



Zymeworks Inc. Announces Collaboration with Merck to Develop Bi-specific Antibody Therapeutics

Strategic Collaboration Advances Zymeworks' Proprietary Azymetric™ Platform for Developing Therapeutic Antibodies

Vancouver, Canada (August 29, 2011) – Zymeworks Inc. today announced a research collaboration with Merck, known as MSD outside the United States and Canada, around Zymeworks' proprietary Azymetric™ platform for the development of novel bi-specific antibody therapeutic candidates. Bi-specific antibodies are designed to bind to two different drug targets for broad use in clinical applications such as oncology or autoimmune disease.

“We are delighted to establish a strategic collaboration with the exceptional biologics team at Merck to advance our revolutionary bi-specific antibody platform,” Ali Tehrani, Ph.D., CEO of Zymeworks, said. “This is an important validation of our scientific leadership in the field of structure-guided protein engineering and we look forward to working with Merck to realizing the full value of this novel platform technology across a range of therapeutic indications.”

Under the terms of the agreement Zymeworks has granted Merck, through a subsidiary, a worldwide license to develop and commercialize bi-specific antibodies generated through use of the Azymetric™ platform toward certain exclusive therapeutic targets. Both companies will collaborate to advance the technology platform, with Merck working to progress the bi-specific therapeutic antibody candidates through clinical development. Zymeworks will receive an upfront fee and is eligible to receive research, development and regulatory milestones with a potential value of up to US \$187 million, as well as tiered royalty payments on sales of products. Merck will have exclusive worldwide commercialization rights to products derived from the collaboration.

“Zymeworks' technology platform has the potential to provide a unique solution for engineering novel antibodies,” said Richard Murray, Ph.D., senior vice president, biologics research at Merck. “At Merck, we continue to build upon our portfolio of novel technologies aimed at developing a new generation of biologic candidates designed to provide improved therapeutic properties.”

About the Azymetric™ Platform

Antibodies developed using the Azymetric™ platform, unlike native antibodies, consist of two different heavy chains engineered to exclusively assemble into a single molecule, thereby allowing bi-specific binding of two different antigens or drug targets. Due to having two different but complementary heavy chain subunits, Azymetric antibodies are classified as “heterodimeric” antibodies. Similar to natural antibodies, heterodimeric antibodies retain long serum half-lives and the ability to induce effector function.



About Zymeworks Inc.

Zymeworks is a privately held biotechnology company that is developing best-in-class antibody therapeutics for the treatment of oncology, autoimmunity and inflammatory diseases. The company's proprietary ZymeCAD™ structure-guided protein engineering technology and its novel Azymetric™ and AlbuCORE™ platforms enable the development of highly potent bi-specific antibodies and multivalent protein therapeutics targeted across a range of indications. Zymeworks is focused on growing its preclinical biotherapeutics pipeline through in-house research and development programs and strategic collaborations. More information on Zymeworks can be found at www.zymeworks.com.

Contact:

Zymeworks Inc.

David Poon, Ph.D.

Senior Manager, External R&D and Business Development

info@zymeworks.com

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