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Sutro Achieves $10 Million Milestone Payment from Celgene

- Sutro develops successful spray drying technology marking a major advancement in commercial-scale manufacturing capabilities

SOUTH SAN FRANCISCO, Calif., Dec. 19, 2018 /PRNewswire/ -- Sutro Biopharma, Inc. (NASDAQ: STRO), today announced that the company earned $10 million in a milestone payment from Celgene triggered by the successful development of a dry powder XtractCF™ formulation, using spray drying technology, which is well established in the pharmaceutical industry. Dried XtractCF™ is a significant advancement, facilitating the commercial-scale manufacturing of protein therapeutics, using Sutro's proprietary cell-free XpressCF™ technology for its fully owned and partnered programs.

"We highly value the collaborative nature of our partnership with Celgene and continue to deliver on important milestones," said Sutro CEO Bill Newell. "This advancement is yet another validation of our expertise in the field and adds to our successes in developing novel antibody-drug conjugates for the treatment of cancer patients."

This collaboration was originally signed in September 2014 and amended in August 2017. According to the terms of the agreement, Celgene acquired worldwide rights to one collaboration program to reach IND status and maintains an option to obtain worldwide rights to a second collaboration program. Sutro will retain U.S. development and commercialization rights and Celgene will retain ex-U.S. rights for the remaining collaboration programs. Sutro is entitled to development and regulatory milestone payments and royalties from Celgene.

About Spray Drying Technology

Sutro's spray drying technology is used to produce dry powders from liquids and intends to use this technology to support the company's industrial-scale manufacturing of XtractCF™, a proprietary cell-free extract used to produce novel protein therapeutics. Developing XtractCF™ in the form of a dry powder significantly improves manufacturing efficiency, enabling global supply chains to produce commercial-scale protein therapeutics using Sutro's proprietary XpressCF™ technology.

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 and site-specific conjugation platform, XpressCF+™, led to the discovery of STRO-001 and STRO-002, Sutro's first two

internally-developed antibody-drug conjugates, or ADCs. STRO-001 is a potentially first-in-class ADC targeting CD74, a protein highly expressed in multiple myeloma and non-Hodgkin's lymphoma, and is currently in a Phase I study. STRO-002 is a potentially best-in-class ADC targeting folate receptor alpha, a cell-surface protein highly expressed in gynecological cancers.

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 therapies, antibody-drug conjugates, and bispecific antibodies primarily directed at clinically-validated targets for which the current standard of care is 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 developing therapeutics designed to more efficiently kill 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.

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, planned development activities and the 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, obtain regulatory approval of and ultimately commercialize its 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 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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