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 13, 2025

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 Global Market

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 2.02 Results of Operations and Financial Condition

On March 13, 2025, Sutro Biopharma, Inc. (the "Company") issued a press release announcing its financial results for the year ended December 31, 2024. A copy of the press release is attached as Exhibit 99.1 to this report.

The information furnished with Item 2.02 of this report, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "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 Exchange Act or under the Securities Act of 1933, as amended (the "Securities Act"), except as expressly set forth by specific reference in such a filing.

Item 2.05 Costs Associated with Exit or Disposal Activities

On March 13, 2025, the Company announced the completion of a strategic portfolio review resulting in the prioritization of its three wholly-owned preclinical programs in its next-generation ADC pipeline, beginning with its potentially best-in-class exatecan ADC targeting Tissue Factor, STRO 004, expected to enter the clinic in the second half of 2025. As a result of the reprioritization, the Company announced plans to deprioritize additional investment into the development of luveltamab tazevibulin, or STRO-002 or luvelta. As part of the corporate restructuring, the Company plans to deprioritize luvelta-related activities, principally across clinical and manufacturing functions. The Company will continue to explore global outlicensing opportunities for luvelta. In addition, given the Company's significant progress in fully externalizing its cell-free manufacturing to scale, the Company intends to exit its internal GMP manufacturing facility by year-end. The Company also plans to reduce its workforce by approximately 50%.

The total cash payments and costs related to deprioritizing luvelta-related activities and reducing the workforce are estimated to be approximately $40 million to $45 million, with a significant majority of these amounts expected to be paid in 2025. Approximately $20 million to $25 million will be incurred in connection with deprioritizing luvelta-related activities and the remaining approximately $20 million will be incurred in connection with the workforce reduction. These estimates are subject to a number of assumptions and actual results may differ. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the corporate restructuring.

A copy of the press release announcing the corporate restructuring is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Chief Executive Officer Separation and Transition Agreement

On March 13, 2025, the Company and William J. Newell, the President, Chief Executive Officer ("CEO") and Director of the Company, entered into a Separation Agreement (the "Newell Separation and Transition Agreement") following the mutual agreement between the Company's Board of Directors (the "Board") and Mr. Newell regarding transition of leadership of the Company and his departure from his current positions with the Company. Pursuant to the Newell Separation and Transition Agreement, Mr. Newell ceased his role as the Company's President and CEO, effective March 13, 2025, following the filing with the Securities and Exchange Commission of the Company's Annual Report on Form 10-K for the year ended December 31, 2024 (the "Newell Separation Date"), and resigned as a director of the Board, effective as of the Newell Separation Date. In addition, pursuant to the Newell Separation and Transition Agreement, Mr. Newell will continue to provide services to the Company, including reasonable transition services or such other services as the Company may request, through and until May 1, 2025. This mutual agreement was not the result of any disagreement with the Company on any matter relating to its operations, policies or practices.

Subject to Mr. Newell's execution of a general release and waiver of claims and the terms of the Newell Separation and Transition Agreement, Mr. Newell will be entitled to receive the following benefits: (i) two cash payments totaling the gross amount of $1,066,500.00, equal to 150% of his annual salary, with the first payment paid in 2025 and the second payment paid on January 15, 2026; (ii) eighteen months of accelerated vesting on all equity awards under the Company's 2018 Equity Incentive Plan (the "Plan"), (iii) a lump sum payment reflecting Mr. Newell's bonus opportunity for the 2025 fiscal year on a pro-rated basis, based on the Company's percentage achievement of the Company's 2025 corporate goals, as determined by the Board, and to be paid at the same time the Company pays its year-end 2025 bonuses (the "2026

Bonus Payment Date"); (iv) and coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("Cobra") paid for by the Company for up to 18 months beginning June 1, 2025.

The foregoing description of the Newell Separation and Transition Agreement is qualified in its entirety by reference to the complete text of the Newell Separation and Transition Agreement, a copy of which will be filed with the Company's Quarterly Report on Form 10-Q for the three months ending March 31, 2025.

Chief Executive Officer and Board Appointment

Effective as of the Newell Separation Date, the Board appointed Jane Chung, the Company's President and Chief Operating Officer, to succeed Mr. Newell as Chief Executive Officer. Ms. Chung, age 54, has served as the Company's President and Chief Operating Officer since December 2023 and previously served as the Company's Chief Commercial Officer from August 2021 to December 2023. The Board also appointed Ms. Chung as a Class II Director of the Company, effective as of the Newell Separation Date.

In connection with Ms. Chung's appointment as Chief Executive Officer, the Company entered into an amended offer letter with Ms. Chung (the "Chung Offer Letter"). Pursuant to the Chung Offer Letter, Ms. Chung will (i) receive a base salary of $675,000 effective as of the Newell Separation Date, (ii) be eligible to earn a target bonus of 60% of her base salary and (iii) be granted an award of 620,000 stock options and an award of 310,000 restricted stock units, both awards to be granted at the time of the Company's annual 2025 refresh equity grants. Ms. Chung will continue to be a participant in the Company's Change of Control and Severance Plan (the "***CIC Severance Plan***") as a Tier 1 Participant as defined in the CIC Severance Plan

From May 2015 to August 2021, Ms. Chung served in several leadership roles at AstraZeneca, including as President and General Manager of AstraZeneca Canada, Vice President of Sales and Marketing of U.S. lmmuno-Oncology, and Senior Commercial Business Director. Prior to that, from May 2013 to May 2015, Ms. Chung served as a Regional Sales Director and Director of Sales Productivity and Effectiveness for Onyx Pharmaceuticals Inc. From October 2003 to May 2013, she served in various commercial roles for Genentech, Inc., including as Commercial Operations Manager, Division Manager and Senior Marketing Manager. Ms. Chung also serves on the Board of Directors of Viracta Therapeutics, Inc. and on non-profit boards in the science, education, and community development arenas. Ms. Chung received a B.S. in Pharmacy from St. John's University and a B.A. in Psychology from Columbia University.

There are no arrangements or understandings between Ms. Chung and any other persons, pursuant to which she was appointed as Chief Executive Officer, there are no family relationships among any of the Company's directors or executive officers and Ms. Chung, and she has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The foregoing description of the Chung Offer Letter is qualified in its entirety by reference to the complete text of the Chung Offer Letter, a copy of which will be filed with the Company's Quarterly Report on Form 10-Q for the three months ending March 31, 2025.

Ms. Chung is also party to the Company's standard form of indemnification agreement. The form of the indemnification agreement was previously filed by the Company as Exhibit 10.1 to the Form S-1/A filed by the Company with the Securities and Exchange Commission (SEC) on September 17, 2018, and incorporated by reference herein.

Chief Financial Officer Separation and Transition Agreement

On March 13, 2025, the Company and Edward C. Albini, the Chief Financial Officer ("CFO") of the Company, entered into a Separation and Transition Services Agreement (the "Albini Separation and Transition Services Agreement") following the mutual agreement between the Board and Mr. Albini regarding his transition from his current position with the Company, effective as of May 15, 2025 (the "Albini Transition Date"). This mutual agreement was not the result of any disagreement with the Company on any matter relating to its operations, policies or practices.

Subject to Mr. Albini's execution of a general release and waiver of claims and the terms of the Albini Separation and Transition Services Agreement, Mr. Albini will be entitled to receive the following benefits: (i) two cash payments totaling the gross amount of $629,375.40, equal to 125% of his annual salary, with the first payment paid in 2025 and the second payment paid on January 15, 2026; (ii) fifteen months of accelerated vesting on all equity awards under the Plan, (iii) a lump sum payment reflecting Mr. Albini's bonus opportunity for the 2025 fiscal year on a pro-rated basis, based on the Company's percentage achievement of the Company's 2025 corporate goals, as determined by the Board, and to be paid on

the 2026 Bonus Payment Date and (iv) and coverage under Cobra paid for by the Company for up to 15 months beginning June 1, 2025.

The foregoing description of the Albini Separation and Transition Services Agreement is qualified in its entirety by reference to the complete text of the Albini Separation and Transition Services Agreement, a copy of which will be filed with the Company's Quarterly Report on Form 10-Q for the three months ending March 31, 2025.

Chief Medical Officer Separation and Transition Services Agreement

On March 13, 2025, the Company and Dr. Anne Borgman, the Chief Medical Officer ("CMO") of the Company, entered into a Separation and Transition Services Agreement (the "Borgman Separation and Transition Services Agreement") following the mutual agreement between the Board and Dr. Borgman regarding her transition from her current position with the Company, effective as of March 13, 2025 (the "Borgman Transition Date"). Pursuant to the Borgman Separation and Transition Services Agreement, Dr. Borgman will continue to provide services to the Company, including reasonable transition services and such other services as the Company may request, through and until May 1, 2025, and serve as a consultant to the Company. This mutual agreement was not the result of any disagreement with the Company on any matter relating to its operations, policies or practices.

Subject to Dr. Borgman's execution of a general release and waiver of claims and the terms of the Borgman Separation and Transition Services Agreement, Dr. Borgman will be entitled to receive the following benefits: (i) two cash payments totaling the gross amount of $643,750.00, equal to 125% of her annual salary, with the first payment paid in 2025 and the second payment paid on January 15, 2026; (ii) fifteen months of accelerated vesting on all equity awards under the Plan, (iii) a lump sum payment reflecting Dr. Borgman's bonus opportunity for the 2025 fiscal year on a pro-rated basis, based on the percentage achievement of the Company's 2025 corporate goals, as determined by the Board, and to be paid on the 2026 Bonus Payment Date and (iv) and coverage under Cobra paid for by the Company for up to 15 months beginning June 1, 2025.

The foregoing description of the Borgman Separation and Transition Services Agreement is qualified in its entirety by reference to the complete text of the Borgman Separation and Transition Services Agreement, a copy of which will be filed with the Company's Quarterly Report on Form 10-Q for the three months ending March 31, 2025.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	**Description**
99.1	Press Release issued by Sutro Biopharma, Inc. regarding its financial results for the year ended December 31, 2024, dated March 13, 2025.
99.2	Press Release issued by Sutro Bipharma, Inc. announcing the completion of its strategic portfolio review resulting in the prioritization of its Next-Generation ADC Pipeline.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Forward-Looking Statements

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, and other federal securities laws. Any statements contained herein that do not describe historical facts, including, but not limited to, statements regarding the Company's corporate restructuring, its strategic portfolio review and the prioritization of its three wholly-owned preclinical programs in its next-generation ADC pipeline, are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements. Such risks and uncertainties include, among others, the risks identified in the Company's filings with the SEC, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 13, 2025. Any of these risks and uncertainties could materially and adversely affect the Company's results of operations, which would, in turn, have a significant and adverse impact on the Company's stock price. The Company cautions you not to place undue reliance on any forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date they were made or to reflect the occurrence of unanticipated events.

SIGNATURE

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

Sutro Biopharma, Inc.

Date: March 13, 2025

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

Exhibit 99.1

Sutro Biopharma Reports Full Year 2024 Financial Results and Business Highlights

–Sutro announced a strategic portfolio review resulting in prioritization of wholly-owned next-generation ADC programs; Key management changes announced as part of transition–

– Cash, cash equivalents and marketable securities as of December 31, 2024 of $316.9 million, with cash runway expected into at least Q4 2026, excluding anticipated milestones from existing collaborations –

– Conference call today at 2:00 p.m. PT/ 5:00 p.m. ET –

SOUTH SAN FRANCISCO, Calif., March 13, 2025 – Sutro Biopharma, Inc. (Sutro or the Company) (NASDAQ: STRO), an oncology company pioneering site-specific and novel-format antibody drug conjugates (ADCs), today reported its financial results for the full year 2024 and recent business highlights. The Company also announced the completion of a strategic portfolio review resulting in the prioritization of its next-generation ADC pipeline. A conference call will be held today at 2:00 p.m. PT/ 5:00 p.m. ET to discuss the pipeline reprioritization, team restructuring and next steps.

Full Year 2024 Financial Highlights

Cash, Cash Equivalents and Marketable Securities
As of December 31, 2024, Sutro had cash, cash equivalents and marketable securities of $316.9 million, as compared to $388.3 million as of September 30, 2024. Cash runway is expected into at least Q4 2026, excluding anticipated milestones from existing collaborations.

Revenue
Revenue was $62.0 million for the year ended December 31, 2024, as compared to $153.7 million for the year ended December 31, 2023, with the 2024 amount related principally to the Astellas collaboration and the Tasly agreement. Future collaboration and license revenue under existing agreements, and from any additional collaboration and license partners, will fluctuate as a result of the amount and timing of revenue recognition of upfront, milestones, and other agreement payments.

Operating Expenses
Total operating expenses for the year ended December 31, 2024 were $300.5 million, as compared to $243.0 million for year ended December 31, 2023. The year 2024 includes non-cash expenses for stock-based compensation of $24.7 million and depreciation and amortization of $7.2 million, as compared to $24.9 million and $6.8 million, respectively, in the year 2023. Total operating expenses for the year ended December 31, 2024 were comprised of research and development expenses of $252.0 million and general and administrative expenses of $48.5 million.

Restructuring Expenditures: Cash payments resulting from the strategic portfolio review and related restructuring are estimated to be $40 to $45 million. Cost reductions subsequently realized from the restructuring, combined with refocused clinical development priorities give the Company an expected cash runway into at least the fourth quarter of 2026, excluding anticipated milestones from existing collaborations.

Conference Call Details:
The Company will host a conference call and webcast today at 2:00 p.m. PT/ 5:00 p.m. ET. The webcast information will also be available through the News & Events section of the Investors portion of the Company's website at www.sutrobio.com. An archived replay will be available for at least 30 days after the event.

Exhibit 99.1

About Sutro Biopharma
Sutro Biopharma, Inc., is relentlessly focused on the discovery and development of precisely designed cancer therapeutics to transform 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 is advancing a robust early-stage pipeline of novel exatecan and dual-payload antibody drug conjugates (ADCs), coupled with high-value collaborations and industry partnerships, which validate its continuous product innovation. Sutro is headquartered in South San Francisco. For more information, follow Sutro on social media @Sutrobio, or visit www.sutrobio.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, anticipated preclinical and clinical development activities, including enrollment and site activation; timing of announcements of clinical results, trial initiation, and regulatory filings; outcome of discussions with regulatory authorities; potential benefits of the Company's product candidates and platform; potential business development and partnering transactions; potential market opportunities for the Company's product candidates; the timing of exiting the manufacturing facility in San Carlos; the timing and receipt of anticipated future milestone payments; the Company's expected cash runway; and the expected costs and cost reductions associated with the restructuring. 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 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, 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.

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Exhibit 99.1

Sutro Biopharma, Inc.
Selected Statements of Operations Financial Data
(Unaudited)
(In thousands, except share and per share amounts)

	For the year ended December 31		
	2024	**2023**	**2022**
Revenues	$ 62,043	$ 153,731	$ 67,772
Operating expenses			
Research and development	252,043	180,425	137,171
General and administrative	48,453	62,584	59,544
Total operating expenses	300,496	243,009	196,715
Loss from operations	(238,453)	(89,278)	(128,943)
Interest income	18,643	14,510	3,455
Unrealized gain on equity securities	-	9,917	12,130
Non-cash interest expense related to the sale of future royalties	(31,070)	(12,570)	-
Interest and other income (expense), net	25,782	(11,180)	(3,346)
Loss before provision for income taxes	(225,098)	(88,601)	(116,704)
Provision for income taxes	2,363	18,192	2,500
Net loss	$ (227,461)	$ (106,793)	$ (119,204)
Net loss per share, basic and diluted	$ (2.96)	$ (1.78)	$ (2.35)
Weighted-average shares used in computing basic and diluted net loss per share	76,829,198	60,163,542	50,739,185

Sutro Biopharma, Inc.
Selected Balance Sheets Financial Data
(Unaudited)
(In thousands)

	December 31,	
	2024[1]	**2023**[2]
Assets		
Cash, cash equivalents and marketable securities	$ 316,895	$ 333,681
Investment in equity securities	-	41,937
Accounts receivable	8,616	36,078
Property and equipment, net	18,190	21,940
Operating lease right-of-use assets	17,677	22,815
Other assets	25,829	14,285
Total Assets	$ 387,207	$ 470,736
Liabilities and Stockholders' Equity		
Accounts payable, accrued expenses and other liabilities	$ 56,324	$ 64,293
Deferred revenue	82,319	74,045
Operating lease liability	23,154	29,574
Debt	-	4,061
Deferred royalty obligation related to the sale of future royalties	180,809	149,114
Total liabilities	342,606	321,087
Total stockholders' equity	44,601	149,649
Total Liabilities and Stockholders' Equity	$ 387,207	$ 470,736

[1] The condensed balance sheet as of December 31, 2024 was derived from the unaudited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission on March 13, 2025.

[2] The condensed balance sheet as of December 31, 2023 was derived from the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission on March 25, 2024.

Exhibit 99.2

Sutro Biopharma Announces Strategic Portfolio Review Resulting in the Prioritization of its Next-Generation ADC Pipeline

– Sutro will rapidly advance next-generation exatecan and dual-payload ADC programs; luveltamab tazevibulin development to be deprioritized as Sutro continues to seek a partner –

– Three INDs for wholly-owned programs expected in the next 3 years, beginning with novel Tissue Factor ADC, STRO-004, planned for 2H 2025 –

– Jane Chung, President and COO, to succeed Bill Newell as CEO and Board Director –

– Cash, cash equivalents and marketable securities as of December 31, 2024 of $316.9 million, with cash runway expected into at least Q4 2026, excluding anticipated milestones from existing collaborations –

– Conference call today at 2:00 p.m. PT/ 5:00 p.m. ET –

SOUTH SAN FRANCISCO, Calif., March 13, 2025 – Sutro Biopharma, Inc. (Sutro or the Company) (NASDAQ: STRO), an oncology company pioneering site-specific and novel-format antibody drug conjugates (ADCs), today announced the completion of a strategic portfolio review resulting in the prioritization of its three wholly-owned preclinical programs in its next-generation ADC pipeline, beginning with its potentially best-in-class exatecan ADC targeting Tissue Factor, STRO 004, expected to enter the clinic in the second half of 2025.

Additionally, the Company announced that it is deprioritizing additional investment into development of luvelta across all indications and is reducing headcount by nearly 50 percent. The Company will continue to explore global out-licensing opportunities for luvelta, as Sutro still believes in its potential to provide significant benefit to patients with unmet need. Further, given Sutro's significant progress in fully externalizing its cell-free manufacturing to scale, the Company intends to exit its internal GMP manufacturing facility by year-end. As a result of this strategic review and reprioritization, the Company's cash runway is expected into at least the fourth quarter of 2026, excluding anticipated milestones from existing collaborations.

The Company also announced that Bill Newell and Sutro's Board of Directors have mutually agreed that it is the right time to transition leadership. Jane Chung, President and Chief Operating Officer, will assume the responsibilities of Chief Executive Officer and Board member from Mr. Newell, effective today. Mr. Newell will continue to be available at the Company's request in an advisory capacity through the transition.

"It has been a privilege to be the CEO of Sutro, and I am proud of what the team has accomplished. As the Company begins this exciting new phase, I want to express my utmost confidence in Jane to advance the Company's leadership in next-generation ADCs," said Bill Newell. "The decision to reallocate resources from the development of luvelta was difficult, as we remain steadfast in our belief in its significant potential to benefit patients with cancer. Most importantly, we would like to thank the patients, their families, clinicians, partners and employees who made our luvelta program possible."

“Our strategic portfolio review determined that the best path forward is to prioritize our next-generation exatecan and dual-payload ADC programs,” said Jane Chung, Sutro’s Chief Executive Officer. “This shift in focus will result in considerable reduction of operating costs and allow us to chart a new future for Sutro. We believe the programs we selected are high-value, potentially best-in-class candidates that harness our unique ability to address the most complex biology. Over the next three years, we plan to file three INDs for our wholly-owned programs. In addition, Sutro remains committed to our existing strategic collaborations which have the potential to generate up to $2 billion in milestone payments, in addition to royalties.”

Commented Connie Matsui, Sutro’s Board Chair: “We are grateful for Bill’s many years of service and dedication to Sutro, in particular for leading the development of our trailblazing cell-free platform, and for his support of the Company’s new direction. We are also appreciative of the many significant contributions made by the employees who are departing.”

Pipeline Priorities and Organizational Changes

Wholly-Owned Sutro Programs:

- **STRO-004:** Sutro’s novel exatecan Tissue Factor ADC, has been prioritized as the Company’s lead program, with an initial focus in solid tumors. The Company is preparing to submit an IND in the second half of 2025.
- **STRO-006:** Sutro’s differentiated integrin beta-6 ADC is expected to enter clinical development in 2026 aimed at multiple solid tumors.
- **Dual-Payload Program: A**n IND for Sutro’s first wholly-owned dual-payload ADC is anticipated to be filed in 2027.

Existing Collaborations for Next-Generation ADCs:

- **Ipsen:** A drug development program is ongoing with Ipsen for STRO-003, a ROR1 ADC.
- **Astellas:** Two research and development programs are ongoing with Astellas for dual-payload immunostimulatory ADCs (iADCs).

These collaborations remain a strategic priority given their long-term value creation potential and the increasing relevance of specialized ADCs in the treatment of cancer.

Organization:

- **Headcount and Operations:** As part of this restructuring, Sutro will reduce its organizational headcount by nearly 50 percent. These changes are in process and are expected to be substantially complete by the end of 2025. Manufacturing capabilities to support the next-generation ADC pipeline have been fully established and scaled up externally.

  As a result, Sutro’s operations at its manufacturing facility in San Carlos are expected to cease by year end 2025.
- **Management:** Jane Chung, President and Chief Operating Officer, will assume the responsibilities as Chief Executive Officer and will be appointed as a member of the Board today. Bill Newell is stepping down as Chief Executive Officer and as a member of the Board, also effective today. He will continue to be available at the Company’s request in an advisory capacity through the transition.

Financial:

- **Restructuring Expenditures:** Cash payments associated with this decision are estimated to be $40 to $45 million. Cost reductions subsequently realized from the restructuring, combined with refocused clinical development priorities give the Company an expected cash runway into at least the fourth quarter of 2026, excluding anticipated milestones from existing collaborations. The Company reports cash, cash equivalents and marketable securities as of December 31, 2024 of $316.9 million.
- **Luvelta Deprioritization:** Despite promising clinical data, the Company made the difficult decision to deprioritize additional investment into development of luvelta and focus its resources on its early pipeline. Sutro continues to explore out-licensing opportunities to deliver the promise of luvelta's benefit to patients with unmet need in platinum resistant ovarian cancer and beyond.

The Company will host a conference call and webcast today at 2:00 p.m. PT/ 5:00 p.m. ET. The webcast information will also be available through the News & Events section of the Investors portion of the Company's website at www.sutrobio.com. An archived replay will be available for at least 30 days after the event.

About Sutro Biopharma

Sutro Biopharma, Inc., is relentlessly focused on the discovery and development of precisely designed cancer therapeutics to transform 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 is advancing a robust early-stage pipeline of novel exatecan and dual-payload antibody drug conjugates (ADCs), coupled with high-value collaborations and industry partnerships, which validate its continuous product innovation. Sutro is headquartered in South San Francisco. For more information, follow Sutro on social media @Sutrobio, or visit www.sutrobio.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, anticipated preclinical and clinical development activities, including enrollment and site activation; timing of announcements of clinical results, trial initiation, and regulatory filings; outcome of discussions with regulatory authorities; potential benefits of the Company's product candidates and platform; potential business development and partnering transactions; potential market opportunities for the Company's product candidates; the timing of exiting the manufacturing facility in San Carlos; the timing and receipt of anticipated future milestone payments; the Company's expected cash runway; and the expected costs and cost reductions associated with the restructuring. 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 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, 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.

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