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Sutro Biopharma Earns Milestone Payment from Bispecific Antibody-Drug Conjugate Collaboration with Merck KGaA, Darmstadt, Germany

SOUTH SAN FRANCISCO, Calif., June 1, 2021 /PRNewswire/ -- Sutro Biopharma, Inc. (NASDAQ: STRO), 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 it has received a milestone payment under its collaboration and license agreement with the healthcare division of Merck KGaA, Darmstadt, Germany, related to a patient enrollment achievement in the Phase 1 dose escalation and expansion study of M1231 in adult patients with metastatic solid tumors, including non-small cell lung cancer (NSCLC) and esophageal squamous cell carcinoma. M1231 is an investigational bispecific antibody-drug conjugate (ADC) targeting MUC1-EGFR.

"The robustness and flexibility of our cell-free platform and our wholly-owned manufacturing facility have enabled the discovery and early clinical supply of M1231," said Bill Newell, Chief Executive Officer of Sutro. "The continuing progress of the program is indicative of the commitment both parties have made to drive development of M1231 and represents an important achievement in the work of the collaboration to address unmet medical needs of cancer patients."

Trevor Hallam, Ph.D., Sutro's President of Research and Chief Scientific Officer added, "This partnership demonstrates the combined strength of Sutro and Merck KGaA, Darmstadt, Germany to expand the boundaries of antibody-drug conjugate. M1231 is a first-in-class investigational bispecific ADC; by targeting both MUC1 and EGFR, M1231 could potentially increase tumor selectivity, payload delivery, and reduce on-target toxicity on normal tissues."

M1231 was generated using Sutro's XpressCF® and Sutro's XpressCF+™ cell-free protein synthesis and conjugation technologies and includes a Sutro proprietary linker-warhead. The ADC is based on Merck KGaA, Darmstadt, Germany's strand-exchange engineered domain (SEED) antibody platform. As part of the agreement, Sutro is manufacturing the antibody and linker-warhead for the early clinical supply and is eligible for further payments and tiered royalties ranging from low to mid-single digit percentages, along with certain additional one-time royalties, on worldwide sales of any commercial products that may result from the collaboration. Merck KGaA, Darmstadt, Germany will be responsible for drug product, clinical development and, upon regulatory approval, the commercialization of this product candidate.

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 being investigated in a Phase 1 clinical trial of patients with advanced B-cell malignancies, including multiple myeloma and non-Hodgkin lymphoma. STRO-001 was granted Orphan Drug Designation by the FDA for multiple myeloma in October 2018. STRO-002 is a folate receptor alpha (FolR α)-targeting ADC, currently being investigated in a Phase 1 clinical trial of patients with ovarian and endometrial cancers. A third product candidate, CC-99712 (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 for multiple myeloma. A fourth product candidate, M1231, (MUC1-EGFR, first-in-class bispecific ADC), which is part of Sutro's collaboration with Merck KGaA, Darmstadt, Germany 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. The four product candidates above being evaluated in clinical trials resulted from Sutro's XpressCF[®] and XpressCF+[™] technology platforms. Bristol Myers Squibb and Merck KGaA, Darmstadt Germany 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 cytokine-based immuno-oncology therapies, ADCs, vaccines and bispecific antibodies 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. 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](https://twitter.com/SutroBio), and at www.sutro.bio 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 preclinical and clinical development activities, timing of announcements of clinical results, potential benefits of the company's product candidates and platform, potential future milestone and royalty payments, and potential market

opportunities for the company's product candidates. 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.

Investor Contacts

Annie J. Chang
Sutro Biopharma
(650) 801-5728
ajchang@sutrobio.com

Media Contacts

Maggie Beller
Russo Partners
(646) 942-5631
Maggie.beller@russopartnersllc.com

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