UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 29, 2024

SUTRO BIOPHARMA, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-38662**	**47-0926186**
(State or other jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

111 Oyster Point Blvd.
South San Francisco, California, 94080
(Address of principal executive offices) (Zip Code)

(650) 881-6500
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common stock, $0.001 par value	STRO	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement

On March 29, 2024, Sutro Biopharma, Inc. (the "***Company***") and Ipsen Pharma SAS ("***Ipsen***") entered into an Exclusive License Agreement (the "***License Agreement***") pursuant to which the Company will license to Ipsen, on an exclusive basis, the right to research, develop, manufacture and commercialize STRO-003. All capitalized terms herein have the definitions assigned to them in the License Agreement unless otherwise defined herein.

In consideration for the rights and licenses granted by the Company to Ipsen in the License Agreement, Ipsen will pay the Company (i) an upfront license fee in the amount of $50 million within thirty days after the effective date of the License Agreement and (ii) Ipsen Biopharmaceuticals, Inc. (USA) (the "***Investor***"), a fully-owned Affiliate of Ipsen, agreed to purchase 4,827,373 shares of the Company's common stock (the "***Company Share Issuance***") for $25 million, at a price per share representing a 17% premium to the volume weighted average price ("***VWAP***") of the Company's common stock for the twenty trading day period prior to the parties' execution of the License Agreement, in accordance with the terms set forth in a certain investment agreement by and between the Company and the Investor dated March 29, 2024 (the "***Investment Agreement***") and attached as Appendix B to the License Agreement.

Further, pursuant to the License Agreement, upon the occurrence of a specified developmental milestone according to a specified timetable, the Company will receive a payment of up to $7 million and Ipsen is obligated to purchase up to an additional $10 million in shares of the Company's common stock at a price per share representing a 17% premium to the VWAP of the Company's common stock for the twenty trading day period prior to such milestone achievement, in accordance with the terms set forth in the Investment Agreement. The Company is also eligible to receive up to an additional $447 million in developmental and regulatory milestones, assuming multiple indications, and up to $360 million in sales milestones as well as tiered royalty payments ranging from low double digit to mid-teen digit percentages of annual net sales of STRO-003, subject to certain adjustments specified in the License Agreement.

The royalty payment obligations under the License Agreement expire on a country-by-country basis no earlier than ten years following the first commercial sale of STRO-003 in the applicable country. Ipsen may terminate the License Agreement for convenience with sixty calendar days prior written notice or for certain other specified reasons. The Company may terminate the License Agreement if Ipsen or any of its Affiliates challenge the validity of any patents controlled by the Company that are licensed under the agreement. Both Ipsen and the Company may terminate the License Agreement (i) for material breach by the other party and a failure to cure such breach within the time period specified in the License Agreement or (ii) the other party's bankruptcy event.

The above description of the License Agreement does not purport to be complete and is qualified in its entirety by reference to the License Agreement, which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024.

Item 3.02. Unregistered Sales of Equity Securities

The description of the Investment Agreement and the Company Share Issuance thereunder set forth in Item 1.01 above is incorporated by reference into this Item 3.02. The Company Share Issuance is being made in a private placement that is exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 7.01. Regulation FD Disclosure

On April 1, 2024, the Company issued a press release announcing the entry into the License Agreement with Ipsen, a copy of which is attached hereto as Exhibit 99.1.

The information in this Item 7.01 of this report, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("***Exchange Act***"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

This Current Report on Form 8-K 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 Company's entry into the exclusive global licensing agreement with Ipsen and potential benefits of such agreement, including potential future payments thereunder, anticipated preclinical and clinical development activities, potential benefits of luvelta and the Company's other product candidates and platform; potential expansion into other indications and combinations, including the timing and development activities related to such expansion; and potential market opportunities for luvelta and the Company's other 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 and the Company's ability to successfully leverage Fast Track designation, the market size for the Company's product candidates to be smaller than anticipated, 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release, regarding the License Agreement, dated April 1, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Sutro Biopharma, Inc.

Date: April 2, 2024

By: /s/ Edward C. Albini
Edward C. Albini
Chief Financial Officer

Press release

Intended for international media and investor audiences only

Exhibit 99.1

Ipsen and Sutro Biopharma announce exclusive global licensing agreement for an ADC targeting solid tumors

»Ipsen secures exclusive global rights for development and commercialization of STRO-003, an antibody-drug conjugate, completing the final stages of pre-clinical development

»STRO-003 targets ROR1, a clinically validated antibody drug conjugate (ADC) target

»STRO-003 has shown robust monotherapy efficacy and potential for a differentiated safety profile in preclinical development in solid tumors and hematological malignancies[i]

PARIS, FRANCE; SAN FRANCISCO, U.S., 02 April 2024 - Ipsen (Euronext: IPN; ADR: IPSEY) and Sutro Biopharma (NASDAQ: STRO, "Sutro", "the Company") today announced an exclusive global licensing agreement for STRO-003. STRO-003, an antibody-drug conjugate (ADC) in the final stages of pre-clinical development, targets the ROR1 tumor antigen which is known to be overexpressed in many different cancer types including solid tumors and hematological malignancies. [i]The agreement gives Ipsen exclusive worldwide rights to develop and commercialize STRO-003 and will be the first ADC candidate joining Ipsen's expanding portfolio.

"The potential for ADCs in oncology is well-documented and we are excited by the addition of STRO-003, Ipsen's first ADC candidate with best-in-class potential." said Mary Jane Hinrichs, SVP and Head of Early Development at Ipsen. "STRO-003 is a next-generation ROR1 ADC, leveraging Sutro's site-specific technology to generate a highly stable conjugate, coupled with exatecan payloads, that have shown significant potential in solid tumors. This is our focus as we prepare to enter Phase I, harnessing Ipsen's global expertise in oncology development, while also reinforcing our commitment to bringing new medicines to patients with few treatment options."

"We are excited to partner STRO-003 with Ipsen to help us reach more patients faster while retaining significant downstream participation in a medicine in which we believe," said Jane Chung, President and Chief Operating Officer at Sutro. "Sutro's research innovation represented in STRO-003 illustrates our leadership in ADC design. We look forward to collaborating with Ipsen's impressive oncology development team to bring a differentiated ROR1-targeted ADC to patients."

ADCs are comprised of three main components: the antibody, payload and linker. The antibody selectively targets an identified tumor antigen, such as ROR1. Payloads are the pharmaceutically active component to treat the cancer, attached to the antibody via a chemical linker. The linker connects the antibody and the payload and reduces the amount of payload that reaches non-tumor tissue.[ii]

Under the terms of the agreement, Ipsen will assume responsibility for Phase I preparation activities, including submission of the Investigational New Drug (IND) application, and all subsequent clinical-development activities and global commercialization activities. Sutro Biopharma is eligible to receive up to $900m in potential upfront, development, regulatory and commercial milestone payments including approximately $90m in near-term payments, including an equity investment, and tiered royalties on global sales, contingent upon successful development and commercialization.

ENDS

About Ipsen

We are a global biopharmaceutical company with a focus on bringing transformative medicines to patients in three therapeutic areas: Oncology, Rare Disease and Neuroscience.

Our pipeline is fueled by external innovation and supported by nearly 100 years of development experience and global hubs in the U.S., France and the U.K. Our teams in more than 40 countries and our partnerships around the world enable us to bring medicines to patients in more than 80 countries.

Ipsen is listed in Paris (Euronext: IPN) and in the U.S. through a Sponsored Level I American Depositary Receipt program (ADR: IPSEY). For more information, visit ipsen.com.

About Sutro Biopharma

Sutro Biopharma, Inc., is a clinical-stage company relentlessly focused on the discovery and development of precisely designed cancer therapeutics, transforming what science can do for patients. Sutro's fit-for-purpose technology, including cell-free XpressCF®, provides the opportunity for broader patient benefit and an improved patient experience. Sutro has multiple clinical stage candidates, including luveltamab tazevibulin, or luvelta, a registrational-stage folate receptor alpha (FolRα)-targeting ADC in clinical studies. A robust pipeline, coupled with high-value collaborations and industry partnerships, validates our continuous product innovation. Sutro is headquartered in South San Francisco. For more information, follow Sutro on social media @Sutrobio, or visit www.sutrobio.com.

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Ipsen Disclaimers and/or Forward-Looking Statements

The forward-looking statements, objectives and targets contained herein are based on Ipsen's management strategy, current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein. All of the above risks could affect Ipsen's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today. Use of the words 'believes', 'anticipates' and 'expects' and similar expressions are intended to identify forward-looking statements, including Ipsen's expectations regarding future events,

including regulatory filings and determinations. Moreover, the targets described in this document were prepared without taking into account external-growth assumptions and potential future acquisitions, which may alter these parameters. These objectives are based on data and assumptions regarded as reasonable by Ipsen. These targets depend on conditions or facts likely to happen in the future, and not exclusively on historical data. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties, notably the fact that a promising medicine in early development phase or clinical trial may end up never being launched on the market or reaching its commercial targets, notably for regulatory or competition reasons. Ipsen must face or might face competition from generic medicine that might translate into a loss of market share. Furthermore, the research and development process involves several stages each of which involves the substantial risk that Ipsen may fail to achieve its objectives and be forced to abandon its efforts with regards to a medicine in which it has invested significant sums. Therefore, Ipsen cannot be certain that favorable results obtained during preclinical trials will be confirmed subsequently during clinical trials, or that the results of clinical trials will be sufficient to demonstrate the safe and effective nature of the medicine concerned. There can be no guarantees a medicine will receive the necessary regulatory approvals or that the medicine will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements. Other risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and healthcare legislation; global trends toward healthcare cost containment; technological advances, new medicine and patents attained by competitors; challenges inherent in new-medicine development, including obtaining regulatory approval; Ipsen's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of Ipsen's patents and other protections for innovative medicines; and the exposure to litigation, including patent litigation, and/or regulatory actions. Ipsen also depends on third parties to develop and market some of its medicines which could potentially generate substantial royalties; these partners could behave in such ways which could cause damage to Ipsen's activities and financial results. Ipsen cannot be certain that its partners will fulfil their obligations. It might be unable to obtain any benefit from those agreements. A default by any of Ipsen's partners could generate lower revenues than expected. Such situations could have a negative impact on Ipsen's business, financial position or performance. Ipsen expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, targets or estimates contained in this press release to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law. Ipsen's business is subject to the risk factors outlined in its registration documents filed with the French Autorité des Marchés Financiers. The risks and uncertainties set out are not exhaustive and the reader is advised to refer to Ipsen's latest Universal Registration Document, available on ipsen.com.

Sutro 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 Company's entry into the exclusive global licensing agreement with Ipsen and potential benefits of such agreement, including potential future payments thereunder, anticipated preclinical and clinical development activities, potential benefits of luvelta and the Company's other product candidates and platform; potential expansion into other indications and combinations, including the timing and development activities related to such expansion; and potential market opportunities for luvelta and the Company's other 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 and the Company's ability to successfully leverage Fast Track designation, the market size for the Company's product candidates to be smaller than anticipated, 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.

References

[i] Preclinical development of STRO-003, a ROR1 targeted antibody-drug conjugate. 14th Annual WADS ADC. San Diego 2023. Available here: https://www.sutrobio.com/wp-content/uploads/2023/10/WADC_SD_2023_HKiefel.pdf

[ii] E. Jabbour, S. Paul, H. Kantarjian. The clinical development of antibody-drug conjugates – lessons from leukemia. *Nature Reviews Clinical Onoclogy.* 2021. 18: 418-433. Available here: https://www.nature.com/articles/s41571-021-00484-2