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): May 11, 2020

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.)**

310 Utah Avenue, Suite 150,
South San Francisco, California, 94080
(Address of principal executive offices) (Zip Code)

(650) 392-8412
(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	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 May 11, 2020, Sutro Biopharma, Inc. issued a press release announcing its financial results for the period ended March 31, 2020. 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, except as expressly set forth by specific reference in such a filing.

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 period ended March 31, 2020, dated May 11, 2020.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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: May 11, 2020

By: /s/ Edward Albini

Edward Albini
Chief Financial Officer

Exhibit 99.1

Sutro Biopharma Reports First Quarter 2020 Financial Results and Recent Business Highlights and Developments

STRO-002 Encouraging Interim Phase 1 Clinical Data from an Ongoing Dose Escalation Study in Ovarian Cancer Presented at the AACR Virtual Meeting

STRO-001 Phase 1 Clinical Trial and Dose Escalation Ongoing in Multiple Myeloma and Lymphoma

Merck Extends Research Term of Collaboration's First Cytokine-Derivative Program

Sutro Unveils Innovative Cancer Therapy Approach Using Precise Tumor Targeted Immunostimulant Antibody-Drug Conjugate at World ADC London

SOUTH SAN FRANCISCO, Calif., May 11, 2020 – Sutro Biopharma, Inc. (NASDAQ: STRO), a clinical-stage drug discovery, development and manufacturing company focused on the application of precise protein engineering and rational design to create next-generation oncology therapeutics, today reported its financial results for the quarter ended March 31, 2020 and its recent business highlights and developments.

"We are pleased with the encouraging dose escalation safety and anti-tumor activity data from our Phase 1 clinical trial for STRO-002, including data presented during the AACR Virtual Meeting on April 27, 2020," said Bill Newell, Sutro's Chief Executive Officer. "These STRO-002 data demonstrate preliminary evidence of anti-tumor activity, particularly in a heavily pre-treated patient population along with an emerging safety profile that indicates that the product candidate is generally well tolerated. Our two proprietary antibody-drug conjugate (ADC) product candidates, STRO-001 and STRO-002, are progressing in Phase 1 clinical trials. With the ongoing COVID-19 pandemic, Sutro is committed to the health and safety of patients receiving our therapies and our employees and expects our trials and drug supply to remain on track while reducing the risks to our employees as much as possible. Additionally, each of our three current collaborations has yielded a novel oncology product candidate in clinical development or in the late stages of preclinical development, all of which were discovered, developed, and are manufactured using our proprietary and integrated cell-free protein synthesis platform XpressCF® and site-specific conjugation platform XpressCF+™."

Recent Business Highlights and Developments

STRO-002 Clinical Program

- STRO-002 is a potential best-in-class ADC directed against folate receptor-alpha (FolRα), which is highly expressed in ovarian cancer.
- The STRO-002 Phase 1 clinical trial is currently in dose-escalation, with 30 heavily pre-treated patients enrolled through April 20, 2020, who have recurrent platinum resistant or refractory ovarian cancer
- Encouraging updated dose-escalation safety and efficacy data were presented on April 27, 2020:
  - 62% of patients saw a reduction in CA-125 levels of 50% or more or a normalization of CA-125 levels;
  - 35% of patients who were evaluable for progression have stayed on study for longer than 24 weeks;
    - 11 patients at 5.2 milligrams per kilogram or higher were continuing on study and had not yet reached 24 weeks

- 75% of patients had initial post-baseline scans showing stable disease or a partial response;
- 100% of evaluable patients who had a CA-125 reduction of 50% or more or normalization achieved stable disease (confirmed or unconfirmed) or a partial response and are still on study; and
- Generally well-tolerated in this heavily pre-treated patient population with a median of five prior lines of other therapies-–89% of adverse events were grade 1 or 2-–and prophylactic corticosteroid eye drops have not been necessary

- Dose escalation in the Phase 1 trial is continuing and while the maximum tolerated dose has not yet been reached, Sutro is currently exploring the 5.2 to 6.0 mg/kg dose range, as evaluation of the recommended Phase 2 dose for multiple planned treatment cycles continues.
- Additional Phase 1 dose-escalation safety and anti-tumor activity data are expected in the second half of 2020.
- Dose expansion portion of the Phase 1 clinical trial is expected to begin enrolling patients in the second half of 2020.

STRO-001 Clinical Program

- STRO-001 is a potential first-in-class and best-in-class ADC directed against CD74, which is highly expressed in many B cell malignancies.
- The STRO-001 Phase 1 clinical trial is currently in dose-escalation, enrolling patients with multiple myeloma and non-Hodgkin lymphoma
- Initial safety data of STRO-001 was presented at the EHA Congress in June 2019, and a safety data update, which included several additional patients, was released in an abstract in association with the American Society of Hematology Conference on November 6, 2019.
- Based on the reported data to date in heavily pre-treated patients, STRO-001 has been generally well-tolerated and no ocular toxicity signals have been observed, with no patients receiving prophylactic corticosteroid eye drops.
- Dose escalation in the Phase 1 trial is continuing and the maximum tolerated dose has not yet been reached.
- Additional Phase 1 dose-escalation safety and efficacy data is expected in the second half of 2020.
- Dose expansion portion of the Phase 1 clinical trial is expected to begin enrolling patients in the first half of 2021.

Cytokine-Derivative Programs (Collaboration with Merck & Co.)

- Sutro is collaborating with Merck on two research programs to discover new therapeutics for cancer and autoimmune diseases. Merck has the right to nominate a third program under this collaboration.
- In March 2020, Merck extended by one year the research term of the collaboration's first program, which included a payment to Sutro. The collaboration is advancing Sutro's novel cytokine-derivative product candidate towards IND-enabling studies.

BCMA ADC Clinical Program (Collaboration with Bristol Myers Squibb; formerly Celgene)

- BMS received FDA clearance on its IND application for CC-99712, a novel ADC therapeutic targeting B-cell maturation antigen (BCMA), for the treatment of multiple myeloma in the second quarter of 2019.

- Since trial initiation in the second half of 2019, BMS has been enrolling patients in a Phase 1 trial focused on patients with relapsed and refractory multiple myeloma.
- BMS will be responsible for the worldwide clinical development and commercialization of CC-99712. Sutro is entitled to development and regulatory milestone payments and tiered royalties ranging from mid to high single digit percentages from BMS.

Bispecific ADC Clinical Development Candidate (Collaboration with EMD Serono)

- In the third quarter of 2019, EMD Serono designated an undisclosed bispecific ADC as a clinical development candidate with approval to advance to IND-enabling studies, which triggered a financial milestone received by Sutro.
- Sutro is the manufacturer for the bispecific ADC for the early clinical supply of the candidate and is eligible for further milestones and royalties. EMD Serono will be responsible for the drug product and the clinical development and commercialization of this clinical development candidate.

24-Valent Pneumococcal Conjugate Vaccine (SutroVax Relationship)

- Under a license from Sutro, SutroVax has right to use the XpressCF® and XpressCF+™ platforms to discover and develop vaccine candidates for the treatment or prophylaxis of infectious diseases.
- SutroVax is progressing their broader spectrum pneumococcal conjugate vaccine (SVX-24) through the late stages of preclinical development and is targeting an IND filing for 2021.
- SutroVax is responsible for performing all research and development activities while Sutro provides technical support and supplies XtractCF™ and other materials to SutroVax under a supply agreement.
- Sutro is eligible to receive four percent (4%) royalties on worldwide net sales of any licensed vaccine candidates for human health use. Also, Sutro retains the right to discover and develop vaccines for treatment or prophylaxis of any disease not caused by an infectious pathogen, including cancer.

Sutro Unveils Innovative Cancer Therapy Approach Using Precise Tumor Targeted Immunostimulant ADCs at World ADC London

- On March 4, 2020 at the World ADC London meeting, Sutro announced it has expanded its ADC technology platform to include tumor targeting immunostimulant ADCs, or IADCs.
- Sutro's XpressCF+™ Platform has enabled a groundbreaking technology to engineer homogeneous, dually conjugated ADCs with both immunostimulant and cytotoxic warheads on a single ADC molecule.
- Sutro's novel IADCs are designed to deliver two different drugs directly to the tumor, and not only kill tumor cells but also locally prime an immune response to the patient's particular tumor cells. Sutro believes that its IADC approach creates a new therapeutic opportunity by combining the best features of an ADC with the biology of a personalized vaccine.

First Quarter 2020 Financial Highlights

Cash, Cash Equivalents and Marketable Securities

As of March 31, 2020, Sutro had cash, cash equivalents and marketable securities of $129.6 million, as compared to $133.5 million as of December 31, 2019, which represents net cash usage of $3.9 million during the first quarter of 2020.

On February 28, 2020, Sutro entered into a loan and security agreement, under which Sutro borrowed $25.0 million, with approximately $9.6 million of such amount used to repay the outstanding principal, interest and final payment fees under a prior loan with the same lenders.

Revenue

Revenue was $7.2 million for the quarter ended March 31, 2020, compared to $8.6 million in the corresponding 2019 quarter, principally related to the Merck, BMS, and EMD Serono collaborations. Future collaboration revenue from Merck, BMS, and EMD Serono, and from any future collaboration partners, will fluctuate as a result of the amount and timing of revenue recognition of upfront, milestones and other collaboration agreement payments.

Operating Expenses

Total operating expenses for the quarter ended March 31, 2020 were $26.3 million, compared to $22.9 million in the corresponding 2019 quarter, including non-cash stock-based compensation of $2.7 million and $2.3 million, and depreciation and amortization expense of $1.1 million and $1.1 million, in the 2020 and 2019 quarters, respectively. Total operating expenses for the first quarter 2020 were comprised of research and development expenses of $17.6 million and general and administrative expenses of $8.7 million, with both expense types expected to increase in 2020 as Sutro's internal product candidates advance in clinical development and additional general and administrative expenses are incurred as a public company.

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 (FolRα)-targeting ADC, currently being investigated in a Phase 1 clinical trial of patients with ovarian and endometrial cancers. This is the second product candidate to be evaluated in clinical trials resulting from Sutro's XpressCF® and XpressCF+™ technology platforms. A third program, 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. Sutro's proprietary technology was responsible for the discovery and manufacturing of CC-99712, for which Bristol Myers Squibb has worldwide development and commercialization rights. Sutro is entitled to development and regulatory milestone payments and tiered royalties from Bristol Myers Squibb for this BCMA ADC. 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, ADCs, vaccines 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.

Additional multimedia content from Sutro regarding STRO-001 and STRO-002 can be found here and here.

Follow Sutro on Twitter, @Sutrobio, and at www.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, anticipated preclinical and clinical development activities, timing of announcements of clinical results, potential benefits of the company's product candidates and platform 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, 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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Sutro Biopharma, Inc.
Selected Statements of Operations Financial Data
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2020	**2019**
Revenues	$ 7,152	$ 8,629
Operating expenses		
Research and development	17,619	15,180
General and administrative	8,713	7,715
Total operating expenses	26,332	22,895
Loss from operations	(19,180)	(14,266)
Interest income	641	1,176
Interest and other income (expense), net	(1,056)	(1,160)
Net loss	$ (19,595)	$ (14,250)
Net loss per share	$ (0.84)	$ (0.62)
Weighted-average shares used in computing net loss per share	23,197,971	22,865,075

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

	March 31, 2020 (1)	**December 31, 2019 (2)**
Assets		
Cash, cash equivalents and marketable securities	$ 129,582	$ 133,473
Accounts receivable	9,079	6,298
Property and equipment, net	9,527	9,633
Other assets	5,687	6,966
Total Assets	$ 153,875	$ 156,370
Liabilities and Stockholders' Equity		
Accounts payable and other liabilities	$ 9,649	$ 13,045
Deferred revenue	37,986	35,660
Debt	24,155	9,876
Total liabilities	71,790	58,581
Total stockholders' equity	82,085	97,789
Total Liabilities and Stockholders' Equity	$ 153,875	$ 156,370

(1) The condensed balance sheet as of March 31, 2020 was derived from the unaudited financial statements included in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed with the Securities and Exchange Commission on May 11, 2020.

(2) The condensed balance sheet as of December 31, 2019 was derived from the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Securities and Exchange Commission on March 16, 2020.