and the Company received an expansion fee of $4.0 million. 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. As of December 31, 2024, BMS had exercised one commercial license option and the Company received a $7.5 million option payment, but in 2023 BMS stopped development of such program. BMS's right to exercise options on eight programs expired in 2024 after the conclusion of BMS's research period. As at December 31, 2024, BMS remains eligible to

exercise its one remaining option and the Company remains eligible to receive up to $320.5 million for the two remaining programs (or $164.0 million not including the one program for which BMS stopped development in 2023), comprised of a commercial license option payment of $7.5 million for the one remaining program, development milestone payments of up to $101.5 million per program, and commercial milestone payments of up to $55.0 million per program. 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 for those product candidates that BMS elected to exercise its commercial license option. As BMS's research period has concluded, BMS is solely responsible for the research, development, manufacturing and commercialization of the products.

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, 2024, the Company has received an upfront technology access fee payment of $6.0 million. In July 2024, the Company recognized $2.5 million of milestone revenue from GSK in relation to the sequence pair nomination by GSK under the 2016 agreement between the Company and GSK. The Company is also eligible to receive research milestone payments of up to $35.0 million, development milestone payments of up to $182.5 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 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 2016 Daiichi Collaboration Agreement and is no longer in effect, except that the termination does not relieve the parties from obligations under the 2016 Daiichi Collaboration Agreement that have accrued prior to the termination or provisions of the 2016 Daiichi Collaboration Agreement expressly indicated in the 2016 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, 2024, 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, 2024, 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 ADC (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, 2023, 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.

12. Other Income (Expense), net

Other income (expense), net consists of the following:

	Year ended December 31,		
	2024	2023	2022
Foreign exchange gain (loss)	$ 776	$ (1,185)	$ 1,152
Other	(218)	291	(42)
	$ 558	$ (894)	$ 1,110

13. Income Taxes

a. Income tax expense is comprised of the following:

	Year Ended December 31,		
	2024	2023	2022
Current income tax expense	$ (5,393)	$ (189)	$ (8,953)
Deferred income tax (expense) recovery	(691)	757	(1,940)
Income tax (expense) recovery	$ (6,084)	$ 568	$ (10,893)

Current income tax recovery expense for the years ended December 31, 2024, 2023 and 2022 arose from the operations of the Company as well as its wholly owned subsidiaries in Canada, in the United States, in Ireland and in Singapore, as well as withholding taxes paid by the Company abroad in 2024, 2023 and 2022.

b. Income tax expense varies from the amounts that would be computed by applying the expected U.S. statutory income tax rate of 21% (2023: 21% and 2022: 21%) to income (loss) before income taxes as shown in the following table:

	Year Ended December 31,		
	2024	2023	2022
Computed taxes at United States statutory income tax rate	$ 24,466	$ 25,041	$ (28,429)
Non-deductible expenses	(10,508)	(2,696)	(9,745)
Difference between domestic and foreign tax rate	5,360	5,976	(8,365)
Adjustments to prior year	524	48,724	(826)
Change in valuation allowance	(28,882)	(78,668)	33,526
Change in recognition and measurement of tax positions	(38)	(14)	—
Changes due to SR&ED and research credits	3,102	2,661	3,238
Other	(108)	(456)	(292)
Income tax (expense) recovery	$ (6,084)	$ 568	$ (10,893)

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, 2024	December 31, 2023
Deferred tax assets:		
Non-capital losses carried forward	$ 177,660	$ 162,545
Deferred revenue	10,852	9,893
Share issuance costs	1,360	2,972
Property and equipment	71	291
Intangible assets	4,539	1,902
Research and development deductions and credits	50,415	44,635
Contingent consideration	7	111
Stock options	8,388	5,936
Operating lease liability	4,761	6,596
Other	195	465
	$ 258,248	$ 235,346
Deferred tax liabilities:		
Property and equipment	(174)	(231)
IPR&D	—	(4,760)
Operating lease right-of-use assets	(4,294)	(4,531)
Outside basis difference in foreign subsidiary	(2,429)	(2,125)
Stock options	(2,333)	(1,177)
Other	(176)	(186)
	$ (9,406)	$ (13,010)
	248,842	222,336
Less: valuation allowance	(249,218)	(222,021)
Net deferred tax (liabilities) assets	$ (376)	$ 315
Deferred tax assets	$ 4,385	$ 3,615
Deferred tax liabilities	(4,761)	(3,300)
Net deferred tax (liabilities) assets	$ (376)	$ 315

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.

d. At December 31, 2024, 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 $658.0 million (December 31, 2023: $597.2 million) expiring commencing 2035 through 2044.

At December 31, 2024, the Company also has unclaimed tax deductions for scientific research and experimental development expenditures of approximately $108.6 million (December 31, 2023: $99.1 million) available to reduce taxable income of future years in Canada, with no expiry. At December 31, 2024, the Company has approximately $25.0 million (December 31, 2023: $21.7 million) of investment tax credits available to offset Canadian federal and provincial taxes payable expiring commencing in 2029 through 2044, and has approximately $0.9 million (December 31, 2023: $0.4 million) of research tax credits available to offset U.S. federal taxes payable expiring commencing in 2042 through 2044.

e. The investment tax credits and non-capital losses for income tax purposes expire as follows:

Expiry date	Investment tax credits	Research tax credits	Non-capital losses
2029	$ 1,169	$ —	$ —
2030	1,242	—	—
2031	1,424	—	—
2032	1,248	—	—
2033	1,277	—	—
2034	1,701	—	—
2035	1,080	—	3,961
2036	867	—	24,578
2037	1,587	—	10,625
2038	1,485	—	—
2039	1,818	—	81,253
2040	1,903	—	146,611
2041	2,222	—	192,924
2042	1,777	445	41,793
2043	1,934	—	100,086
2044	2,232	425	56,164
	$ 24,966	$ 870	$ 657,995

f. A reconciliation of total unrecognized tax benefits for the years ended December 31, 2024, 2023, and 2022 are as follows:

	Year Ended December 31,		
	2024	2023	2022
Balance, beginning of year	$ 3,077	$ 3,063	$ 3,063
Increases related to prior year tax positions	—	—	—
Increases related to current year tax positions	38	14	—
Balance, end of year	$ 3,115	$ 3,077	$ 3,063

Included in the balance of unrecognized tax benefits at December 31, 2024, 2023 and 2022 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 and comprehensive (loss) income.

The Company currently files income tax returns in Canada, the United States, the United Kingdom, Ireland and 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 any other material income tax examination currently in progress by any taxing jurisdiction. Tax years ranging from 2006 to 2024 remain subject to Canadian income tax examinations. Tax years ranging from 2021 to 2024 remain subject to U.S. income tax examinations. Tax years ranging from 2022 to 2024 remain subject to United Kingdom income tax examinations. Tax years 2023 to 2024 remains subject to Ireland and Singapore income tax examinations.

14. Leases

The lease for the Company's office and laboratory spaces in Vancouver, British Columbia, which was entered into in January 2019, has an initial term expiring in February 2032, with two five-year extension options. In addition, the Company leases office spaces in Bellevue, Washington and in Redwood City, California with lease terms expiring between December 2024 and August 2027. In addition, the Company has commitments for future operating lease payments of $804 under a lease agreement for office space which will commence on January 1, 2025, with an expiry date of June 30, 2026, that is not included in the table below. 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, 2024	December 31, 2023
Operating lease liabilities:		
Current portion	$ 2,740	$ 4,261
Long-term portion	15,738	22,369
Total operating lease liabilities	$ 18,478	$ 26,630
Finance lease liabilities:		
Current portion included in other current liabilities	28	30
Long-term portion included in other long-term liabilities	28	92
Total finance lease liabilities	56	122
Total lease liabilities	$ 18,534	$ 26,752
Weighted average remaining lease term:		
Operating leases	6.4 years	6.7 years
Weighted average discount rate:		
Operating leases in U.S. dollars	5.4 %	3.6 %
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, 2024 was $4,152 and was included in net cash used in operating activities in the consolidated statement of cash flows. In addition, on April 4, 2024, the Company terminated its long-term facility lease in Seattle, pursuant to which the Company paid $6,075 as a termination fee.

As of December 31, 2024, the maturities of the Company's operating lease liabilities were as follows:

	Operating leases
Within 1 year	$ 3,544
1 to 2 years	3,517
2 to 3 years	3,345
3 to 4 years	2,972
4 to 5 years	2,669
Thereafter	5,381
Total operating lease payments	21,428
Less:	
Imputed interest	(2,950)
Operating lease liabilities	$ 18,478

The cost components of the operating leases were as follows:

	Year Ended December 31,		
	2024	2023	2022
Lease expenses:			
Operating lease expense	$ 2,447	$ 7,292	$ 6,609
Variable lease expense	1,969	1,637	1,186
Termination of long-term facility lease in Seattle, net	1,033	—	—
	$ 5,449	$ 8,929	$ 7,795

During the year ended December 31, 2024, the Company did not recognize any impairment losses on its right-of-use assets (2023: nil and 2022: nil).

15. 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$8,500, consisting of (i) a C$2,500 payment when the first patient is dosed in the first Phase 2 trial and (ii) a C$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 (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, 2024, the contingent consideration had an estimated fair value of nil, which has been recorded within liabilities on the Company's consolidated balance sheet (December 31, 2023: $1,878) (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 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 (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, 2024	$ 1,878	(1,878)	—	$ —
Year ended December 31, 2023	$ 1,248	630	—	$ 1,878

The following tables present information about the Company's liability for contingent consideration measured at fair value on a recurring basis, and indicate the fair value hierarchy of the valuation technique used to determine such fair value:

	December 31, 2024	Level 1	Level 2	Level 3
Liability for contingent consideration	$ —	—	—	$ —
Total	$ —	$ —	$ —	$ —

	December 31, 2023	Level 1	Level 2	Level 3
Liability for contingent consideration	$ 1,878	—	—	$ 1,878
Total	$ 1,878	$ —	$ —	$ 1,878

The Company used the following assumptions to estimate fair value of contingent consideration liability as of December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Weighted assessment of the likelihood of the milestones	0.0 %	33.5 %
Weighted average estimated period for achievement of milestones	0 years	0.92 years
Discount rate	17.0 %	17.0 %

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.

16. Business Segments

The Company operates and manages its business in a single reportable segment, which is the discovery, development and commercialization of next-generation multifunctional biotherapeutics (the "biotherapeutics segment").

The biotherapeutics segment 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, milestone payments and royalties earned under collaboration and license agreements and is managed on a consolidated basis.

The accounting policies of the biotherapeutics segment are the same as those described in the summary of significant accounting policies.

The Company's Chief Operating Decision Maker ("CODM") is the Chair of the Board of Directors and Chief Executive Officer. The CODM assesses performance for the biotherapeutics segment and decides how to allocate resources to our development pipeline based on the results of our strategic planning, with segment (loss) income being used to monitor performance against the budgeted costs of that strategy. The measure of segment assets is reported on the balance sheet as total consolidated assets.

Revenue and net income for the Company's biotherapeutics segment are shown below:

	Year Ended December 31,		
	2024	2023	2022
Revenue from research and development collaborations	$ 76,304	$ 76,012	$ 412,482
Segment expenses:			
Zanidatamab	11,939	44,751	117,342
ZW171	7,151	10,686	1,900
ZW191	8,379	11,714	909
ZW220	13,824	1,585	162
ZW251	8,103	686	259
Zanidatamab zovodotin	6,595	8,046	4,834
Expense for other preclinical and research programs	17,389	7,819	7,050
Salaries and benefits	50,678	49,931	75,220
Other research and development expense	17,949	19,128	19,057
Other general and administrative expense	29,522	40,823	43,971
Total segment expenses	171,529	195,169	270,704
Segment (loss) income	(95,225)	(119,157)	141,778
Reconciling items:			
Depreciation and amortization	(8,684)	(10,164)	(7,235)
Stock-based compensation expense	(17,792)	(8,102)	(4,015)
Change in contingent consideration	1,878	(630)	—
Impairment	(17,287)	—	—
Interest income	19,941	19,705	3,596
Other income (expense), net	558	(894)	1,110
Income tax (expense) recovery, net	(6,084)	568	(10,893)
Net (loss) income	$ (122,695)	$ (118,674)	$ 124,341

17. Subsequent event

In January 2025, the Company achieved a $14.0 million cash research milestone associated with a clinical milestone under the Company's 2016 platform technology transfer and license agreement with GSK.

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, 2024, 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, 2024. 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, 2024.

Attestation Report of Independent Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report of our 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.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f) of the Exchange Act, adopted or terminated a "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," each as defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Board of Directors

The following table sets forth the names, ages and positions of the members of our board of directors as of February 28, 2025.

Name	Age	Position(s)
Kenneth Galbraith	62	Chief Executive Officer, President and Chair of the Board of Directors
Carlos Campoy[1][2]	60	Director
Alessandra Cesano[2][4]	64	Director
Troy M. Cox[1]	60	Director
Nancy Davidson[3][4]	71	Director
Neil Gallagher[3][4]	60	Director
Susan Mahony[3]	60	Director
Derek J. Miller[1][2]	54	Director
Kelvin Neu[4]	51	Director
Oleg Nodelman[2]	48	Director
Scott Platshon[3]	33	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 62 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, and served as our interim Chief Financial Officer from April 2024 to September 2024. 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 Investment Management Limited ("SIML", a subsidiary of Syncona Limited, a company that builds a portfolio of life sciences businesses), from April 2021 until January 2022. He has served as an advisor to SIML since May 2023 and as a director of SIML since November 2024, including as Chair since February 2025. 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 60 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 is NACD Directorship Certified® and 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 64 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 60 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 71 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.

Neil Gallagher

Dr. Gallagher is 60 years old and has served as a member of our board of directors since April 2024. Dr. Gallagher has served as the President, Head of Research & Development at Syndax Pharmaceuticals, Inc., since April 2023. From January 2020 to April 2023, he served as the Chief Medical Officer, Vice President, Head of Development at AbbVie Inc. From November 2017 to December 2019, Dr. Gallagher served as the Head of Global Oncology Development at AbbVie. Prior to joining AbbVie, he served as Head of Development for Oncology and Inflammation at Amgen from May 2016 to October 2017 and spent a decade at Novartis Oncology. Earlier in his career, he was a Medical Science Director at AstraZeneca and later Director of Clinical Development at Astex Therapeutics. Dr. Gallagher completed his Fellowship in Gynecological Oncology at the Institute for Cancer Studies, University of Birmingham, UK and received his medical degree from Trinity College, Dublin.

The board of directors believes that Dr. Gallagher is qualified to serve on our board of directors because of his experience in the pharmaceutical and biotechnology sectors and in drug development in the oncology field.

Susan Mahony

Dr. Mahony is 60 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 (acquired by CSL Limited). Dr. Mahony received a B.Sc. and a Ph.D. from Aston University and an M.B.A. from London Business School. Dr. Mahony is NACD Directorship Certified®.

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 54 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 spin-out 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. Mr. Miller is NACD Directorship Certified®.

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 51 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 Director of QDX Pte. Ltd. (established in February 2024), and Co-Founder and Chair of QDX Technologies Pte. Ltd. (established in September 2023). QDX and QDX Technologies work in the area of computational drug discovery. Previously, Dr. Neu was a Partner at Baker Bros. Advisors LP, a registered investment adviser, where he worked from 2004 until January 2021. Dr. Neu previously served on the board of directors of IGM Biosciences from 2019 to 2021, Prelude Therapeutics from 2016 to 2021, 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.

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.

Oleg Nodelman

Mr. Nodelman is 48 years old and has served as a member of our board of directors since February 2025. Since October 2013, Mr. Nodelman has served as the Founder and Portfolio Manager of EcoR1 Capital LLC, a biotech-focused investment advisory firm established in 2013, and one of our principal stockholders. Previously, Mr. Nodelman served as a Portfolio Manager at BVF Partners from 2001 to 2012. Mr. Nodelman earned a B.S.F.S. in Science and Technology from Georgetown University, School of Foreign Service in 1999. Mr. Nodelman has served on the board of Galapagos NV since October 2024 and AnaptysBio since April 2021. He previously served on the board of directors of Prothena Corporation plc from December 2019 to December 2024, Nuvation Bio Inc. from February 2021 to December 2023 and Panacea Acquisition Corp. II from April 2020 to February 2021. On December 13, 2024, the Enforcement Committee of the Autorité des Marchés Financiers ("AMF"), the entity that regulates the French financial markets, fined Mr. Nodelman and EcoR1 Capital LLC (the "Fund") €3.0 million and €7.0 million, respectively, for violations of applicable market abuse regulations and failures to comply with reporting obligations for holders that exceed or fall below ownership of five percent of an issuer's equity capital that is listed on Euronext Paris. Mr. Nodelman and the Fund disagree with the AMF's ruling and, in February 2025, submitted an appeal, which they intend to vigorously pursue.

The board of directors believes that Mr. Nodelman 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.

Scott Platshon

Mr. Platshon is 33 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 Kumquat Biosciences Inc. since February 2021 (prior to that he was a board observer since August 2019) and Ajax Therapeutics, Inc. since May 2021, and previously served on the board of directors of Terremoto Biosciences from October 2023 to December 2024. Mr. Platshon received his B.S. in Bioengineering from Stanford University. As previously disclosed, pursuant to the securities purchase agreement with certain institutional accredited investors affiliated with EcoR1 Capital, LLC (collectively, "EcoR1"), we agreed that EcoR1 would have the right to nominate one of its partners as a member of our board of directors, with such nomination right terminating upon the earliest of the effective date of such appointment and January 1, 2026. Pursuant to this nomination right, Mr. Platshon was designated by EcoR1 as its nominee for the board of directors' consideration for appointment to the board of directors and was appointed to the board of directors on February 22, 2024.

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.

Executive Officers

The following table sets forth the names, ages and positions of our executive officers as of February 28, 2025.

Name	Age	Position(s)
Kenneth Galbraith	62	Chief Executive Officer, President and Chair of Board of Directors
Leone Patterson	62	Executive Vice President, Chief Business Officer and Chief Financial Officer
Paul A. Moore, Ph.D.	58	Chief Scientific Officer
Jeffrey Smith	65	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.

Leone Patterson

Ms. Patterson joined Zymeworks in September 2024 and serves as our Executive Vice President, Chief Business Officer and Chief Financial Officer. Ms. Patterson served as Chief Financial Officer and Business Officer of Tenaya Therapeutics, Inc. from June 2021 until August 2024. Prior to joining Tenaya Therapeutics, Inc., Ms. Patterson joined Adverum Biotechnologies, Inc., a public clinical-stage gene therapy company, in June 2016 as the Chief Financial Officer and also served as Chief Executive Officer from May 2018 to June 2020, director from October 2018 to June 2020, and President from July 2020 to June 2021. Ms. Patterson has held various senior positions at Diadexus, Inc., Transcept Pharmaceuticals, Inc., NetApp, Inc., Exelixis, Inc., Novartis AG, Chiron (acquired by Novartis AG), and KPMG. Ms. Patterson currently serves on the board of directors and as the chair of the audit committee of Nkarta, Inc., a publicly traded biotechnology company. She previously served as a member of the board of directors of Eliem Therapeutics, Inc. from March 2021 to December 2024 and Adverum Biotechnologies, Inc. from October 2018 to June 2020, both publicly traded biotechnology companies, and as a member of the board of directors of Oxford Biomedica (UK) Limited from March 2023 to December 2024, a publicly traded contract development and manufacturing organization focuses on cell and gene therapy. Ms. Patterson holds a B.S. in Business Administration and Accounting from Chapman University and an Executive M.B.A. from St. Mary's College. Ms. Patterson is also a Certified Public Accountant (inactive status).

Paul A. Moore

Dr. Moore joined Zymeworks in July 2022 and serves 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. 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 any applicable internal audit function, if any;
- our compliance with applicable legal and regulatory requirements; and
- our enterprise risk management processes, including risks and exposures associated with cybersecurity, information security and privacy matters;

- periodically review and discuss with management, the adequacy and effectiveness of the Company's cybersecurity, information and technology security, and data protection programs, procedures and policies;
- review, with the Company's counsel, on a regular basis, any reports of whistleblowing, including all reports made to the Company's anonymous and confidential helpline pursuant to our Whistleblower Policy; 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, 2024.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires that our directors and executive officers, and persons who own more than 10% of our common stock, file reports of ownership and changes in ownership with the SEC. Based on our review of such filings and written representations from certain reporting persons, we believe that during the fiscal year ended December 31, 2024, all directors, executive officers and greater than 10% stockholders complied with all Section 16(a) filing requirements applicable to them, with the exception of the Form 4 due December 23, 2024 but filed by EcoR1 Capital, LLC on December 26, 2024.

Insider Trading Policy

We have adopted an insider trading policy (the "Insider Trading Policy") that governs the purchase, sale, and other dispositions of our securities by directors, officers, employees, and other personnel that we determine should be subject to our Insider Trading Policy (such as certain contractors and consultants) and that is reasonably designed to promote compliance with insider trading laws, rules and regulations, and applicable stock exchange listing requirements. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K for the fiscal year ended December 31, 2024. In addition, with regard to our company's trading in its own securities, it is our policy to comply with the federal securities laws and the applicable exchange listing requirements.

Item 11. Executive Compensation

Discussion of Executive Compensation Practices

This section describes our executive compensation philosophy and how we implemented it through our 2024 compensation program for our named executive officers. The named executive officers for 2024 are:

- Kenneth Galbraith, Chief Executive Officer, President and Chair of the Board of Directors;
- Leone Patterson, Executive Vice President, Chief Business Officer and Chief Financial Officer; and
- Paul Moore, Ph.D., Chief Scientific 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.

2024 Advisory Vote on Executive Compensation

At our 2024 annual general meeting, we conducted an advisory vote on named executive officer compensation. At that meeting, 93.33% of the votes cast on the advisory vote proposal were supportive of our named executive officer compensation program as disclosed in our 2024 proxy statement. Our next advisory vote on named executive officer compensation will be held at our 2025 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. We frequently engage in stockholder outreach and discuss a wide range of topics, including discussions regarding compensation-related matters. We take our say-on-pay vote results seriously and will continue to consider the feedback we receive from stockholders and use such feedback to inform the compensation committee's deliberations and decisions with respect to our executive compensation practices.

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 2024, 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 2024 compensation for the Company's executives, including each of the named executive officers.
- 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 2024, 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 2024, 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.

In addition to Aon's services related to determining or recommending the amount or form of executive and non-employee director compensation, management has engaged Aon to perform unrelated broad-based compensation services and risk brokerage services (which included global risk in Canada and the United States). In 2024, fees paid to Aon for these unrelated broad-based compensation and risk brokerage services did not exceed $120,000 in the aggregate. 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 in 2023 related to 2024 compensation, 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 September 2023, 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 $200 million and $1.5 billion (based on the Company's then-current 30-day average market capitalization of approximately $495 million);
- with generally between 100 and 700 employees; and
- that are located in Canada and the United States, with a focus on companies headquartered in biotechnology hub markets.

Based on these criteria, in September 2023, the compensation committee approved the following peer group set forth below and used this peer group to inform compensation decisions for 2024:

Adaptimmune Therapeutics plc	Gossamer Bio, Inc.	REGENXBIO Inc.
Alector, Inc.	IGM Biosciences, Inc.	Relay Therapeutics[(1)]
AnaptysBio, Inc.	Iteos Therapeutics[(1)]	Repare Therapeutics Inc.
Atara Biotherapeutics, Inc.	Kura Oncology, Inc.	Replimune Group, Inc.
Bicycle Therapeutics[(1)]	MacroGenics, Inc.	Sutro Biopharma, Inc.
C4 Therapeutics	Mersana Therapeutics, Inc.	Xencor[(1)]
Cogent Biosciences[(1)]	NGM Biopharmaceuticals, Inc.	

(1) Added to the peer group in September 2023. The following companies were deleted from the peer group approved in September 2023: CytomX Therapeutics, Inc., Jounce Therapeutics, Inc., Poseida Therapeutics, Inc., Precision Biosciences and Silverback 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 2024, 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 2024, consisted of grants of stock options and restricted stock units.

In making 2024 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 2024, 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 2024 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 2024:

Name and Principal Position	2024 Base Salary ($)
Kenneth Galbraith, *Chief Executive Officer, President and Chair of Board of Directors*[1]	655,000
Leone Patterson, *Executive Vice President, Chief Business Officer and Chief Financial Officer*[2]	485,000
Paul Moore, *Chief Scientific Officer*	495,000

(1) Mr. Galbraith served as our President, Chief Executive Officer and Chair of our board of directors throughout 2024. Mr. Galbraith also served as our interim Chief Financial Officer, principal financial officer and principal accounting officer from March 31, 2024 until September 1, 2024.
(2) Ms. Patterson has served as our Executive Vice President, Chief Business Officer and Chief Financial Officer since September 1, 2024.

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. In addition, we occasionally provide sign-on bonuses to newly hired executives in order to induce them to join the Company. To this end, the Company provided Ms. Patterson with a $50,000 sign-on bonus, which is subject to repayment in full if, prior to September 1, 2025, Ms. Patterson voluntarily leaves the Company for any reason or is terminated by us for cause (as defined in her employment agreement with us).

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. The compensation committee set annual target bonuses for each of Mr. Galbraith and Dr. Moore in January 2024, and for Ms. Patterson in July 2024 at the time of her acceptance of the offer to become the Company's Executive Vice President, Chief Business Officer and Chief Financial Officer, as follows:

Name and Principal Position	2024 Target Bonus (% of Base Salary)
Kenneth Galbraith, *Chief Executive Officer, President and Chair of Board of Directors*[1]	60%
Leone Patterson, *Executive Vice President, Chief Business Officer and Chief Financial Officer*[2]	45%
Paul Moore, *Chief Scientific Officer*	45%

(1) Mr. Galbraith served as our President, Chief Executive Officer and Chair of our board of directors throughout 2024. Mr. Galbraith also served as our interim Chief Financial Officer, principal financial officer and principal accounting officer from March 31, 2024 until September 1, 2024.
(2) Per Ms. Patterson's employment agreement with the Company, Ms. Patterson was eligible to receive an annual bonus for 2024 that was prorated for the six-month period from July 1, 2024 through December 31, 2024.

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 2024, 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 2024. 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.

2024 Company Corporate Goals and Achievement

In December 2023, the board of directors (with input from members of the compensation committee) approved, and in January 2024, the members of the compensation committee updated, corporate goals for 2024 that were grouped into six main categories: (i) zanidatamab via the Jazz Partnership, (ii) zanidatamab via the BeiGene Partnership, (iii) early R&D (clinical), (iv) early R&D (preclinical), (v) ADVANCE and (vi) financing and partnerships. In addition, the leadership team had a seventh stretch goal relating to achievement of standards relating to corporate culture.

In January 2025, the compensation committee reviewed our performance against the corporate goals under the 2024 bonus plan, and determined that these goals were achieved at the 91.5% level. Additional detail on these goals and the assessed achievement is set forth in the table below:

2024 Corporate Goal Category	Key Elements of Goal	Target Weight of Goal	Assessed Achievement
Zanidatamab via the Jazz Partnership	Receive BLA approval of zanidatamab for the treatment of second-line BTC and recognize corresponding $25 million milestone payment. Advance clinical trials of zanidatamab, including: • complete enrollment of HERIZON-GEA-01; • first patient enrolled in Phase 3 confirmatory trial for zanidatamab in first-line BTC; • no material disruption to clinical drug supply of zanidatamab for any studies being conducted by Jazz; • GMP inspection readiness; and • start FDA interactions for a third indication. Presentation of data. First commercial sale of zanidatamab for second-line BTC.	20% for base goals; an additional 7% for stretch goals	23%
Zanidatamab via the BeiGene Partnership	Advance clinical trials of zanidatamab, including: • no material disruption to clinical drug supply of zanidatamab for any studies being conducted by BeiGene; and • GMP inspection readiness. Recognition of revenue. First commercial sale of zanidatamab for second-line BTC. Receive approval of zanidatamab for the treatment of second-line BTC outside of China.	5% for base goals; an additional 3% for stretch goals	5%
Early R&D (clinical)	Advance various clinical trials of early-stage candidates, including: • dose escalation cohort completion; • first patient dosed; and • no material disruption to clinical drug supply. Successful interactions with U.S. and non-U.S. regulators, including IND submissions for ZW171 and ZW191.	35% for base goals; an additional 19% for stretch goals	36%
Early R&D (preclinical)	Goals relating to toxicology studies, including those relating to manufacturing and initiation or completion of non-human primate GLP studies. Selection of fifth IND candidate (ZW209).	10% for base goals; an additional 2% for stretch goals	12%
ADVANCE	Goals relating to preclinical development of potential product candidates.	5% for base goals; an additional 5.5% for stretch goals	5.5%
Financing and Partnership	Securing additional financing, including through non-dilutive methods as well as related stretch goals.	25% for base goals; an additional 13.5% for stretch goals	—%
People	Achievement of standards relating to corporate culture.	Stretch goal up to 10%	10.0%

Total	100% for base goals; bonuses capped at 150%	91.5%

The Company performed well against its 2024 corporate goals with respect to (i) zanidatamab via the Jazz Partnership, (ii) zanidatamab via the BeiGene Partnership, (iii) early R&D (clinical), (iv) early R&D (preclinical), and (v) ADVANCE, as well as its people/corporate culture goal. The Company did not achieve its 2024 corporate goals with respect to financing and partnerships, given changes in the competitive landscape and financial markets impacting the timing of potential partnerships and financing opportunities. Given the Company's strong overall performance against its 2024 corporate goals, the compensation committee determined that these goals were achieved at the 91.5% level and approved 2024 bonuses for our named executive officers as follows:

Name and Principal Position	2024 Bonus ($)[1]
Kenneth Galbraith, *Chief Executive Officer, President and Chair of Board of Directors*	359,595
Leone Patterson, *Executive Vice President, Chief Business Officer and Chief Financial Officer*	99,849[2]
Paul Moore, *Chief Scientific Officer*	203,816

(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 2024 bonus for Dr. Moore was paid in Canadian dollars (C$293,251) and the 2024 bonus for Mr. Galbraith was paid in British pounds (GBP 282,990), in each case based on conversion rates in effect at the time of payment.
(2) Per Ms. Patterson's employment agreement with the Company, Ms. Patterson was eligible to receive an annual bonus for 2024 that was prorated for the six-month period from July 1, 2024 through December 31, 2024.

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.

The Company granted a mix of stock options and restricted stock units to Mr. Galbraith and Dr. Moore in January 2024. 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 2024, we determined that annual grants to Mr. Galbraith and Dr. Moore in the form of an approximately 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 or for particular executives, the compensation committee may approve a different mix of equity awards if it determines necessary or appropriate to achieve our compensation objectives.

After considering its compensation objectives and negotiations with Ms. Patterson regarding her joining the Company, the compensation committee approved an initial award of stock options for Ms. Patterson shortly after her commencement of employment with the Company. The compensation committee believed that awarding Ms. Patterson's initial equity grant solely in the form of options, consistent with its past practice with respect to the hiring of executives, would provide Ms. Patterson with strong incentives to increase stockholder value, and that given her role as our Chief Business and Financial Officer, this was appropriate for her new hire award. For 2025, the compensation committee has granted Ms. Patterson's annual equity

awards in a combination of options and restricted stock units in the same proportions as our other named executive officers, to balance the performance-based incentives of stock options, with the retention, reward and culture of ownership benefits of restricted stock units.

For the stock options, the option exercise price may not be less than the closing price of our common stock on the date of grant. For the 2024 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. These options are subject to any applicable acceleration provisions in the Equity Compensation Plan or in the named executive officer's employment agreement.

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 2024 restricted stock unit grants to Mr. Galbraith and Dr. Moore, 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, 2024:

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	1/5/2024	—	300,000	10.56	1,985,672
	1/5/2024	200,000	—	—	2,112,000
Leone Patterson	9/1/2024	—	360,000	11.73	2,590,403
Paul Moore	1/5/2024	—	90,000	10.56	595,702
	1/5/2024	60,000	—	—	633,600

(1) Restricted stock units vest in three equal annual installments beginning on January 5, 2025, subject to the recipient'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(f) "*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, 2024.

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 UK. 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. In addition, prior to Dr. Moore's relocation to Canada in 2023, we provided certain housing benefits to him to facilitate his ability to spend time at our Vancouver location. 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.

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

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 certain 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. Any person covered by our Insider Trading Policy is prohibited from pledging Zymeworks securities as collateral for any loan, in margin accounts or as part of pledging transactions, regardless of whether such person is in possession of non-public material information. A copy of our insider trading policy is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

Potential Payments upon Termination or Change in Control

Certain of our executives, including each of our named executive officers, 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 forgo 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.

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, 2024 and December 31, 2023. We do not have non-qualified deferred compensation.

Name and Principal Position	Year	Salary ($)[1]	Bonus ($)[1]	Stock Awards ($)[2]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[1][3]	All Other Compensation ($)[1]		Total ($)
Kenneth Galbraith, CEO, *President & Chair*[4]	2024	654,833	—	2,112,000	1,985,672	361,652	139,459	[5]	5,253,616
	2023	625,452	—	1,144,000	1,194,627	321,651	89,146	[6]	3,374,876
Leone Patterson, *Exec. VP, Chief Business Officer & CFO*[7]	2024	161,667	50,000	—	2,590,403	99,849	6,063	[8]	2,907,982
Paul Moore, *CSO*[9]	2024	494,683	—	633,600	595,702	214,102	48,716	[10]	1,986,803
	2023	465,784	—	412,000	397,571	182,120	224,762	[11]	1,682,237

(1) Salary, bonus, non-equity incentive plan compensation (cash bonus with respect to corporate goal achievement) and amounts in the "All Other Compensation" column for all named executive officers are determined in U.S. dollars. However, 2024 cash compensation amounts, 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 2024 and 2023, respectively, the U.S. dollar per Canadian dollar exchange rates used for such conversions were 0.7301 and 0.7410, which were the average annual Bank of Canada exchange rates for 2024 and 2023, 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 2024 and 2023 the U.S. dollar per British pound exchange rates used for such conversions were 1.2780 and 1.2437, which were the average annual Bank of Canada exchange rates for 2024 and 2023, 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(f) *"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, 2024.

(3) The amounts reflect the dollar value of incentive bonuses paid in 2025 and 2024 for performance during 2024 and 2023, 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. Mr. Galbraith also served as our interim Chief Financial Officer, principal financial officer and principal accounting officer from March 31, 2024 until September 1, 2024.

(5) Of the total amount for 2024, (i) $53,969 represents accommodation benefits, (ii) $6,390 represents Company contributions to a defined contribution pension plan, (iii) $14,516 represents private health insurance premiums, (iv) $701 represents life insurance premiums through our group extended benefit plan, (v) $30,853 represents airfare for immediate family members in accordance with the terms of Mr. Galbraith's employment agreement, (vi) $30,000 represents an estimated tax equalization payment (which includes $16,000 for estimated tax gross-up) in connection with taxation attributable to the performance of work outside the UK, and (vii) $3,030 represents reimbursement for tax preparation services.

(6) 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 UK.

(7) Ms. Patterson has served as our Executive Vice President, Chief Business Officer and Chief Financial Officer since September 1, 2024. In 2024, she received a $50,000 sign-on bonus and options to purchase 360,000 shares of common stock.

(8) Represents Company contributions of $6,063 to our 401(k) plan.

(9) Dr. Moore has served as our Chief Scientific Officer since July 2022.

(10) Of the total amount for 2024, (i) $44,283 represents a tax equalization payment for 2023 paid in 2024, and (ii) $4,433 represents life insurance premiums through our group extended benefit plan.

(11) Of the total amount for 2023, (i) $41,496 represents accommodation benefits (which benefits ceased in connection with Dr. Moore's relocation to Vancouver in 2023), (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.

Clawback Policy

In November 2023, we adopted a compensation recovery policy (the "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.

Outstanding Equity Awards at 2024 Year End

The following table lists all outstanding 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, 2024:

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable[1]	Number of Securities Underlying Unexercised Options (#) Unexercisable[1]	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]
Kenneth Galbraith	1/15/2022	375,000	125,000	14.97	1/14/2032	—	—
	12/22/2022	—	—	—	—	100,000 [4]	1,464,000
	1/5/2023	107,500	107,500	8.00	1/4/2033	—	—
	1/5/2023	—	—	—	—	95,334	1,395,690
	1/5/2024	—	300,000	10.56	1/4/2034	—	
	1/5/2024	—	—	—	—	200,000	2,928,000
Leone Patterson	9/1/2024	—	360,000	11.73	8/31/2034	—	—
Paul Moore	7/18/2022	125,000	75,000	5.82	7/17/2032	—	—
	1/5/2023	38,750	38,750	8.00	1/4/2033	—	—
	1/5/2023	—	—	—	—	34,334	502,650
	1/5/2024	—	90,000	10.56	1/4/2034	—	—
	1/5/2024	—	—	—	—	60,000	878,400

(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 31, 2024, which was $14.64 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*."

Pension Benefits

We do not have any qualified or non-qualified defined benefit pension plans.

Defined Contribution Plans

Registered Retirement Savings Plan

Our executive officers resident in Canada are eligible, along with all other employees resident in Canada, to participate in our registered retirement savings plan ("RRSP") matching program. Under this program, we match the amount contributed by each employee into a group RRSP plan, up to a pre-determined percentage of annual salary. We match employee contributions to the group RRSP up to 6.0% of annual salary. Generally, company matching contributions will not exceed 50% of the maximum annual RRSP dollar limit as specified by the Canada Revenue Agency in any given year.

401(k) Plan

Our executive officers resident in the United States are eligible, along with all other U.S.-based employees, to participate in a 401(k) matching program. Under this program, we match the amount contributed by each employee into a 401(k) plan, up to a predetermined percentage of annual salary. We match employee contributions to a 401(k) plan up to 6.0% of annual salary, with company matching contributions not to exceed the annual personal and Age 50 Catch Up contribution limit (if applicable) set by the Internal Revenue Service, or the IRS, in any given year.

Group Personal Pension Plan

Our executive officers resident in the UK are eligible, along with all other employees resident in the UK, to participate in our group personal pension ("GPP") plan matching program. Under this program, we match the amount contributed by each employee into a GPP plan, up to a pre-determined percentage of annual salary. We match employee contributions to a GPP plan up to 6.0% of annual salary. Generally, company matching contributions will not exceed 50% of the maximum annual plan dollar limit set by His Majesty's Revenue and Customs, or HMRC, in any given year.

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, 2024, 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 UK, 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 UK 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 March 31, 2024, Mr. Galbraith was appointed interim Chief Financial Officer and continued in his roles as Chair of the board of directors, President and Chief Executive Officer and assumed the duties of principal financial officer and principal accounting officer, without any changes to his compensatory arrangements. In connection with Ms. Patterson's start date, Mr. Galbraith resigned from the positions of interim Chief Financial Officer and as principal financial officer and principal accounting officer of the Company, effective September 1, 2024. The compensatory and other material terms of Mr. Galbraith's employment with the Company were unchanged in connection with his appointment and subsequent resignation as interim Chief Financial Officer, principal financial officer and principal accounting officer.

Leone Patterson. On July 19, 2024, our subsidiary ZBI entered into an employment agreement with Ms. Patterson, which became effective September 1, 2024, setting forth the terms and conditions of her employment as Executive Vice President, Chief Business Officer and Chief Financial Officer of the Company (the "Patterson Employment Agreement"). The Patterson Employment Agreement does not have a stated term.

Pursuant to the Patterson Employment Agreement, Ms. Patterson is entitled to the following compensation and benefits:

- An annual base salary of $485,000, with eligibility to earn an annual discretionary bonus of up to 45% of her annual base salary, based upon the achievement of certain Company goals determined by the board of directors. With respect to 2024, Ms. Patterson was eligible to receive a pro-rated bonus for the six-month period from July 1, 2024 through December 31, 2024;
- Eligibility to participate in Company 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;
- Signing bonus of $50,000, which will be repayable in full to ZBI within 30 days of Ms. Patterson's employment termination date if her employment is terminated for Cause (as defined in the Patterson Employment Agreement) or by Ms. Patterson for any reason, in either case, within one year of the effective date of the Patterson Employment Agreement;
- Options, which were granted to Ms. Patterson in 2024, to purchase 360,000 of our common shares at an exercise price per share equal to the fair market value on the date of grant. 25% of the Options 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 Ms. Patterson's continued service through the applicable vesting date;
- If we terminate Ms. Patterson's employment without cause during her first three years of employment, then Ms. Patterson 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 her employment, if we terminate Ms. Patterson's employment without cause, Ms. Patterson 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. Ms. Patterson 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 Ms. Patterson entering into a valid separation and release agreement with us;
- If Ms. Patterson's employment is terminated by us without cause on or within twelve months following a change of control (as defined in the Patterson Employment Agreement), Ms. Patterson 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 Ms. Patterson entering into a valid separation and release agreement with us.

In addition, if any of the payments or benefits provided for under the Patterson Employment Agreement employment agreement or otherwise payable to Ms. Patterson would constitute "parachute payments" within the meaning of Section 280G of the Code and would be subject to the related excise tax, she would be entitled to receive either full payment of such payments and benefits or such lesser amount that would result in no portion of the payments and benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to her. The Patterson Employment Agreement does not require us to provide any tax gross-up payments to her.

Paul Moore. On July 18, 2022, the Company and our subsidiary ZBI 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 in July 2023 (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.

In addition, if any of the payments or benefits provided for under the Moore Employment Agreement employment agreement or otherwise payable to Dr. Moore would constitute "parachute payments" within the meaning of Section 280G of the Code and would be subject to the related excise tax, he would be entitled to receive either full payment of such payments and benefits or such lesser amount that would result in no portion of the payments and benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to him. The Moore Employment Agreement does not require us to provide any tax gross-up payments to him.

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 become 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.

The Company's Policies and Practices Related to the Grant of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information

During 2024, we granted stock options to employees, including our named executive officers. We do not take material nonpublic information into account in determining the timing of such awards. Further, we have not timed the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation. We typically grant annual equity awards (including stock options) to our executive officers and non-executive employees early in the first quarter of each year. For equity awards to executive officers in connection with their hire date, such grants are typically made on the date of the commencement of their employment. For equity awards to non-executive employees in connection with their hire date, such grants are typically made on a pre-determined date in the month following the commencement of their employment. We have never granted stock appreciation rights to any employees or other service providers.

During fiscal year 2024, the Company awarded options to certain of our named executive officers in the period beginning four business days before the filing of a periodic report on Form 10-Q or Form 10-K, or the filing or furnishing of a report on Form 8-K that disclosed material nonpublic information, and ending one business day after such filing or furnishing. The following table provides information concerning each such award:

Name	Grant Date	Number of Securities Underlying the Award	Exercise Price of the Award ($/Sh)	Grant Date Fair Value of the Award ($)[1]	Percentage Change in the Closing Market Price of the Securities Underlying the Award between the Trading Day Ending Immediately Prior to the Disclosure of Material Nonpublic Information and the Trading Day Beginning Immediately Following the Disclosure of Material Nonpublic Information
Kenneth Galbraith	1/5/2024	300,000	10.56	1,985,672	(1.03)%
Paul Moore	1/5/2024	90,000	10.56	595,702	(1.03)%

(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(f) *"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, 2024.

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, 2024. Mr. Nodelman is not included in the table below as he did not join the board of directors until 2025. 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	65,000	241,472	—	306,472
Alessandra Cesano [3]	46,750	763,477	—	810,227
Troy M. Cox	50,000	241,472	—	291,472
Nancy Davidson	53,500	241,472	—	294,972
Neil Gallagher [4]	35,125	662,283	—	697,408
Kenneth Hillan [5]	6,667 [9]	—	—	6,667
Susan Mahony	73,125	241,472	—	314,597
Derek J. Miller	60,000 [10]	241,472	—	301,472
Kelvin Neu [6]	55,000	241,472	—	296,472
Scott Platshon [7]	—	—	—	—
Hollings C. Renton [8]	55,000	—	—	55,000

(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(f) "*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, 2024.
(2) As of December 31, 2024, directors held the following number of options to purchase Company common shares: (i) Mr. Campoy, 118,000; (ii) Dr. Cesano, 105,000; (iii) Mr. Cox, 141,000; (iv) Dr. Davidson, 105,000; (v) Dr. Gallagher, 105,000; (vi) Mr. Hillan, 93,675; (vii) Dr. Mahony, 141,000; (viii) Mr. Miller, 118,000; (ix) Dr. Neu, 102,000; (x) Mr. Platshon, nil; and (xi) Mr. Renton, 121,425.
(3) Dr. Cesano joined the Company's board of directors in February 2024.
(4) Dr. Gallagher joined the Company's board of directors in April 2024.
(5) Dr. Hillan ceased serving on the Company's board of directors in February 2024.
(6) 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.
(7) Mr. Platshon joined the Company's board of directors in February 2024. Mr. Platshon waived his entitlement to cash and equity compensation otherwise payable to him pursuant to the Company's non-employee director compensation policy.
(8) Dr. Renton ceased serving on the Company's board of directors in December 2024.
(9) Due to a clerical error, Dr. Hillan received $2,667 less than he was entitled to under the Company's non-employee director compensation policy. This inadvertent underpayment will be corrected by paying Dr. Hillan the outstanding amount owed to him.

(10) Due to a clerical error, Mr. Miller received $417 more than he was entitled to under the Company's non-employee director compensation policy. This inadvertent overpayment will be corrected by withholding such overpaid amounts from the amounts he will be owed for service as a director in 2025.

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.

From time to time, the compensation committee works with Aon to update prior competitive assessments of our board of director compensation program.

In November 2023, the compensation committee 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:

- The annual cash retainer fee for service as a member of the board of directors and for service as lead independent director was maintained at the 2023 level at $40,000 and $65,000, respectively.
- Beginning January 1, 2024, the annual cash retainer fee for service as chair of the audit committee was increased from $15,000 to $20,000, the annual cash retainer fee for service as a member of the audit committee was increased from $7,500 to $10,000, the annual cash retainer fee for service as chair of the compensation committee was increased from $12,000 to $15,000, the annual cash retainer fee for service as a member of the compensation committee was increased from $6,000 to $7,500, the annual cash retainer fee for service as chair of the nominating and corporate governance committee was increased from $8,500 to $10,000, the annual cash retainer fee for service as a member of the nominating and corporate governance committee was increased from $4,250 to $5,000.The annual cash retainer fee for service as chair of the research and development committee was maintained at $15,000 and the annual cash retainer fee for service as a member of the research and development committee was maintained at $6,000;
- 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 increased 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 increased 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.

In December 2024, the board of directors, upon advice from its independent compensation consultants and recommendation from the compensation committee following its annual assessment of the board of directors' compensation program, approved the following changes to the cash and equity compensation of non-employee directors, which changes adjust the board of directors' compensation program to more closely align with the non-employee director compensation practices of the Company's peer group.

- Beginning January 1, 2025, the annual cash retainer fee for service as a member of the research and development committee will be increased from $6,000 to $7,500 with all other annual cash retainers for the Board and its committees remaining unchanged;
- Effective immediately, the initial option grants for any new non-employee directors, to be granted on or about the time of the director joining the Board, was reduced from options to purchase 74,000 shares of Company common stock to options to purchase 62,000 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 optionee's continued service; and

- Effective immediately, the annual equity grant to continuing non-employee directors, to be granted at or about the time of the Company's annual meeting of stockholders, was reduced from options to purchase 37,000 shares of Company common stock to options to purchase 31,000 shares of Company common stock, 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 2024.

Cash Compensation for Directors

In 2024, 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, 2024	Effective January 1, 2025
	Amount ($)	Amount ($)
Board of Directors:		
Member	40,000	40,000
Lead Independent Director	65,000	65,000
Audit Committee:		
Member	10,000	10,000
Chair	20,000	20,000
Compensation Committee:		
Member	7,500	7,500
Chair	15,000	15,000
Nominating and Corporate Governance Committee:		
Member	5,000	5,000
Chair	10,000	10,000
Research and Development Committee:		
Member	6,000	7,500
Chair	15,000	15,000

Cash retainer fees were amended in December 2024 as discussed above.

Equity Compensation for Directors

Beginning December 2024, new non-employee directors will be granted an initial option grant to purchase 62,000 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 31,000 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.

Pursuant to amendments approved by the board of directors in December 2024, upon cessation of a non-employee director's continued service, each outstanding stock option held by such director is subject to (i) pro rata acceleration of vesting of options granted as annual equity awards in connection with the 2024 annual meeting of stockholders for directors departing after the 2024 annual meeting of stockholders, but at or before our 2025 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 2024 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, 2024:

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	8,340,034	$15.28 [3]	5,196,630 [4]
ESPP	—	—	2,320,096
Original Plan	307,855	C$17.86 [5]	—
Equity compensation plans not approved by security holders			
Inducement Plan	1,060,000	$12.36	390,000

(1) Includes restricted stock units.
(2) Does not include restricted stock units, which do not have an exercise price.
(3) Stock options granted under the Equity Compensation Plan are granted with exercise prices in U.S. dollars. Previously, stock options granted under the Equity Compensation Plan were granted with exercise prices in both Canadian and U.S. dollars. As of December 31, 2024, there were 7,046,064 outstanding stock options under the Equity Compensation Plan, consisting of 774,980 stock options with a weighted average exercise price of C$17.69 ($12.91 based on the U.S. dollar per Canadian dollar exchange rate of 0.7301, which was the average annual Bank of Canada exchange rate for 2024) and 6,271,084 stock options with a weighted average exercise price of $11.46.
(4) 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 is automatically increased on the first day of each calendar year by 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 our board of directors may determine prior to the start of the applicable calendar year).
(5) Stock options granted under the Original Plan were granted with exercise prices in Canadian dollars. As of December 31, 2024, there were 307,855 outstanding stock options under the Original Plan, with a weighted average exercise price of C$17.86 ($13.04 based on the U.S. dollar per Canadian dollar exchange rate of 0.7301, which was the average annual Bank of Canada exchange rate for 2024).

Inducement Plan

Our Inducement Plan was adopted by our board of directors in January 2022, and was amended and restated in October 2022 and July 2024. The Inducement Plan was adopted without stockholder approval pursuant to the NYSE listing rules related to inducement plans, which were the rules applicable at the time of the initial adoption of the Inducement Plan, and which are substantially similar to the Nasdaq rules related to inducement plans that currently apply to the Inducement Plan. The Inducement Plan allows for the grant of options, 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 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 28, 2025, 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 28, 2025, (i) 69,576,883 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 28, 2025, 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 28, 2025.

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	15,720,161[1]	22.59%[2]	22.41%[2]
Morgan Stanley	4,842,464[3]	6.96%	6.90%
Redmile Group, LLC	4,840,463[4]	6.96%	6.90%
BVF Partners L.P.	4,607,935[5]	6.62%	6.57%
BlackRock, Inc.	3,923,328[6]	5.64%	5.59%
Rubric Capital Management LP	3,917,331[7]	5.63%	5.58%
Directors and Named Executive Officers:			
Carlos Campoy	66,166[8]	*	*
Alessandra Cesano	28,777[9]	*	*
Troy M. Cox	117,500[10]	*	*
Nancy Davidson	32,888[11]	*	*
Kenneth Galbraith	701,740[12]	1.00%	*
Neil Gallagher	24,666[13]	*	*
Susan Mahony	110,000[14]	*	*
Derek J. Miller	70,333[15]	*	*
Paul Moore	232,552[16]	*	*
Kelvin Neu	71,000[17]	*	*
Oleg Nodelman	15,720,161[18]	22.59%[18]	22.41%[18]
Scott Platshon	—	—	—
Leone Patterson	—	—	—
All Directors, Executive Officers:			—
All current executive officers and directors as a group (14 persons)[19]	17,318,548	24.37%	22.58%

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* Less than one percent

† Percentage of total voting power represents voting power with respect to all outstanding 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 outstanding 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) 14,733,109 shares of common stock held by EcoR1 Capital Fund Qualified, L.P. ("Qualified Fund") and (ii) 987,052 shares of common stock held by EcoR1 Capital Fund, L.P. ("Capital Fund"). In addition, Qualified Fund holds 4,818,462 shares of common stock issuable upon the exercise of pre-funded warrants and Capital Fund holds 268,059 shares of common stock issuable upon the exercise of pre-funded warrants. 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. Mr. Nodelman and Scott Platshon, a Partner of EcoR1, are members 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%. For purposes of calculating the Percentage of Shares Beneficially Owned and the Total Voting Percentage, the calculations do not include the 5,086,521 pre-funded warrants to purchase 5,086,521 shares of our common stock.

(3) 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.

(4) Based on a Schedule 13G/A filed February 14, 2025, consists of 4,840,463 shares of common stock held as of December 31, 2024 by certain private investment vehicles managed by Redmile Group, LLC, including 3,470,727 shares of common stock held by Redmile Biopharma Investments III, L.P. (collectively, "Redmile"), and may be deemed beneficially owned by Redmile as investment manager of such private investment vehicles and by Jeremy C. Green as the principal of Redmile. The address for this entity is One Letterman Drive Building

D, Suite D3-300, San Francisco, CA 94129, and the address for this individual is c/o Redmile Group LLC, 45 W. 27th Street, Floor 11, New York, NY 10001.
(5) Based on a Schedule 13G/A filed November 14, 2024, consists of 2,392,283 shares of common stock held by Biotechnology Value Fund, L.P. ("BVF"), 1,919,991 shares of common stock held by Biotechnology Value Fund II, L.P. ("BVF2"), 212,898 shares of common stock held by Biotechnology Value Trading Fund OS LP ("Trading Fund OS"), and 82,763 shares of common stock held in a certain BVF Partners L.P. managed account, each as of September 30, 2024. BVF I GP LLC ("BVF GP"), as the general partner of BVF, may be deemed to beneficially own the 2,392,283 shares of common stock beneficially owned by BVF as of September 30, 2024. BVF II GP LLC ("BVF2 GP"), as the general partner of BVF2, may be deemed to beneficially own the 1,919,991 shares of common stock beneficially owned by BVF2 as of September 30, 2024. BVF Partners OS Ltd ("Partners OS"), as the general partner of Trading Fund OS, may be deemed to beneficially own the 212,898 shares of common stock beneficially owned by Trading Fund OS as of September 30, 2024. BVF GP Holdings LLC ("BVF GPH"), as the sole member of each of BVF GP and BVF2 GP, may be deemed to beneficially own the 4,312,274 shares of common stock beneficially owned in the aggregate by BVF and BVF2 as of September 30, 2024. BVF Partners L.P. ("Partners"), as the investment manager of BVF, BVF2 and Trading Fund OS, and the sole member of Partners OS, may be deemed to beneficially own the 4,607,935 shares of common stock beneficially owned in the aggregate by BVF, BVF2 and Trading Fund OS and, including 82,763 Shares held in certain BVF Partners L.P. managed account, as of September 30, 2024. BVF Inc., as the general partner of Partners, may be deemed to beneficially own the 4,607,935 Shares beneficially owned by Partners as of September 30, 2024. Mark N. Lampert, as a director and officer of BVF Inc., may be deemed to beneficially own the 4,607,935 Shares beneficially owned by BVF Inc. as of September 30, 2024. The address for BVF, BVF GP, BVF2, BVF2 GP, BVF PHH, Partners, BVF Inc. and Mark Lampert is is 44 Montgomery Street, 40th Floor, San Francisco, CA 94104. The address for Trading Fund OS and Partners OS is PO Box 309 Ugland House, Grand Cayman, KY-1104, Cayman Islands.
(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) Based on a Schedule 13G filed November 13, 2024, consists of 3,917,331 shares of common stock held, as of September 30, 2024, by certain investment funds and/or accounts for which Rubric Capital Management LP ("Rubric Capital") serves as investment adviser. David Rosen is the Managing Member of Rubric Capital Management GP, LLC, the general partner of Rubric Capital. The address of each of Rubric Capital and Mr. Rosen is 155 East 44th Street, Suite 1630, New York, NY 10017.
(8) Consists of 66,166 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(9) Consists of 28,777 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(10) Consists of 7,500 shares of common stock and 110,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(11) Consists of 32,888 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(12) Consists of 80,803 shares of common stock and 620,937 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(13) Consists of 24,666 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(14) Consists of 110,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(15) Consists of 70,333 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(16) Consists of 23,333 shares of common stock and 209,219 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025.
(17) Consists of 71,000 shares of common stock issuable upon the exercise of options exercisable within 60 days after February 28, 2025. 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 the shares of common stock and pre-funded warrants described in footnotes 1 and 2 above. Mr. Nodelman joined our Board in February 2025, and disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
(19) Dr. Smith is not a named executive officer, but he is a current executive officer. 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, 2023, 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 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 was $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 would 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 filed our 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. The registration statement filed pursuant to the registration rights agreement became automatically effective upon filing on March 7, 2024.

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, 2023 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 and President. The board of directors also determined that Mr. Campoy, Mr. Cox and Mr. Miller, who comprise our audit committee, and Dr. Davidson, Dr. Mahony, Dr. Gallagher and Mr. Platshon, who comprise our compensation committee, each satisfy the independence standards for those committees established by applicable SEC rules and the Nasdaq listing standards, and Mr. Campoy, Dr. Cesano, Mr. Miller and Mr. Nodelman, 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 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 provided for, among other things, the termination of the Consulting Agreement effective as of November 30, 2023. In total, we 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, 2024 and December 31, 2023, are detailed in the table below:

	2024 ($)[5]	2023 ($)[5]
Audit Fees[1]	$ 751,846	$ 775,096
Audit Related Fees[2]	—	—
Tax Fees[3]	561,115	507,300
All Other Fees[4]	—	—
Total Fees Paid	$ 1,312,961	$ 1,282,396

(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 $272,731 for tax compliance in 2024 (2023: $126,486).
(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 2024 and 2023, the U.S. dollar per Canadian dollar exchange rates used for such conversions were 0.7301 and 0.7410, which were the average annual Bank of Canada exchange rates for 2024 and 2023, 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 2024 and 2023 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 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	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).
3.4	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).
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†	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).
10.2†	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).

Exhibit No.	Description
10.3*	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).
10.4*	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).
10.5*	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).
10.6*	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).
10.7†	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).
10.8†	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).
10.9*	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).
10.10*	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).
10.11*	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).
10.12*	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).
10.13†	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).
10.14*	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).
10.15*	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).
10.16†	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).
10.17†	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).
10.18†	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).

Exhibit No.	Description
10.19*	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).
10.20†	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).
10.21*	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).
10.22*	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).
10.23*	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).
10.24*	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).
10.25	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).
10.26	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).
10.27	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).
10.28	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).
10.29	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).
10.30	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).
10.31	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).
10.32	Direction to Tenants, dated July 9, 2024, from 130 E 4th(2) Partnership, 130 E 4th Property Inc., and 114 East 4th Avenue, LLC to Tenants of 114 East 4th Avenue, Vancouver, BC (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on October 31, 2024).
10.33#	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).
10.34#	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).
10.35#	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).

Exhibit No.	Description
10.36#	Employment Agreement by and between Zymeworks Pharmaceuticals Limited and Jeffrey Smith, dated January 3, 2023 (incorporated by reference to Exhibit 10.42 to the Company's Annual Report on Form 10-K filed with the SEC on March 6, 2024).
10.37#	Letter, dated January 5, 2024, from Zymeworks Inc. to Jeffrey Smith (incorporated by reference to Exhibit 10.43 to the Company's Annual Report on Form 10-K filed with the SEC on March 6, 2024).
10.38 #	Employment Agreement between Zymeworks Biopharmaceuticals Inc. and Leone Patterson, dated July 19, 2024 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on July 25, 2024).
10.39#	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).
10.40#	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).
10.41#	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).
10.42	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).
10.43	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).
10.44#	Amended and Restated Inducement Stock Option and Equity Compensation Plan (and forms of award agreements thereunder) (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on July 25, 2024).
10.45#	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) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on August 1, 2024).
10.46#	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).
10.47#	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).
10.48	Sales Agreement, dated August 2, 2024, by and between the Company and TD Securities (USA) LLC (incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the SEC on August 2, 2024).
10.49*	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).
10.50*, +	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).
10.51*, +	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).
10.52	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).
19.1	Insider Trading Policy.

Exhibit No.	Description
21.1	Subsidiaries of the Company (incorporated by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed with the SEC on March 6, 2024).
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 (incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K filed with the SEC on March 6, 2024).
101	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline XBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as at December 31, 2024 and 2023, (ii) Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income for the years ended December 31, 2024, 2023 and 2022, (iii) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2024, 2023 and 2022, (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022 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 5, 2025

ZYMEWORKS INC.

By: /s/ Kenneth Galbraith

Name: Kenneth Galbraith

Title: Chair of the Board of Directors, President 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 Leone Patterson, 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 5, 2025
/s/ Leone Patterson Leone Patterson	Executive Vice President, Chief Business and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 5, 2025
/s/ Troy M. Cox Troy M. Cox	Director	March 5, 2025
/s/ Alessandra Cesano Alessandra Cesano	Director	March 5, 2025
/s/ Susan Mahony Susan Mahony	Director	March 5, 2025
/s/ Kelvin Neu Kelvin Neu	Director	March 5, 2025
/s/ Carlos Campoy Carlos Campoy	Director	March 5, 2025
/s/ Derek Miller Derek Miller	Director	March 5, 2025
/s/ Nancy Davidson Nancy Davidson	Director	March 5, 2025
/s/ Scott Platshon Scott Platshon	Director	March 5, 2025
/s/ Neil Gallagher Neil Gallagher	Director	March 5, 2025
/s/ Oleg Nodelman Oleg Nodelman	Director	March 5, 2025