

Zymeworks and GSK Enter Second Strategic Collaboration to Develop and Commercialize Bi-Specific Antibodies

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Vancouver, Canada – Zymeworks Inc., a leader in the development of bi-specific and multi-specific antibodies and antibody drug conjugates, announced today that it has entered into a new licensing agreement with GSK for the research, development, and commercialization of novel bi-specific antibodies enabled using Zymeworks' Azymetric™ drug discovery platform. Under the agreement, GSK will have the option to develop and commercialize multiple bi-specific drugs across different disease areas. Zymeworks will receive upfront and preclinical payments of up to USD\$36 million and is eligible to receive up to USD\$152 million in development and clinical milestone payments, along with commercial sales milestone payments of up to USD\$720 million, and tiered royalties on potential sales.

As previously announced in December 2015, Zymeworks and GSK entered into a collaboration and license agreement to further develop Zymeworks' Effector Function Enhancement and Control Technology (EFECT™) platform and to research, develop, and commercialize novel Fc-engineered monoclonal and bi-specific antibody therapeutics that have been optimized for specific therapeutic effects. As part of this second agreement, GSK has also gained the right to combine the Azymetric™ platform with novel engineered Fc domains developed under the previously announced collaboration.

"We are excited to be expanding our relationship with GSK to include our Azymetric™ bi-specific platform. We view this new collaboration as evidence of our valuable role as a partner and the strength of our proprietary drug development platforms," said Ali Tehrani, Ph.D., President and CEO of Zymeworks. "The proceeds from this collaboration will be used to advance our pipeline of therapeutic candidates, including the Azymetric™ antibody ZW25 and the Azymetric™ antibody drug conjugate ZW33, into human clinical trials this year. They will also be utilized to support the continued expansion and strengthening of our core capabilities in antibody discovery, protein engineering, and antibody drug conjugates."

About the Azymetric™ Platform

Bi-specific antibodies developed using the Azymetric™ platform resemble conventional mono-specific antibodies while being able to simultaneously bind to two different targets resulting in additive or synergistic therapeutic responses. Azymetric™ antibodies spontaneously assemble into a single molecule with two different Fab domains comprising of unique heavy and light chain pairings. Azymetric™ antibodies are manufactured using conventional monoclonal antibody processes and can also be easily adapted to rapidly screen target and sequence combinations for bi-specific activities in the final therapeutic format thereby significantly reducing drug development timelines.

About the EFECT™ Platform

The EFECT™ platform is a library of antibody Fc modifications engineered to modulate the activity of the antibody-mediated immune response, which includes both the up and down-regulation of effector functions. This platform is compatible with traditional monoclonal as well as Azymetric™ bi-specific antibodies to further enable the customization of therapeutic responses for different diseases.

About Zymeworks Inc.

Zymeworks is a privately held biotherapeutics company that is developing best-in-class Azymetric™ bi-specific antibodies and antibody drug conjugates for the treatment of cancer, autoimmune and inflammatory diseases. The company's novel Azymetric™, AlbuCORE™, and EFECT™ platforms, its

Zymelink™ conjugation platform and cytotoxins, and its proprietary ZymeCAD™ structure-guided protein engineering technology, enable the development of highly potent bi-specific antibodies, multivalent protein therapeutics, and antibody drug conjugates across a range of indications. Zymeworks is focused on accelerating its preclinical biotherapeutics pipeline through in-house research and development programs and strategic collaborations.

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