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Sutro Biopharma Announces Extension of Cytokine Derivative Research Program Under Collaboration with Merck

SOUTH SAN FRANCISCO, Calif., Sept. 30, 2021 /PRNewswire/ -- Sutro Biopharma, Inc. (NASDAQ: STRO), a clinical-stage drug discovery, development and manufacturing company focused on the application of precise protein engineering and rational design to create next-generation cancer and autoimmune therapeutics, today announced that Merck, known as MSD outside the United States and Canada, has extended the research term for the first cytokine derivative program under the 2018 Merck Agreement, for an additional two years. The research extension is intended to facilitate completion of preclinical research and development activities for a second candidate, which has a novel design and approach. As part of this extension, Sutro is eligible to receive up to $10 million.

"We are encouraged by the strength of the continued research efforts in collaboration with Merck on the cytokine derivative programs," said Trevor Hallam, President of Research and Chief Scientific Officer of Sutro. "This research extension has the potential to produce an additional candidate using a different approach towards the same target. We believe that this productive research program underscores the potential of Sutro's platform to engineer therapeutics with novel design and approach."

About the Merck Collaboration
Under the terms of the 2018 Merck collaboration agreement, Sutro and Merck are conducting preclinical research and development of cytokine derivatives utilizing Sutro's proprietary cell-free protein synthesis and site-specific conjugation platforms, XpressCF® and Xpress CF+™. Merck has exclusive worldwide rights to therapeutic candidates derived from the collaboration. In March 2020, Merck exercised its option to extend the research term of the first collaboration program by one year, which generated a payment of $5 million to Sutro. In April 2021, Merck initiated IND-enabling toxicology studies for the first candidate under the first collaboration program for which Sutro earned a $15 million milestone payment. Additionally, research on a second cytokine derivative program on a separate target is ongoing.

About Sutro Biopharma
Sutro Biopharma, Inc., located in South San Francisco, is a clinical-stage drug discovery, development and manufacturing company. Using precise protein engineering and rational design, Sutro is advancing next-generation oncology therapeutics.

Sutro's proprietary and integrated cell-free protein synthesis platform XpressCF® and site-specific conjugation platform XpressCF+™ led to the discovery of STRO-001 and STRO-002, Sutro's first two internally-developed ADCs. STRO-001 is a CD74-targeting ADC currently under investigation in a Phase 1 clinical trial for patients with advanced B-cell malignancies, and was granted Orphan Drug Designation by the FDA for multiple myeloma.

STRO-002, a folate receptor alpha (FolRα)-targeting ADC, is currently being investigated in a Phase 1 clinical trial for patients with ovarian and endometrial cancers and was granted Fast Track designation by the FDA for ovarian cancer. A third product candidate, CC-99712, a BCMA-targeting ADC, which is part of Sutro's collaboration with Bristol Myers Squibb, formerly Celgene Corporation, is enrolling patients for its Phase 1 clinical trial of patients with multiple myeloma and has received Orphan Drug Designation from the FDA. A fourth product candidate, M1231, a MUC1-EGFR, first-in-class bispecific ADC, which is part of Sutro's collaboration with Merck KGaA, Darmstadt, Germany, known as EMD Serono in the U.S. and Canada (EMD Serono), is enrolling patients for its Phase 1 clinical trial of patients with metastatic solid tumors, non-small cell lung cancer (NSCLC) and esophageal squamous cell carcinoma. These four product candidates above being evaluated in clinical trials resulted from Sutro's XpressCF® and XpressCF+™ technology platforms. Bristol Myers Squibb and EMD Serono have worldwide development and commercialization rights for CC-99712 and M1231, respectively, for which Sutro is entitled to milestone or contingent payments and tiered royalties.

Sutro is dedicated to transforming the lives of cancer patients by creating medicines with improved therapeutic profiles for areas of unmet need. To date, Sutro's platform has led to ADCs, bispecific antibodies, cytokine-based immuno-oncology therapies, and vaccines directed at precedented targets in clinical indications where the current standard of care is suboptimal.

The platform allows it to accelerate discovery and development of potential first-in-class and best-in-class molecules through rapid and systematic evaluation of protein structure-activity relationships to create optimized homogeneous product candidates. In addition to developing its own oncology pipeline, Sutro is collaborating with select pharmaceutical and biotech companies to discover and develop novel, next-generation therapeutics.

Follow Sutro on Twitter, @Sutrobio, and at www.sutrobio.com to learn more about our passion for changing the future of oncology.

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, anticipated clinical development activities and timelines, the pace of the FDA's review of STRO-002, and potential benefits of the company's product candidates and platform. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, the company cannot guarantee future events, results, actions, levels of activity, performance or achievements, and the timing and results of biotechnology development and potential regulatory approval is inherently uncertain. Forward-looking statements are subject to risks and uncertainties that may cause the company's actual activities or results to differ significantly from those expressed in any forward-looking statement, including risks and uncertainties related to the company's ability to advance its product candidates, the receipt and timing of potential regulatory designations, approvals and commercialization of product candidates, the impact of the COVID-19 pandemic on the Company's business, clinical trial sites, supply chain and manufacturing facilities, the Company's ability to maintain and recognize the benefits of certain designations received by product candidates, the timing and results of preclinical and

clinical trials, the Company's ability to fund development activities and achieve development goals, the Company's ability to protect intellectual property, the value of the Company's holdings of Vaxcyte common stock, and the Company's commercial collaborations with third parties and other risks and uncertainties described under the heading "Risk Factors" in documents the company files from time to time with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this press release, and the company undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date hereof.

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