

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 15, 2022

Zymeworks Inc.
(Exact name of registrant as specified in its charter)

British Columbia, Canada
(State or other jurisdiction
of incorporation)

001-38068
(Commission
File Number)

98-1398788
(IRS Employer
Identification No.)

Suite 540, 1385 West 8th Avenue, Vancouver, British Columbia, Canada
(Address of principal executive offices)

V6H 3V9
(Zip Code)

(604) 678-1388
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 Shares, no par value per share	ZYME	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 19, 2022, Zymeworks Inc. (the “Company”) announced certain information relating to the Company’s financial condition as of December 31, 2021, including its preliminary and unaudited estimate of cash, cash equivalents and short-term investments of approximately \$250.0 million and its expectations that such cash, cash equivalents and short-term investments are anticipated to fund the Company’s current operations through at least late 2022 (such information, the “Financial Condition Information”). The Financial Condition Information is set forth in a press release issued by the Company on January 19, 2022 as the first paragraph under the caption “Updated Financial Position”, a copy of which press release is attached hereto as Exhibit 99.1. The press release is incorporated herein by reference, except for the Financial Condition Information, which information is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange act, except as expressly set forth by specific reference in such filing.

On January 19, 2022, the Company filed this press release with the Canadian securities regulatory authorities on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.

ITEM 2.05 COSTS ASSOCIATED WITH EXIT OR DISPOSAL ACTIVITIES.

On January 15, 2022, the Company authorized a restructuring of the Company’s workforce (the “Restructuring”), with a target of reducing employee headcount by at least 25% across the organization by the end of 2022. The Company took these steps as part of its renewed focus on achieving its key strategic priorities and to help create a more cost-efficient organization in order to execute on its strategic priorities. The Company expects to substantially complete the Restructuring by December 31, 2022. At this time, the Company is unable to make a good faith determination of an estimate or a range of estimates as required by paragraphs (b), (c) and (d) of Item 2.05 of Form 8-K with respect to the Restructuring. The Company will file an amendment to this Current Report on Form 8-K promptly after it makes such a determination.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

Departure of Executive Officers

In connection with the Restructuring, effective January 19, 2022, the Company terminated the employment of Dr. Anthony Polverino, Executive Vice President, Early Development & Chief Scientific Officer. Pursuant to the terms of Dr. Polverino’s employment agreement with the Company, effective September 17, 2018 (the “Polverino Employment Agreement”), subject to Dr. Polverino’s execution and non-revocation of a release of claims in a form acceptable to the Company, Dr. Polverino is entitled to certain post-termination benefits, consisting of payment of 12 months of his current annual base salary (\$440,800) and continuation of benefits for 12 months.

Also in connection with the Restructuring, effective January 19, 2022, the Company terminated the employment of Ms. Kathryn O’Driscoll, Chief People Officer. Pursuant to the terms of Ms. O’Driscoll’s employment agreement with the Company, effective October 14, 2019 (the “O’Driscoll Employment Agreement”), subject to Ms. O’Driscoll’s execution and non-revocation of a release of claims in a form acceptable to the Company, Ms. O’Driscoll is entitled to certain post-termination benefits, consisting of payment of 12 months of her current annual base salary (\$360,500) and continuation of benefits for 12 months.

Completion of Chief Executive Officer Transition

As previously reported on the Company’s Current Report on Form 8-K filed on January 5, 2022, the board of directors (the “Board”) appointed Mr. Kenneth Galbraith, age 59, as President, Chief Executive Officer and Chair of the Board of the Company, effective upon his commencement of employment with the Company. Mr. Galbraith’s employment with the Company commenced on January 15, 2022 (the “Start Date”). Effective as of the Start Date and in connection with Mr. Galbraith’s appointment, Dr. Ali Tehrani resigned from the positions of President and Chief Executive Officer and as a member of the Board. Also effective as of the Start Date, Ms. Lota Zoth, the previous Chair of the Board, was appointed as the Board’s lead independent director. For additional information regarding Mr. Galbraith’s and Ms. Zoth’s appointments and Dr. Tehrani’s resignation and the compensatory arrangements related thereto, please refer to the Company’s Current Report on Form 8-K and the exhibits thereto, filed with the Securities and Exchange Commission on January 5, 2022.

ITEM 8.01 OTHER EVENTS

Also in connection with the Restructuring, effective January 19, 2022, the Company terminated the employment of Mr. James Priour, Chief Commercial Officer.

On January 19, 2022, the Company issued a press release announcing a corporate update on its strategic priorities and the Restructuring. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated herein by reference, except for the Financial Condition Information, which information is furnished as described under Item 2.02.

On January 19, 2022, the Company filed a material change report with Canadian securities regulators regarding the corporate update on its strategic priorities and the Restructuring. A copy of this material change report is attached as Exhibit 99.2 hereto.

Forward-Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements are identified by such words as “believe,” “expect,” “anticipate” and words of similar import and are based on current expectations that involve risks and uncertainties, such as the Company’s plans, objectives, expectations and intentions. All statements other than historical or current facts are forward-looking statements, including, without limitation, statements about the Restructuring, including the expected timing until completion, magnitude of employee headcount reduction, anticipated cost savings, and the terms and conditions, and accounting impact, of any agreements with departing executives. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. These statements, like all statements in this report, speak only as of their date.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated January 19, 2022.
99.2	Material Change Report dated January 19, 2022
104	Cover Page Interactive Data File (embedded as Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ZYMEWORKS INC.

(Registrant)

Date: January 19, 2022

By: /s/ Neil A. Klompas

Name: Neil A. Klompas

Title: Chief Operating Officer and Chief Financial Officer



Zymeworks Provides Corporate Update on Key Strategic Priorities and Outlook for 2022

- *New Chair and CEO, Mr. Kenneth Galbraith, outlines strategic priorities for 2022 and 2023 across key clinical development activities for zanidatamab and ZW49, preclinical R&D pipeline, collaborations and partnerships*
- *Further changes to leadership team announced today in connection with Mr. Galbraith assuming role of Chair and CEO on January 15, 2022*

Vancouver, Canada and Seattle, Washington (January 19, 2022) – Zymeworks Inc. (NYSE: ZYME), a clinical-stage biopharmaceutical company developing multifunctional biotherapeutics, today provided a corporate update on its key strategic priorities for 2022 and 2023 in addition to confirming its upcoming clinical development milestones for zanidatamab and ZW49.

“Upon assuming my new role effective January 15th, we have moved quickly to review and confirm key strategic priorities for the near term and to establish a renewed and smaller leadership team focused on accomplishing those priorities in a prompt, high-quality and cost-efficient manner,” stated new Chair and Chief Executive Officer, Kenneth Galbraith. “We have already begun the process to reset and focus the organization on: (i) timely execution of our clinical development programs for zanidatamab and ZW49 in collaboration with our Asia-Pacific partner, BeiGene; (ii) a streamlined R&D strategy for our technology platforms and preclinical product candidates; (iii) actively seeking additional opportunities to establish further partnerships and collaborations in order to grow our business; and (iv) improving our financial position in order to properly fund our key priorities for 2022 and 2023.”

Mr. Galbraith continued, “As an initial step, we have reset and focused the Company’s operations around our core activities and most promising R&D opportunities. These measures, including the reduction in our workforce announced today, provide opportunities to reduce our future planned expenditures while continuing to fund our key priorities for 2022 and 2023. I am looking forward to reporting our progress against these key priorities over the course of 2022 and 2023 as we reset, focus and build a leading biopharmaceutical company around a renewed organization, and an exciting and expanding pipeline of product candidates with the potential to make a significant difference for patients around the world with difficult-to-treat cancers.”

Key Strategic Priorities for 2022 and 2023

- Fully recruit the HERIZON-BTC-01 pivotal clinical study for zanidatamab by mid-2022;
- Fully recruit the HERIZON-GEA-01 pivotal clinical study for zanidatamab by the end of 2023;
- Complete or close out other ongoing early-stage clinical studies for zanidatamab as data become available, and use these data to identify and support strategic decisions regarding future clinical development opportunities beyond the ongoing pivotal clinical studies;
- Finalize a clear clinical development path for ZW49 based on additional clinical data expected in 2022 from the ongoing Phase 1 clinical trial;

- Select and advance two new antibody-drug conjugate or multispecific product candidates leveraging Zymeworks' novel, therapeutic platforms (Azymetric™, ZymeLink™, EFECT™ and ProTECT™) to IND-enabling studies to provide the ability to submit two Investigational New Drug (IND) applications by the end of 2024;
- Execute on new partnerships and collaborations to support the development and commercialization of zanidatamab and Zymeworks' early-stage R&D pipeline and technology platforms;
- Continue to support and advance Zymeworks' core technology platforms and collaborations; and
- Improve Zymeworks' financial position over 2022 and 2023 through a combination of alternatives, including forming additional partnerships and collaborations, monetizing existing assets and products and securing additional financing.

“By focusing on our key priorities, we can work towards improved operational execution in a cost-effective manner over 2022 and 2023, and position the Company for appropriate and well-managed growth of our clinical and preclinical pipeline as opportunities arise,” said Mr. Galbraith.

R&D Update

“2022 will be an important year for the development of our lead clinical-stage product candidate, zanidatamab, as we continue our efforts in conjunction with our Asia-Pacific partner, BeiGene, to make this potential new therapy available to patients around the world suffering from Biliary Tract Cancer (BTC) and Gastroesophageal Adenocarcinomas (GEA). We look forward to reporting new clinical data at upcoming medical conferences throughout 2022, and announcing next steps in the months ahead for both zanidatamab and ZW49,” stated Dr. Neil Josephson, Chief Medical Officer (CMO) of Zymeworks.

Biliary Tract Cancer (BTC)

- *HERIZON-BTC-01, a pivotal study evaluating zanidatamab in previously-treated advanced HER2-amplified BTC, continues to enroll patients in line with our expectations, including in the Asia-Pacific region with our partner BeiGene*
- *The Company refines its guidance of completing the enrolment in the HERIZON-BTC-01 pivotal clinical study by mid-2022*

Gastroesophageal Adenocarcinoma (GEA)

- *HERIZON-GEA-01, a pivotal study evaluating zanidatamab in 1L HER2-positive GEA, continues to enroll patients in line with our expectations, building off the encouraging clinical data in the 1L GEA setting for zanidatamab in combination with chemotherapy presented at ESMO in September 2021*
- *The Company confirms its guidance of completing enrolment in the HERIZON-GEA-01 pivotal clinical study before the end of 2023*
- *The Company confirms its guidance for providing clinical data for zanidatamab in combination with chemotherapy and tislelizumab in 1L HER2-positive GEA in H1 2022 in conjunction with its Asia-Pacific partner BeiGene*

Other Clinical Development Opportunities for Zanidatamab

- *Early clinical studies continue to advance in important patient populations, including studies conducted in collaboration with BeiGene, ALX Oncology and Pfizer, that will play a role in determining and supporting investment in future clinical development opportunities for zanidatamab beyond the current pivotal studies for BTC and GEA*

- *Zymeworks confirms its guidance for providing data for:*
 - o *zanidatamab in combination with chemotherapy in 1L HER2-positive breast cancer in H1 2022 in conjunction with its Asia-Pacific partner BeiGene, and*
 - o *zanidatamab in combination with Ibrance® and fulvestrant in 3L+ HER2-positive HR-positive breast cancer in H1 2022*

ZW49

- *Dose escalation for the QW dosing schedule as well as expansion cohorts for the Q3W dosing schedule continue to progress*
- *The Company confirms its guidance of providing updated clinical data in H2 2022 that will inform and support clear decisions to be made in 2022 regarding the clinical development path for ZW49 in conjunction with its Asia-Pacific partner BeiGene*

Leadership Team

“In connection with our renewed focus on key strategic priorities for 2022 and 2023, Mr. Neil Klompas, our newly-promoted Chief Operating Officer (COO), Dr. Neil Josephson, our recently-promoted CMO, and I have re-established the leadership team comprised of highly qualified and experienced individuals who will work together with us to reset, focus and build our Company,” stated Mr. Galbraith. “Mr. Klompas will work with me to directly manage and guide our commercial strategy for zanidatamab, our expanded outreach in business development and corporate development, our renewed early-stage R&D strategy for the technology platforms, our efforts to improve our financial position and leadership of our corporate operations. Dr. Josephson will work with me to manage our important clinical-stage development programs for zanidatamab and ZW49, and provide an important leadership function with our talented employees based in Seattle and other regions in the United States.”

“I look forward to working with both of them in their new leadership positions. In addition, we will be immediately commencing a search for an experienced Head of Research and Development to lead our R&D operations and continue building our world-class technology platforms.”

The leadership team is comprised of:

Neil Klompas, CPA, CA – Chief Operating Officer and Chief Financial Officer

Neil Josephson, MD – Chief Medical Officer

Bruce Hart, PhD – Senior VP, Regulatory Affairs

Mark Hollywood – Senior VP, Technical and Manufacturing Operations

Kaycia Wilde, PhD – VP, Clinical Operations

John Fann, PhD – VP, Technical Operations and Process Science

Milan Mangeshkar, PhD – VP, Biometrics

Surjit Dixit, PhD – VP, Technology

David Poon, PhD – VP, Business Development and Alliance Management

Daniel Dex, JD – VP, Legal and Corporate Secretary

Jennifer Kaufman-Shaw, JD, PhD – VP, Intellectual Property

Additional information regarding the background and experience of our leadership team is available on our website in the “[Leadership](#)” section.

In conjunction with the renewed focus on key priorities and desire for cost-efficiency in our operations, ten members (or 50%) of the former senior management team (including the Chief People Officer, Chief Commercial Officer and Chief Scientific Officer/EVP Early Development), will be leaving the Company. Additionally, in line with these reductions in the senior management team, a Company-wide reduction in workforce will be initiated with a target of reducing employee headcount by at least 25% by the end of 2022.

Mr. Galbraith said, “While we sincerely understand and appreciate the personal impact of these changes on employees in our organization, starting immediately, a smaller, more focused workforce is essential for us to improve our operating performance and accomplish our key priorities in a more cost-efficient manner. I am confident in the ability of our Board of Directors, our new leadership team and our dedicated employees to work effectively together as we move forward to carry out the work that we do every day for the benefit of patients in need, our collective success as a workforce, and in the interests of our stockholders to build a successful and valuable biotechnology company.”

Updated Financial Position

The Company provided an update on its financial resources, including having cash, cash equivalents and short-term investments of approximately \$250 M (unaudited) as of December 31, 2021, and reiterated its guidance on a financial runway to fund current operations through at least late 2022. The Company intends to report full Q4 and FY 2021 results and provide any further corporate updates on February 24, 2022.

“We will continue to actively consider a variety of initiatives and options to further improve our financial position during 2022 and 2023, including spending reductions and deferrals, establishing additional collaborations and partnerships, monetizing existing assets and product candidates, and various new financing alternatives in order to provide the necessary funding to continue to pursue our key priorities, and to improve our financial condition for the longer term,” stated Mr. Klompas. “We will be looking at outlicensing, partnership and funding opportunities as they relate to several of our non-core early-stage R&D programs, including product candidates and intellectual property for targeting IL-12, CD47, and MET, as well as a novel ACE2 decoy program targeting SARS-CoV-2. We believe that prudent measures to grow our business in a well-managed and orderly fashion are aligned with the interests of patients in need, our employees and our stockholders, and we look forward to updating our progress on these efforts as and when appropriate.”

To help improve its financial condition for the longer-term, Zymeworks anticipates that it may, from time to time and subject to market conditions and other factors, consider raising additional capital to further support its business, operations and programs.

About Zymeworks Inc.

Zymeworks is a clinical-stage biopharmaceutical company dedicated to the development of next-generation multifunctional biotherapeutics. Zymeworks’ suite of therapeutic platforms and its fully integrated drug development engine enable precise engineering of highly differentiated product candidates. Zymeworks’ lead clinical candidate, zanidatamab, is a novel Azymetric™ HER2-targeted bispecific antibody currently being evaluated in multiple Phase 1, Phase 2, and pivotal clinical trials globally as a targeted treatment option for patients with solid tumors that express HER2. Zymeworks’ second clinical candidate, ZW49, is a novel bispecific HER2-targeted antibody-drug conjugate currently in Phase 1 clinical development and combines the unique design and antibody framework of zanidatamab with Zymeworks’ proprietary ZymeLink™ linker and cytotoxin. Zymeworks is also advancing a deep preclinical pipeline in oncology (including immuno-oncology agents) and other therapeutic areas. In addition, its therapeutic platforms are being leveraged through strategic partnerships with global biopharmaceutical companies. For more information on our ongoing clinical trials visit www.zymeworksclinicaltrials.com. For additional information about Zymeworks, visit www.zymeworks.com and follow [@ZymeworksInc](https://twitter.com/ZymeworksInc) on Twitter.

Cautionary Note Regarding Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and “forward-looking information” within the meaning of Canadian securities laws, or collectively, forward-looking statements. Forward-looking statements in this press release include, but are not limited to, statements that relate to Zymeworks’ expectations regarding implementation of its strategic priorities, including those with respect to its pipeline and R&D strategy; the goal of building a leading biopharmaceutical company; potential financing efforts; preliminary estimates of its year-end cash, cash equivalents and short-term investments and its anticipated financial runway; future financial position; current and future partnerships and strategic collaborations; timing of milestones with respect to zanidatamab, ZW49 and other potential product candidates; guidance relating to anticipated timing of and results from ongoing and planned clinical trials and the reporting of related data; the potential efficacy and commercial potential of technology platforms and product candidates; the ability to advance product candidates into later stages of development; performance of management and the implementation of changes in management; implementation of the reduction in force and related anticipated cost savings; the potential for additional measures to improve Zymeworks’ financial condition; and other information that is not historical information. When used herein, words such as “expect”, “will”, “continue”, “guidance” and similar expressions are intended to identify forward-looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. All forward-looking statements are based upon Zymeworks’ current expectations and various assumptions. Zymeworks believes there is a reasonable basis for its expectations and beliefs, but they are inherently uncertain. Zymeworks may not realize its expectations, and its beliefs may not prove correct. Actual results could differ materially from those described or implied by such forward-looking statements as a result of various factors, including, without limitation: the impact of the COVID-19 pandemic on Zymeworks’ business, research and clinical development plans and timelines and results of operations, including impact on its clinical trial sites, collaborators, and contractors who act for or on Zymeworks’ behalf, may be more severe and more prolonged than currently anticipated; clinical trials may not demonstrate safety and efficacy of any of Zymeworks’ or its collaborators’ product candidates; any of Zymeworks’ or its partners’ product candidates may fail in development, may not receive required regulatory approvals, or may be delayed to a point where they are not commercially viable; regulatory agencies may impose additional requirements or delay the initiation of clinical trials; the impact of new or changing laws and regulations; market conditions; Zymeworks’ assumptions regarding its financial condition may be incorrect; Zymeworks may ultimately not pursue fundraising, may be unsuccessful if it does pursue fundraising or may be unable to fundraise on commercially reasonable terms; Zymeworks may fail to successfully implement the reduction in force or may not recognize the anticipated resulting cost savings; inability to maintain or enter into new partnerships or strategic collaborations; and the other risks described under “Risk Factors” in Zymeworks’ Quarterly Report on Form 10-Q for its quarter ended September 30, 2021 (a copy of which may be obtained at www.sec.gov and www.sedar.com). Consequently, forward-looking statements should be regarded solely as Zymeworks’ current plans, estimates and beliefs. Investors should not place undue reliance on forward-looking statements. Zymeworks cannot guarantee future results, events, levels of activity, performance or achievements. Zymeworks does not undertake and specifically declines any obligation to update, republish or revise any forward-looking statements to reflect new information, future events or circumstances, or to reflect the occurrences of unanticipated events, except as may be required by law.

Contacts:

Investor Inquiries:
Ryan Dercho, Ph.D.
(604) 678-1388
ir@zymeworks.com

Jack Spinks
(604) 678-1388
ir@zymeworks.com

Media Inquiries:
Mary Klem
(604) 678-1388
media@zymeworks.com

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1: Name and Address of Company

Zymeworks Inc. (“Zymeworks” or the “Company”)
1385 West 8th Avenue, Suite 540
Vancouver, BC, Canada
V6H 3V9

Item 2: Date of Material Change

January 19, 2022

Item 3: News Release

A news release announcing the material change was disseminated through the facilities of Business Wire on January 19, 2022 and a copy was filed on the Company’s profile at www.sedar.com.

Item 4: Summary of Material Change

On January 19, 2022, Zymeworks announced a corporate update on its key strategic priorities for 2022 and 2023 in addition to confirming its upcoming clinical development milestones for zanidatamab and ZW49.

Item 5: Full Description of Material Change**5.1 Full Description of Material Change**

On January 19, 2022, Zymeworks announced a corporate update on its key strategic priorities for 2022 and 2023 in addition to confirming its upcoming clinical development milestones for zanidatamab and ZW49.

Key Strategic Priorities for 2022 and 2023

- Fully recruit the HERIZON-BTC-01 pivotal clinical study for zanidatamab by mid-2022;
- Fully recruit the HERIZON-GEA-01 pivotal clinical study for zanidatamab by the end of 2023;
- Complete or close out other ongoing early-stage clinical studies for zanidatamab as data become available, and use these data to identify and support strategic decisions regarding future clinical development opportunities beyond the ongoing pivotal clinical studies;
- Finalize a clear clinical development path for ZW49 based on additional clinical data expected in 2022 from the ongoing Phase 1 clinical trial;
- Select and advance two new antibody-drug conjugate or multispecific product candidates leveraging Zymeworks’ novel, therapeutic platforms (Azymetric™, ZymeLink™, EFECT™ and ProTECT™) to IND-enabling studies to provide the ability to submit two Investigational New Drug (IND) applications by the end of 2024;

- Execute on new partnerships and collaborations to support the development and commercialization of zanidatamab and Zymeworks' early-stage R&D pipeline and technology platforms;
- Continue to support and advance Zymeworks' core technology platforms and collaborations; and
- Improve Zymeworks' financial position over 2022 and 2023 through a combination of alternatives, including forming additional partnerships and collaborations, monetizing existing assets and products and securing additional financing.

R&D Update

Biliary Tract Cancer (BTC)

- *HERIZON-BTC-01, a pivotal study evaluating zanidatamab in previously-treated advanced HER2-amplified BTC, continues to enroll patients in line with the Company's expectations, including in the Asia-Pacific region with the Company's partner BeiGene*
- *The Company refines its guidance of completing the enrolment in the HERIZON-BTC-01 pivotal clinical study by mid-2022*

Gastroesophageal Adenocarcinoma (GEA)

- *HERIZON-GEA-01, a pivotal study evaluating zanidatamab in 1L HER2-positive GEA, continues to enroll patients in line with the Company's expectations, building off the encouraging clinical data in the 1L GEA setting for zanidatamab in combination with chemotherapy presented at ESMO in September 2021*
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- *The Company confirms its guidance for providing clinical data for zanidatamab in combination with chemotherapy and tislelizumab in 1L HER2-positive GEA in H1 2022 in conjunction with its Asia-Pacific partner BeiGene*

Other Clinical Development Opportunities for Zanidatamab

- *Early clinical studies continue to advance in important patient populations, including studies conducted in collaboration with BeiGene, ALX Oncology and Pfizer, that will play a role in determining and supporting investment in future clinical development opportunities for zanidatamab beyond the current pivotal studies for BTC and GEA*

- *Zymeworks confirms its guidance for providing data for:*
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 - *zanidatamab in combination with Ibrance® and fulvestrant in 3L+ HER2-positive HR-positive breast cancer in H1 2022*

ZW49

- *Dose escalation for the QW dosing schedule as well as expansion cohorts for the Q3W dosing schedule continue to progress*
- *The Company confirms its guidance of providing updated clinical data in H2 2022 that will inform and support clear decisions to be made in 2022 regarding the clinical development path for ZW49 in conjunction with its Asia-Pacific partner BeiGene*

Leadership Team

The Company provided an update on the re-establishment of the leadership team. The leadership team is now comprised of:

Neil Klompas, CPA, CA – Chief Operating Officer and Chief Financial Officer

Neil Josephson, MD – Chief Medical Officer

Bruce Hart, PhD – Senior VP, Regulatory Affairs

Mark Hollywood – Senior VP, Technical and Manufacturing Operations

Kaycia Wilde, PhD – VP, Clinical Operations

John Fann, PhD – VP, Technical Operations and Process Science

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Daniel Dex, JD – VP, Legal and Corporate Secretary

Jennifer Kaufman-Shaw, JD, PhD – VP, Intellectual Property

Additional information regarding the background and experience of the Company's leadership team is available on the Company's website in the "[Leadership](#)" section.

In conjunction with the renewed focus on key priorities and desire for cost-efficiency in the Company's operations, ten members (or 50%) of the former senior management team (including the Chief People Officer, Chief Commercial Officer and Chief Scientific Officer/EVP Early Development), will be leaving the Company. Additionally, in line with these reductions in the senior management team, a Company-wide reduction in workforce will be initiated with a target of reducing employee headcount by at least 25% by the end of 2022.

Updated Financial Position

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To help improve its financial condition for the longer-term, Zymeworks anticipates that it may, from time to time and subject to market conditions and other factors, consider raising additional capital to further support its business, operations and programs.

5.2 Disclosure of Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

For further information, please contact Neil Klompas, Chief Operating Officer and Chief Financial Officer of the Company at (604) 678-1388.

Item 9: Date of Report

January 19, 2022