Zymeworks Announces Updated 2026 Financial Guidance and Final Transaction Details Following Theravance Biopharma Acquisition

September 28, 2026

- *Acquisition diversifies durable cash flows and advances Zymeworks' strategy to build a productive R&D company with a growing portfolio of revenue-generating assets*
- *YUPELRI® expected to contribute immediately accretive revenue and cash flow to Zymeworks with base case mid-teens IRR*
- *Zymeworks to retain existing commercial organization supporting YUPELRI hospital promotion*
- *The Company expects total revenue, including collaboration revenue from YUPELRI, for 2026 to be between $278 million and $292 million and 2026 Adjusted EBITDA to be between $114 million and $128 million*
- *Conference call with Zymeworks management today at 8:30 am Eastern Time (ET)*

VANCOUVER, British Columbia, Sept. 28, 2026 (GLOBE NEWSWIRE) -- Zymeworks Inc. (Nasdaq: ZYME), a biotechnology company managing a portfolio of licensed healthcare assets while developing a diverse pipeline of novel, multifunctional biotherapeutics, today announced the final transaction details and updated financial guidance following the completion of its acquisition of Theravance Biopharma.

The acquisition adds YUPELRI® (revefenacin) to Zymeworks' portfolio, providing a durable, recurring source of cash flow to fund the Company's long-term growth strategy. Through Theravance Biopharma's collaboration with Viatris, Zymeworks is entitled to a 35% share of net U.S. profits from YUPELRI and royalties on net sales outside the United States. In the first half of 2026, total YUPELRI sales of $133.1 million resulted in collaboration revenue to Theravance Biopharma of $38.4 million.

"Zymeworks is uniquely positioned to create value from the acquisition through our existing R&D and operational infrastructure, including the ability to leverage the acquired Irish tax attributes alongside our ongoing R&D activities in Ireland, opportunities that are not readily available to traditional royalty-focused buyers," said Scott Platshon, Chief Business Officer at Zymeworks. "We are pleased to welcome the Theravance Biopharma team to Zymeworks and bring together differentiated assets that add meaningful sources of cash flow to our business. We look forward to building on the combined organizations' strengths as we continue to build a durable, diversified business and work to develop innovative medicines for patients with serious diseases."

Commercial Organization and Integration

Zymeworks intends to retain the current commercial organization responsible for YUPELRI sales through the hospital channel. The team brings established commercial capabilities and relationships that Zymeworks believes can support continued growth of the product within the combined organization. The Company plans to hire a seasoned pharmaceutical executive with experience building and leading commercial pharmaceutical organizations to lead the commercial operations of Theravance Biopharma.

In addition, Stuart Knight will become Executive Vice President and Chief Information Officer of Zymeworks, where Stuart will guide the Company's future technology strategy, including continued investment in the Company's existing AI, machine learning, and data science capabilities. Stuart brings substantial experience in biotech and pharmaceutical companies operating in both the United States and Europe. Stuart will also be joined by Jesse Fecker, Ph.D., J.D., who joins Zymeworks as Vice President, Intellectual Property.

"We are very pleased to have Stuart and Jesse join Zymeworks' leadership team as they both bring additional experience and capabilities that will be helpful as we execute against our long-term strategic objectives," said Kenneth Galbraith, Chair and Chief Executive Officer of Zymeworks.

Zymeworks also retains ownership of Theravance Biopharma's research and development assets, which will be evaluated in the context of the Company's broader pipeline, strategic priorities, and disciplined capital allocation framework. The Company will continue to pursue opportunities to maximize the value of its combined R&D engine through partnerships, collaborations and other strategic structures, including the potential externalization of selected programs where appropriate.

Financial Impact of Theravance Biopharma Acquisition

The acquisition is expected to provide Zymeworks with meaningful and immediate incremental revenue and operating cash flow following closing, including:

- Mid-teens base-case IRR, supported primarily by growth in YUPELRI revenues and a smaller contribution from VIBATIV®. This base case does not include potential upside contributions from utilization of tax attributes or future R&D or business development opportunities.
- 25% growth in YUPELRI hospital sales in the second quarter of 2026, supporting continued margin expansion and increasing operating leverage as net sales continue to scale. Hospital channel growth remains a key driver of the product's continued expansion in the community setting.
- Acquisition and restructuring-related costs, excluding capitalized costs attributed to the OMERS Life Sciences (OMERS) non-recourse financing, of approximately $25-30 million
- $2.5 billion of Irish tax attributes, which may provide additional flexibility to generate value from future Irish revenues, IP structuring and potential acquisitions or investments through the Company's existing Irish R&D operations. No value has been assigned to the utilization of these tax attributes in the transaction valuation or base case IRR, and any future utilization would therefore represent additional upside.
- Potential $100 million TRELEGY ELLIPTA® milestone payment expected in the first quarter of 2027, assuming milestone conditions met, offsetting cash outlay for the purchase price.

Transaction Details

Under the terms of the merger agreement announced on June 29, 2026, Theravance Biopharma shareholders received $17.00 in cash at closing for each share of Theravance Biopharma common stock.

The acquisition was financed through a $350 million non-dilutive, non-recourse note from OMERS, in which 75% of the YUPELRI profit-share cash flows are contractually assigned to OMERS to service the associated debt obligations. In addition, approximately $217.5 million of existing cash resources of Zymeworks was used to finance the remaining purchase price, after utilizing the available cash acquired from Theravance Biopharma. The Company expects this net investment to be reduced upon receipt of a potential milestone payment related to TRELEGY ELLIPTA of $100 million expected in the first quarter of 2027.

During the one-year period from closing of this transaction, a designee of Theravance Biopharma will seek to potentially license, divest or otherwise monetize ampreloxetine, with no additional resources expected from Zymeworks. The economics of any such transaction will be shared 20/80 between Zymeworks and Theravance Biopharma shareholders.

Following completion of the transaction, Theravance Biopharma's common stock is no longer listed for trading on the Nasdaq Global Select Market.

Accounting Treatment

The transaction is expected to be accounted for as a business combination. The purchase price will be allocated to the fair value of the net assets acquired and primarily includes rights related to YUPELRI, with any remaining amount recorded as goodwill. YUPELRI is expected to represent the principal identifiable intangible asset and will be amortized over its estimated useful life, generally through the expected loss-of-exclusivity period.

The right to receive a potential milestone payment based on global net sales of TRELEGY ELLIPTA is expected to be recognized as a financial asset at fair value as of the closing date. Assuming the applicable commercial sales milestone is achieved by December 31, 2026, the related milestone payment of $100 million is expected to be collected in the first quarter of 2027.

The Company also expects to recognize a tax liability due to an uncertain tax position as part of the accounting for the business combination. Upon expiration of the applicable audit period in October 2026, the liability may be reversed, resulting in the recognition of a non-cash income tax benefit in the fourth quarter of 2026.

The Company expects to account for the $350 million non-recourse note issued to OMERS as debt using the prospective effective interest rate method. Until the note is repaid, 75% of the YUPELRI profit-share cash flows will be applied to the payment of principal and interest, with the Company retaining the remaining 25%. Following repayment of the note, the Company will retain 100% of the YUPELRI profit-share cash flows.

The preliminary accounting for the transaction will be reflected in the Company's consolidated financial statements in its Form 10-Q for the quarter ending September 30, 2026, which is expected to be filed in November 2026.

Updated Financial Guidance for 2026

With the completion of the Theravance Biopharma acquisition and the receipt of the U.S. Food and Drug Administration approval of Ziihera® (zanidatamab-hrii) for first-line HER2-positive advanced gastroesophageal adenocarcinoma on August 25, 2026, the Company has provided updated financial guidance utilizing relevant financial metrics that it believes provide a more suitable framework for evaluating operating performance of the business.

"The Company expects total revenue for 2026 to be between $278 million and $292 million and 2026 Adjusted EBITDA to be between $114 million and $128 million, excluding the impact of any future transactions," stated Kristin Stafford, Chief Financial Officer of Zymeworks. "During 2026, we have been able to access a total of $600 million in non-dilutive financing in the form of non-recourse notes at an attractive cost of capital, with proceeds being utilized to fund both the Theravance Biopharma acquisition and continued share repurchases. Our financing strategy and the share repurchase program have focused on minimizing equity dilution to our shareholders. We completed our last public equity offering in January 2022 and have no current plans for additional equity issuances."

Adjusted EBITDA is a non-GAAP financial measure. See "Note Regarding Use of Non-GAAP Financial Measures" below for an explanation of these measures. A reconciliation between GAAP reported and non-GAAP financial information for historical results is provided at the end of this earnings release.

Zymeworks 2026 Share Repurchase Program

In May 2026, the Board of Directors authorized a 2026 share repurchase program under which the Company may repurchase up to $125.0 million of

its outstanding common stock, par value $0.00001 per share. As of September 28, 2026, the Company has utilized approximately $49.3 million of this current approved repurchase program to acquire 1,971,454 shares at an average price of $25.04 per share (exclusive of commission expense and estimated excise tax).

Since initiating its share repurchase program in August 2024, the Company has cumulatively utilized $211.6 million to reacquire 10,571,316 shares at an average price of $20.02 per share (exclusive of commission expense and estimated excise tax). As of September 14, 2026, the Company had approximately 71.2 million common shares outstanding.

Investor Call Details

Zymeworks will host a conference call today with investors and the general public at 8:30 am ET. Dial-in details and webcast link are available on Zymeworks' website at https://ir.zymeworks.com/events-and-presentations. A replay of the webcast will be available within 24 hours following the conclusion of the call and will remain archived for a limited period.

About Zymeworks Inc.

Zymeworks is a global biotechnology company building a diversified portfolio of healthcare assets designed to generate durable cash flows while advancing innovative medicines for difficult-to-treat diseases. Zymeworks' asset and royalty aggregation strategy combines a growing portfolio of commercial and near-commercial assets, including YUPELRI® (revefenacin), with a differentiated internal research and development engine. Zymeworks' portfolio also includes Ziihera ® (zanidatamab-hrii), a HER2-targeted bispecific antibody discovered and developed by Zymeworks and commercialized through global partnerships with Jazz Pharmaceuticals and BeOne Medicines, and pasritamig, a clinical-stage multispecific antibody developed by Johnson & Johnson using Zymeworks' proprietary antibody engineering technologies.

Zymeworks is advancing a diverse pipeline of novel biotherapeutics, leveraging its proprietary Azymetric™ platform and expertise in antibody-drug conjugates, multispecific antibodies and other next-generation antibody technologies. These capabilities, together with Zymeworks' integrated drug development expertise, enable Zymeworks to develop differentiated therapeutics and create value through both internal innovation and strategic partnerships.

For more information about Zymeworks, its portfolio and pipeline, visit www.zymeworks.com and follow @ZymeworksInc on X.

Cautionary Note Regarding Forward-Looking Statements

This press release includes "forward-looking statements" or information within the meaning of the applicable securities legislation, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements in this press release include, but are not limited to, statements that relate to the anticipated benefits of the acquisition of Theravance Biopharma; the anticipated benefits of the financing in connection with the closing of the acquisition; anticipated milestones payments; Zymeworks' ability to utilize Irish tax attributes; Zymeworks' flexibility to invest in its R&D pipeline and pursue strategic opportunities while returning capital to stockholders; future growth of YUPELRI® sales and future royalty payments; sales and future royalty payments related to VIBATIV®; contingent milestone payments due to Theravance Biopharma from the sale of Theravance Biopharma's TRELEGY ELLIPTA ® royalty interests; the repayment of the non-recourse note issued to OMERS Life Sciences; Zymeworks' expectations regarding implementation of its long-term strategy to maximize value creation; Zymeworks' and its partners' clinical development of product candidates; potential safety profile and therapeutic effects of product candidates; the commercial potential of technology platforms and product candidates; the anticipated benefits of its collaboration agreements; the Company's 2026 full year guidance and other information that is not historical information. When used herein, words such as "plan", "believe", "expect", "may", "continue", "anticipate", "potential", "will", "on track", "progress", "preserve", "intend", "could", 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: risks related to the financing in connection with the closing of the acquisition; 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; uncertainties regarding the commercial success of YUPELRI®, TRELEGY and VIBATIV®; the anticipated benefits of the acquisition may not be realized or will not be realized within the expected time period; TRELEGY may not achieve anticipated sales resulting in sales milestones not being met; Zymeworks may not achieve milestones or receive additional payments or royalties under its collaborations; regulatory agencies may impose additional requirements or delay the initiation of clinical trials; the impact of new or changing laws and regulations; market conditions, including the impact of tariffs; potential negative impacts of FDA regulatory delays and uncertainty around recent policy developments, changes in the leadership of federal agencies such as the FDA, staff layoffs, budget cuts to agency programs and research, and changes in drug pricing controls; the impact of pandemics and other health crises 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; zanidatamab may not be successfully commercialized; Zymeworks' business strategy related to anticipated and potential future milestones and royalty streams and existing and potential new partnerships may not be successfully implemented; Zymeworks' evolution of its business strategy may not deliver meaningful stockholder returns; Zymeworks may be unsuccessful in actively managing and/or aggregating revenue-generating assets alongside its active R&D operations; ongoing and future clinical trials may not demonstrate safety and efficacy of any of Zymeworks' or its collaborators' product candidates; data providing early validation of our antibody drug conjugate platform and next generation pipeline programs may not be replicated in future studies; Zymeworks' assumptions and estimates regarding its financial condition, future financial performance and estimated cash runway may be incorrect; inability to maintain or enter into new partnerships or strategic collaborations; the inability of Zymeworks to identify and consummate a strategic acquisition; and the factors described under "Risk Factors" in Zymeworks' quarterly and annual reports filed with the Securities and Exchange Commission (copies of which may be obtained at www.sec.gov and www.sedarplus.ca).

Although Zymeworks believes that such forward-looking statements are reasonable, there can be no assurance they will prove to be correct. Investors should not place undue reliance on forward-looking statements. The above assumptions, risks and uncertainties are not exhaustive. Forward-looking statements are made as of the date hereof and, except as may be required by law, Zymeworks undertakes no obligation to update, republish, or revise any forward-looking statements to reflect new information, future events or circumstances, or to reflect the occurrences of unanticipated events.

Explanation of Non-GAAP Financial Information

In addition to reporting financial information in accordance with U.S. generally accepted accounting principles (GAAP) in this press release, the Company has elected to present Adjusted EBITDA, a non-GAAP financial measure, on a forward-looking basis. Zymeworks believes Adjusted EBITDA provides useful information regarding the Company's underlying operating performance and facilitates comparisons of operating results across periods. Adjusted EBITDA should be considered in addition to, and not as a substitute for, financial measures prepared in accordance with

GAAP. Other companies may calculate Adjusted EBITDA differently or may use other measures to evaluate their performance. Investors and others are encouraged to review Zymeworks' financial information in its entirety and not rely on a single financial measure.

Adjusted EBITDA is calculated as net income (loss), adjusted to exclude income tax expense or benefit, interest income and expense, depreciation and amortization, other non-operating income or expense, share-based compensation expense, and certain other items, including transaction-related costs, restructuring charges and severance costs. A reconciliation of Adjusted EBITDA to net income (loss), its most directly comparable GAAP financial measure, is included in the tables at the end of this press release.

A reconciliation of forward-looking Adjusted EBITDA to the most directly comparable GAAP measures is not available without unreasonable effort due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation. Accordingly, in reliance on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K, we have not provided a reconciliation of forward-looking Adjusted EBITDA provided in this press release. For the same reasons, the Company is unable to address the probable significance of the unavailable information. The Company provides non-GAAP financial measures that it believes will be achieved; however, it cannot accurately predict all of the components of the adjusted calculations, and the GAAP measures may be materially different than the non-GAAP measures.

ZYMEWORKS INC.
GAAP to Non-GAAP Reconciliation
Adjusted EBITDA
(unaudited)
($ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	$ (45.0)	$ 2.3	$ (89.2)	$ (20.3)
Adjustments:				
Income tax benefit / (expense)	(0.3)	(0.2)	(2.5)	0.3
Interest expense / (income), net	3.3	(3.4)	2.7	(6.9)
Depreciation and amortization	1.1	2.5	2.3	5.1
Other non-operating (income) / expense, net	(0.2)	0.6	(0.3)	0.6
Share-based compensation expense	11.3	5.9	18.3	12.3
Transaction-related costs	3.0	—	3.0	—
Restructuring and severance costs	0.1	0.7	3.4	1.2
Adjusted EBITDA	**$ (26.7)**	**$ 8.4**	**$ (62.3)**	**$ (7.7)**

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