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Sutro Biopharma Announces $85.4 Million Series E Round

-Funds Novel Cancer Treatments, Early-Stage Programs & Platform-Technology Advancement-

-A Boost for Next-Generation Protein Therapies-

SOUTH SAN FRANCISCO, Calif., July 26, 2018 /PRNewswire/ --Sutro Biopharma, Inc., has secured $85.4 million in Series E financing to advance its wholly-owned pipeline of novel cancer therapeutics, including two internally-developed antibody drug conjugates, or ADCs, known as STRO-001, now in Phase 1 clinical testing for lymphoma and multiple myeloma, and STRO-002, which is expected to enter clinical trials for ovarian and endometrial cancer by early 2019. Proceeds will also be used to further early stage programs and continued platform technology advancement. STRO-001 and STRO-002 were developed using Sutro's proprietary cell-free protein synthesis and site-specific conjugation platforms, which facilitate precision design and rapid empirical optimization of protein conjugates to treat cancer and other diseases.

The financing was led by Samsara BioCapital and Surveyor Capital (a Citadel company), and supported by current investors, Alta Partners, Amgen Ventures, Celgene Corporation, Lilly Ventures, Skyline Ventures and SV Health Investors. This financing also includes first-time investments from Eventide, Nexthera Capital, Vida Ventures and funds managed by Tekla Capital Management LLC. Additionally, Merck, known as MSD outside the United States and Canada, has made an investment and has made a commitment to a future investment. Mike Dybbs, PhD, Partner at Samsara BioCapital, will join the Sutro Board of Directors.

"With this latest round of funding, Sutro has raised over $175 million since its founding in 2003 – a vote of confidence in our work on a new generation of novel, targeted therapies with the potential for improved therapeutic profiles," Sutro CEO Bill Newell said.

Sutro's Proprietary Cell-Free Platform

Sutro's XpressCF™ and XpressCF^{+}™ cell-free protein synthesis and site-specific conjugation platforms enable rapid evaluation of a wide variety of protein structures and design and manufacturing of a highly-optimized single molecular species, rather than the usual mixture of imprecisely conjugated antibodies that comprise an ADC made by conventional cell-based manufacturing.

This cell-free technology should allow Sutro to move optimized proteins seamlessly through every stage of development -- from discovery through commercial-stage production, without needing to generate individual cell lines for protein production.

Sutro's manufacturing center in San Carlos, California, is the first and only current cGMP compliant scalable cell-free protein synthesis manufacturing facility and is built to maximize the speed and efficiency of protein production.

Dr. Trevor Hallam, Sutro's chief scientific officer, said: "With XpressCF+™, we incorporate non-natural amino acids into specific positions on the generated antibody for site-specific conjugation of cytotoxins with a linker and warhead to enable consistent, stable, pinpoint placement of STRO-001's toxic payload. This leads to highly efficient delivery of the cytotoxin to tumor cells. By contrast, earlier generations of ADCs can have unpredictable pharmacologic properties, resulting in the potential for sub-optimal stability, compromised efficacy and poor tolerability for patients."

About Sutro Biopharma

Sutro Biopharma, located in South San Francisco, is a clinical-stage drug discovery, development and manufacturing company creating a broad variety of optimally designed, next-generation protein therapeutics for oncology and autoimmune disorders based on its proprietary integrated cell-free protein synthesis and site-specific conjugation platforms, XpressCF™ and XpressCF+™.

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 has designed cytokine-based immuno-oncology therapeutics, ADCs, and bispecific antibodies directed primarily against clinically-validated targets where the current standard of care can be suboptimal.

Sutro's 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. As the pace of clinical development accelerates, Sutro and its partners are demonstrating a more efficient approach to killing tumors without harming healthy cells.

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

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