Seres Therapeutics Announces $250 Million Debt Financing with Oaktree

April 27, 2023

– Company to receive proceeds of $110 million upon closing of the agreement –

– Financing to support commercial launch of VOWST™ and fund pipeline development –

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Apr. 27, 2023-- Seres Therapeutics, Inc. (Nasdaq: MCRB), a leading microbiome therapeutics company, today announced that it has entered into a new $250 million senior secured debt facility ("Term Loan Facility") provided by funds managed by Oaktree Capital Management, L.P. ("Oaktree"). The Company drew the first tranche of $110 million at closing, with three additional tranches available. These additional tranches include $90 million that will be available in two tranches of $45 million each based upon the achievement of certain applicable VOWST sales targets, and an additional $50 million will be available to the Company at Oaktree's discretion to support potential future business development activities.

Of the $110 million advanced by Oaktree at closing, approximately $53 million retires outstanding debt, and after deducting fees and expenses, the net proceeds to the Company are approximately $50 million. The Term Loan Facility carries an interest rate equal to the three-month secured overnight financing rate ("SOFR") plus 7.875%, with the interest rate capped at 12.875% per annum. The Term Loan Facility is expected to mature six years from funding and carries an initial interest only period for the first three years, which may be extended to six years based upon the achievement of certain VOWST sales targets.

"This flexible debt offering from Oaktree provides Seres with support for the upcoming commercial launch of VOWST, the first orally administered microbiota-based therapeutic to prevent recurrence of *C. difficile* Infection (CDI) in adults following antibacterial treatment for recurrent CDI (rCDI), as well as for the advancement of Seres' additional microbiome therapeutic candidates, including SER-155. Oaktree is one of the top capital providers for innovative biopharma companies, and we look forward to working closely together," said David Arkowitz, Chief Financial Officer at Seres.

"With the approval of VOWST, Seres has firmly established itself as a leader in the exciting microbiome therapeutics field. We see a tremendous opportunity for VOWST and Seres' multiple innovative pipeline programs to fill significant unmet medical needs across a variety of therapeutic areas. We are delighted to be collaborating with the Company during its next phase of growth and playing a role in bringing an entirely new treatment modality to patients," said Aman Kumar, Co-Portfolio Manager of Life Sciences Lending at Oaktree.

Oaktree is a leading provider of debt and royalty financing for the global life sciences industry. Since 2020, funds managed by Oaktree have committed over $3.0 billion across 31 investments for companies across the healthcare spectrum.

Morgan Stanley & Co. LLC acted as sole structuring agent to the Company. Latham & Watkins LLP served as legal counsel to Seres. Sullivan & Cromwell LLP served as legal counsel to Oaktree.

About Seres Therapeutics
Seres Therapeutics, Inc. (Nasdaq: MCRB) is a commercial-stage company developing novel microbiome therapeutics for serious diseases. Seres' lead program, VOWST™, obtained U.S. FDA approval in April 2023 as the first orally administered microbiota-based therapeutic to prevent recurrence of *C. difficile* infection (CDI) in adults following antibacterial treatment for recurrent CDI and is being commercialized in collaboration with Nestlé Health Science. Seres is evaluating SER-155 in a Phase 1b study in patients receiving allogeneic hematopoietic stem cell transplantation to reduce incidences of gastrointestinal infections, bloodstream infections and graft-versus-host disease as well as additional preclinical stage programs targeting Infection Protection in medically compromised patients. The Company is also conducting research to inform further development of microbiome therapeutics for ulcerative colitis.

For more information, please visit www.serestherapeutics.com.

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including the receipt of future funding tranches; future business development activities; the achievement of sales milestones; and other statements which are not historical fact.

These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: we have incurred significant losses, are not currently profitable and may never become profitable; our need for additional funding; our limited operating history; the impact of the COVID-19 pandemic; our unproven approach to therapeutic intervention; the lengthy, expensive and uncertain process of clinical drug development; our reliance on third parties and collaborators to conduct our clinical trials, manufacture our product candidates and develop and commercialize our product candidates, if approved; and our ability to retain key personnel and to manage our growth. These and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC), on March 7, 2023, and our other reports filed with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management's estimates as

of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

View source version on businesswire.com: https://www.businesswire.com/news/home/20230427005329/en/

IR and PR:
Carlo Tanzi, Ph.D.
ctanzi@serestherapeutics.com

Source: Seres Therapeutics, Inc.