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Sutro Biopharma and Vaxcyte Enter into Option Grant Agreement for the Development and Manufacturing Rights of Cell-Free Extract

- New Agreement Provides Vaxcyte Access to Expanded Rights to Develop and Manufacture Cell-Free Extract, a Key Component of Vaxcyte's Vaccine Candidates -

- Sutro to Receive $22.5 Million in Upfront Payments and is Eligible for Up to an Additional $135 Million Pending Option Exercise and from Other Milestones -

SOUTH SAN FRANCISCO, Calif. and SAN CARLOS, Calif., Dec. 20, 2022 (GLOBE NEWSWIRE) -- Sutro Biopharma, Inc. (Sutro) (NASDAQ: STRO) and Vaxcyte, Inc. (Vaxcyte) (NASDAQ: PCVX) today jointly announced an option grant agreement through which Vaxcyte acquired an option to access expanded rights to develop and manufacture cell-free extract, among other rights. This agreement is an expansion of a nearly decade-long relationship between Sutro and Vaxcyte, during which Sutro has been responsible for supplying Vaxcyte with extract, a key material used to develop Vaxcyte's cell-free vaccine candidates.

"For the first time, Sutro has granted one of its partners for its licensed products rights to expand oversight and control related to the manufacture and development of cell-free extract," said Bill Newell, Sutro's Chief Executive Officer. "Vaxcyte recently announced positive topline data for its 24-valent pneumococcal conjugate vaccine (PCV), VAX-24 and we are thrilled to see this successful outcome given the important role of the XpressCF® cell-free protein synthesis platform in the development of VAX-24. This agreement provides Vaxcyte certain rights today with future optionality to further expand use of the cell-free platform for the development of all its vaccine products. It also underscores the value of Sutro's platform technology and the importance of cell-free extract as an essential element in the creation of novel therapies and vaccines for our own proprietary assets and for our partners' programs."

"We are pleased to expand our relationship with Sutro, as their cell-free protein synthesis platform has broad potential in the development of our current pipeline of innovative vaccines as well as early-stage and future programs," said Grant Pickering, Chief Executive Officer and Co-founder of Vaxcyte. "As we continue to advance VAX-24, our lead PCV candidate, this new agreement will enable us to obtain direct oversight and control of the manufacturing of the cell-free extract for our products and provides additional flexibility going forward. Sutro continues to be a valued partner and this agreement is an exciting step in our long-lasting collaboration."

About the Option Grant Agreement

Under the agreement, Vaxcyte has acquired from Sutro (i) authorization to enter into an agreement with an independent alternate contract manufacturing organization (CMO) to source extract and have direct oversight over financial and operational aspects of the relationship with the CMO; and (ii) a right, but not an obligation, to obtain certain exclusive rights to internally manufacture and/or source extract from certain CMOs and the right to independently develop and make improvements to extract for use in connection with the exploitation of certain vaccine compositions (the Option). As consideration for the Option and other rights and authorizations granted to Vaxcyte under the agreement, Vaxcyte will pay Sutro upfront payments totaling $22.5 million in cash and Vaxcyte common stock. In the event that Vaxcyte elects to exercise the Option, Vaxcyte would pay Sutro $75.0 million in cash in two installments and, upon the occurrence of certain regulatory milestones, additional milestone payments totaling up to $60.0 million in cash. In the event that Vaxcyte undergoes a change of control, certain rights and payments may be accelerated.

About Sutro Biopharma

Sutro Biopharma, Inc., headquartered in South San Francisco, is a clinical-stage oncology company pioneering site-specific and novel-format antibody drug conjugates (ADCs). Sutro has two wholly owned ADCs in the clinic—STRO-002, a folate receptor alpha (FolRα)-targeting ADC, in clinical studies for ovarian and endometrial cancers; and STRO-001, a CD74-targeting ADC, in clinical studies for B-cell malignancies. Additionally, Sutro is collaborating with: Bristol Myers Squibb (BMS) on CC-99712, a BCMA-targeting ADC in the clinic for patients with multiple myeloma; Merck KGaA, Darmstadt, Germany, known as EMD Serono in the U.S. and Canada (EMD Serono), on M1231, a MUC1-EGFR bispecific ADC in clinical studies for patients with solid tumors, particularly non-small cell lung cancer (NSCLC) and esophageal squamous cell carcinoma; Merck, known as MSD outside of the United States and Canada, on MK-1484, a selective IL-2 agonist in clinical studies as a monotherapy and in combination with pembrolizumab for the treatment of solid tumors; and Astellas Pharma (Astellas) on novel modality, immunostimulatory antibody-drug conjugates (iADCs). Sutro's rational design and precise protein engineering has enabled six product candidates in the clinic. Follow Sutro on Twitter, @Sutrobio, and at www.sutrobio.com to learn more about our passion for changing the future of oncology.

About Vaxcyte

Vaxcyte is a vaccine innovation company engineering high-fidelity vaccines to protect humankind from the consequences of bacterial diseases. The Company is developing broad-spectrum conjugate and novel protein vaccines to prevent or treat bacterial infectious diseases. Vaxcyte's lead candidate, VAX-24, is a 24-valent, broad-spectrum, carrier-sparing pneumococcal conjugate vaccine being developed for the prevention of invasive pneumococcal disease. Vaxcyte is re-engineering the way highly complex vaccines are made through modern synthetic techniques, including advanced chemistry and the XpressCF™ cell-free protein synthesis platform, exclusively licensed from Sutro Biopharma, Inc. Unlike conventional cell-based approaches, the Company's system for producing difficult-to-make proteins and antigens is intended to accelerate its ability to efficiently create and deliver high-fidelity vaccines with enhanced immunological benefits. Vaxcyte's pipeline also includes VAX-XP, a PCV with coverage of 31 strains; VAX-A1, a prophylactic vaccine candidate designed to prevent Group A Strep infections; and VAX-PG, a therapeutic vaccine candidate designed to slow or stop the progression of periodontal disease. Vaxcyte is driven

to eradicate or treat invasive bacterial infections, which have serious and costly health consequences when left unchecked. For more information, visit www.vaxcyte.com.

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, the exercise of the Option; anticipated development activities, potential benefits of each Company's product candidates and platform; potential future milestone payments; and Vaxcyte's ability to efficiently create and deliver high-fidelity vaccines with enhanced immunological benefits. 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 each Company's ability to advance its product candidates, the receipt and timing of potential regulatory designations, approvals and commercialization of product candidates and each Company's ability to successfully leverage Fast Track designation, the market size for each Company's product candidates to be smaller than anticipated, the impact of the COVID-19 pandemic on each Company's business, clinical trial sites, supply chain and manufacturing facilities, each 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, each Company's ability to fund development activities and achieve development goals, each Company's ability to protect intellectual property, the value of Sutro's holdings of Vaxcyte common stock, and Sutro's commercial collaborations with third parties. These and other risks are described more fully in Sutro's and Vaxcyte's filings with the Securities and Exchange Commission (SEC), including, without limitation, each Company's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2022 and November 7, 2022, respectively, or in other documents each Company subsequently files with or furnishes to the SEC. 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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