



Outset Medical Announces \$91 Million in New Funding for First-Of-Its-Kind FDA-Cleared Dialysis Technology

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Financing To Support Commercial Launch and Ongoing Clinical Trials for Expanded Indications

SAN JOSE, Calif. — Outset Medical, a company focused on reimagining the experience of dialysis care for patients with kidney disease, today announced \$91 million in equity and debt funding. New investor Fidelity Research and Management Company led the \$51 million equity financing, with participation from existing investors Warburg Pincus and The Vertical Group, as well as new investors Partner Fund Management LP, Perceptive Advisors and CRG. In addition, CRG led a \$40 million debt financing.

Outset Medical's Tablo™ System is the first to combine consumer product simplicity, wireless connectivity and real-time integrated water purification to create a 35-inch dialysis clinic on wheels. Tablo has been cleared by the U.S. Food and Drug Administration (FDA) for use in acute and chronic care settings such as dialysis clinics and hospitals.

The company will use proceeds from the financing to begin a controlled commercial introduction this year and to pursue expanded FDA clearance to allow patients to use Tablo at home. The FDA recently approved an investigational device exemption (IDE) trial to evaluate the safety and efficacy of Tablo in this setting.

"We are gratified by the strong showing of support from existing and new investors who share our vision of expanding where, how and who can perform hemodialysis," said Leslie Trigg, Outset Medical's CEO. "Today, hemodialysis is labor-intensive and expensive to provide, and many patients lack flexibility and control over the experience. Tablo uniquely enables new care delivery models that may offer significant cost reduction opportunities for providers while substantially improving the experience for patients."

"Dialysis is a life-sustaining therapy that has changed very little in the last few decades," said Glenn M. Chertow, M.D., Norman S. Coplon/Satellite Healthcare Professor of Medicine and Chief of the Division of Nephrology at Stanford University School of Medicine. "I am excited about the ways Tablo can offer expanded choices for dialysis patients. Many patients who receive dialysis want more control over the experience and want to live fuller, more independent lives. These patients are extremely capable, and with improved technology, could take the lead in their own dialysis care with minimal assistance. Other areas of medicine suggest that when people are directly engaged in their care, they live longer and feel better."

Dialysis is delivered several times per week to remove waste products and excess fluid from patients with kidney failure. With 460,000 patients in the United States dialyzing at least three times per week, more than 72 million dialysis treatments take place each year. According to the 2011 United States Renal Data System (USRDS), the annual cost of dialysis to Medicare exceeds \$34 billion.

"As the first institutional investor in Outset, we have been thrilled with the company's progress in bringing Tablo through key development milestones," said Noah Knauf, managing director at Warburg Pincus. "Outset's exceptional management team and our expanded investor group position the company well to truly transform the experience of dialysis care."

ABOUT THE TABLO™ SYSTEM

Outset Medical's Tablo System turns a complicated process into one patients can master through consumer product design and technology automation. Designed to look and feel more like a consumer product than a medical device, Tablo's small size, color and form factor are intended to minimize patient apprehension and build confidence and competence. Automation dramatically reduces the time involved in setting up and managing dialysis whether in the clinic or at home. For example, the system requires less than half the number of set-up steps compared to incumbent dialysis machines. The user engages with Tablo through a touchscreen that offers step-by-step 3-D animation and conversational instructions that enable a self-guided, customized experience.

Tablo removes the need for expensive clinic infrastructure. The system connects to tap water and purifies it on demand. Tablo also generates dialysate (dialysis solution) in real-time while the patient is dialyzing. By disconnecting dialysis from expensive "bricks and mortar" infrastructure, Tablo expands the settings in which dialysis can be efficiently delivered.

At the end of treatment, Tablo transmits clinical data wirelessly to care providers. This connectivity streamlines a process that historically has been manual, time-consuming and costly.

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About the Tablo Hemodialysis System

Tablo is an FDA-cleared enterprise solution for dialysis, designed specifically to reduce the cost and complexity of dialysis across all care settings. Requiring only an electrical outlet and tap water to operate, the mobile Tablo system frees patients and providers from the burdensome infrastructure required to operate conventional dialysis machines. The machine's integrated functionality enables it to serve as a dialysis clinic on wheels and enables providers to standardize to a single platform that can be used across a wide spectrum of care settings. Wireless data, sensor-based automation and an animated touchscreen make the system easy to learn and use. Leading health systems and medical centers across the U.S. have adopted Tablo for hospital and clinic dialysis, and the U.S. Department of Health and Human Services (HHS) awarded a contract for the use of Tablo in communities hit by natural disasters.

About Outset Medical

Outset Medical is dedicated to technology-driven service model innovation aimed at reducing cost and transforming the patient care experience. Outset's Tablo System is FDA-cleared for use in acute and chronic care settings. In addition to its acute and chronic care commercial expansion, the company has concluded a clinical trial to expand Tablo's labeled indication to include home use. For more information visit www.outsetmedical.com and follow the company on Twitter at @OutsetMedical.