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**Outset Medical**  
**Investor Presentation**  
February 2024

# Forward-looking statements and non-GAAP information

This presentation and the accompanying oral statements contain forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential,” “would,” “continue,” “ongoing” or the negative of these terms or similar expressions. Forward-looking statements are based on management’s current assumptions and expectations of future events and trends, which affect or may affect our business, strategy, operations or financial performance, and actual results and other events may differ materially from those expressed or implied in such statements due to numerous risks and uncertainties.

These forward-looking statements include, but are not limited to, statements about the Company’s expected results of operations, including fourth quarter and full year 2023 revenue and 2023 non-GAAP gross margin and cash position, statements about the Company’s possible or assumed future results of operations and financial position, including expectations regarding projected revenues, recurring revenues, and revenue growth rate, gross margin (including non-GAAP gross margin), operating expenses, capital expenditures, cash burn, profitability and outlook, statements regarding our overall business strategy, expectations regarding future projected installed base, plans and objectives of management, our expectations regarding the market sizes and growth potential for Tablo and the total addressable market opportunities for Tablo, our planned expansion within the home hemodialysis market and expected drivers of home dialysis adoption, continued execution of our initiatives designed to expand gross margins, our ability to respond to and resolve any reports, observations or other actions by the Food and Drug Administration (FDA) and other regulators in a timely and effective manner, as well as our expectations regarding the impact of macroeconomic factors on us, our customers and our suppliers.

Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified,

which could cause actual results to differ materially from those expressed or implied in these forward-looking statements. These risks and uncertainties include: our future financial performance, including our expectations regarding our revenues, cost of revenues, operating expenses, gross margin and our ability to achieve and maintain future profitability; continued execution of our initiatives designed to expand gross margins; our ability to attain market acceptance among providers and patients; our ability to manage our growth; our expansion into the home hemodialysis market; our ability to ensure strong product performance and reliability; our relations with third-party suppliers, including contract manufacturers and single source suppliers; our ability to overcome manufacturing disruptions; the impact of epidemics, natural or man-made disasters, and similar events, on our industry, business and results of operations; our ability to offer high-quality support for Tablo; our expectations of the sizes of the markets for Tablo; our ability to innovate and improve Tablo; our ability to effectively manage privacy, information and data security; concentration of our revenues in a single product and concentration of a large percentage of our revenues from a limited number of customers; our ability to compete effectively; our ability to accurately forecast customer demand and manage our inventory; our ability to ensure the proper training and use of Tablo; our compliance with FDA and other regulations applicable to our products and business operations and our ability to respond to and resolve any reports, observations or other actions by the FDA or other regulators in a timely and effective manner; as well as other risks and uncertainties described in the Risk Factors section of our public filings with the SEC, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. Forward-looking statements should be considered in light of these risks and uncertainties, and you should not rely on these forward-looking statements as predictions of future events. These forward-looking statements speak only as of their date and we

undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

This presentation and the accompanying oral presentation also contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to such information. We have not independently verified the accuracy or completeness of the information contained in the industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that information nor do we undertake to update such information after the date of this presentation.

In addition to financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation and the accompanying oral statements include certain non-GAAP financial measures, which may include Non-GAAP gross profit/loss, gross margin, operating expenses, net income/loss, and basic and diluted net income/loss per share. Any non-GAAP measure is presented for supplemental informational purposes only and should not be considered a substitute for or superior to financial information presented in accordance with GAAP. There are limitations related to the use of non-GAAP financial measures because they are not prepared in accordance with GAAP, may exclude significant expenses required by GAAP to be recognized in our financial statements, and may not be comparable to non-GAAP financial measures used by other companies. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation.

FROM THE HOSPITAL TO THE HOME

# Transforming dialysis

.Outset



## SUMMARY

# Reducing the cost and complexity of dialysis



### SCALE IN ACUTE

Scale in the  
\$2.5B<sup>1</sup>  
U.S. Acute Care  
market



### HIGHLY DIFFERENTIATED

One-of-its-kind  
product & service  
ecosystem creates  
strong customer  
retention



### RECURRING REVENUE

Business model  
driving high  
recurring  
revenue of ~50%



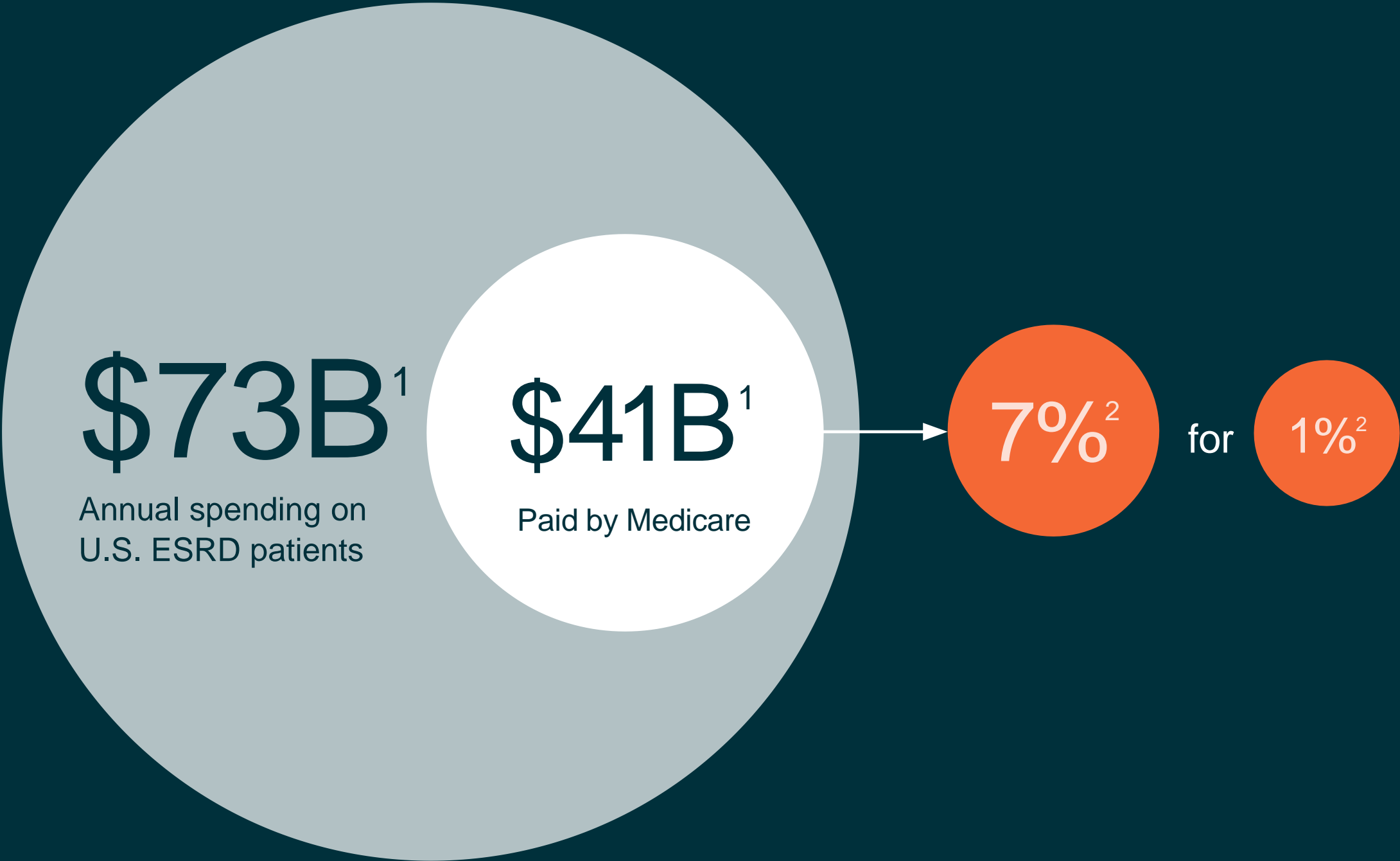
### GROWING HOME FOOTPRINT

Growing footprint in  
the \$8.9B<sup>1</sup>  
U.S. Home market

1. Company estimates based on data contained in  
USRDS 2021 Annual Data Report

CURRENT STATE

Dialysis is one of the largest, most expensive, least-changed sectors of healthcare



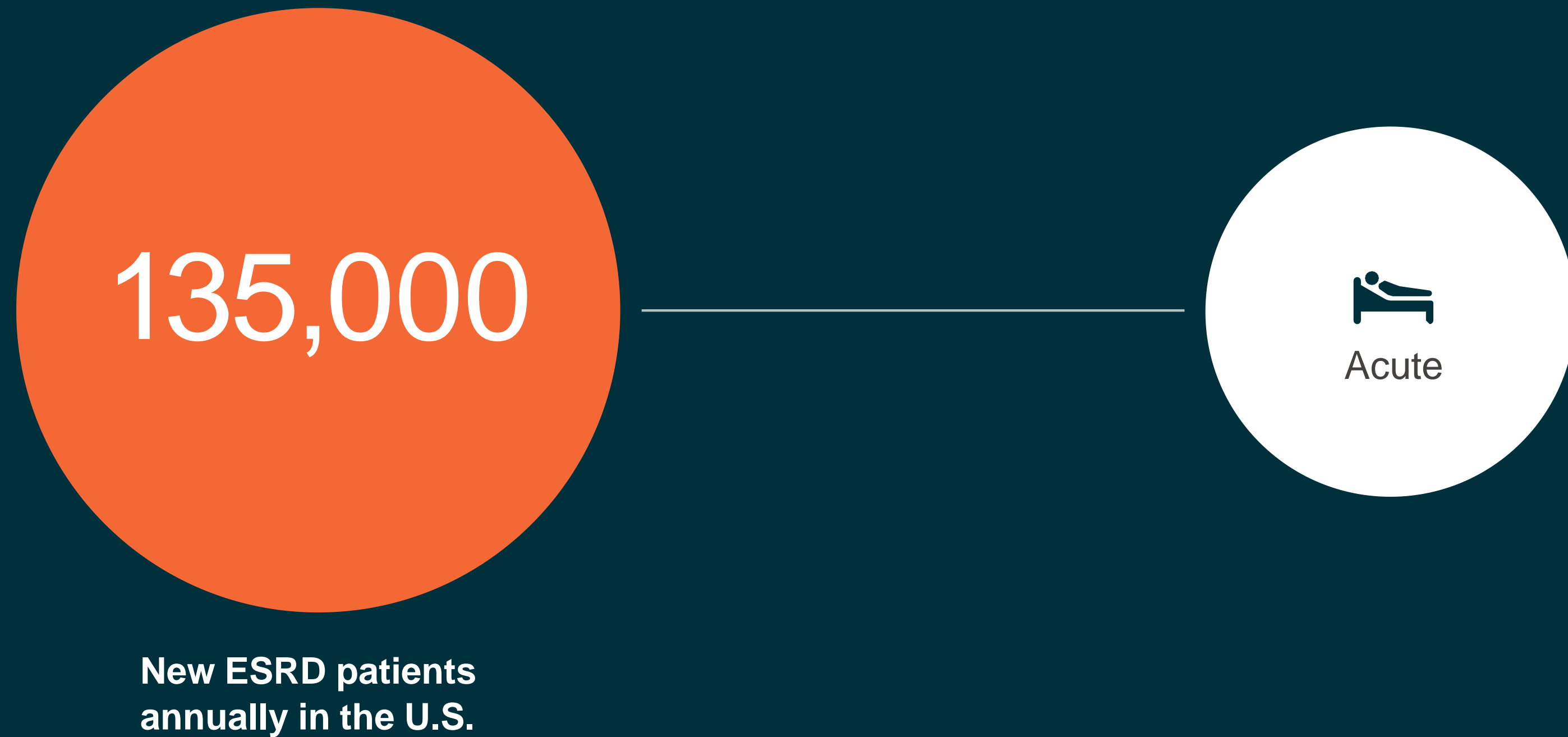
**600,000<sup>3</sup>**  
Dialysis patients

**90M<sup>3</sup>**  
Annual dialysis treatments

1. Company estimates based on data contained in USRDS 2021 Annual Data Report  
2. Percentage of entire Medicare budget spent on dialysis for ESRD patients, who comprise 1% of the Medicare population (2019)  
3. Company estimates based on data contained in USRDS 2022 Annual Data Report

CURRENT STATE

# Dialysis care pathways





CURRENT STATE

# Dialysis care pathways

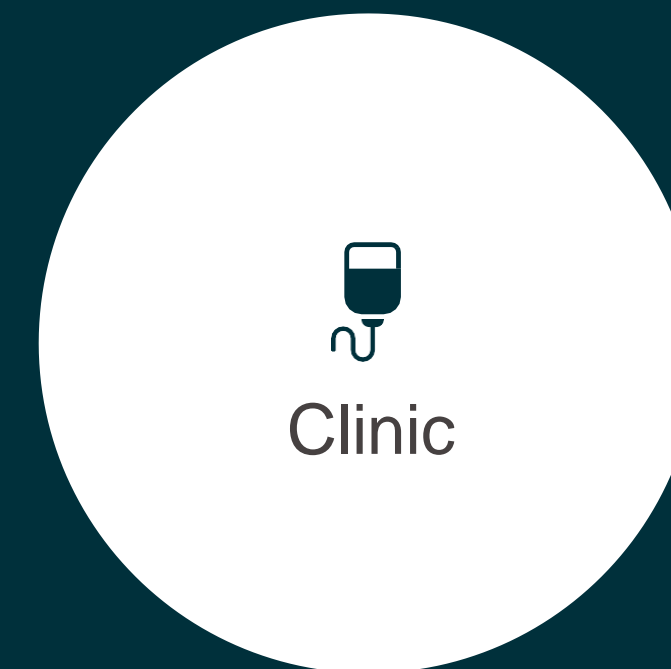
60% crash  
into dialysis



13%



Home

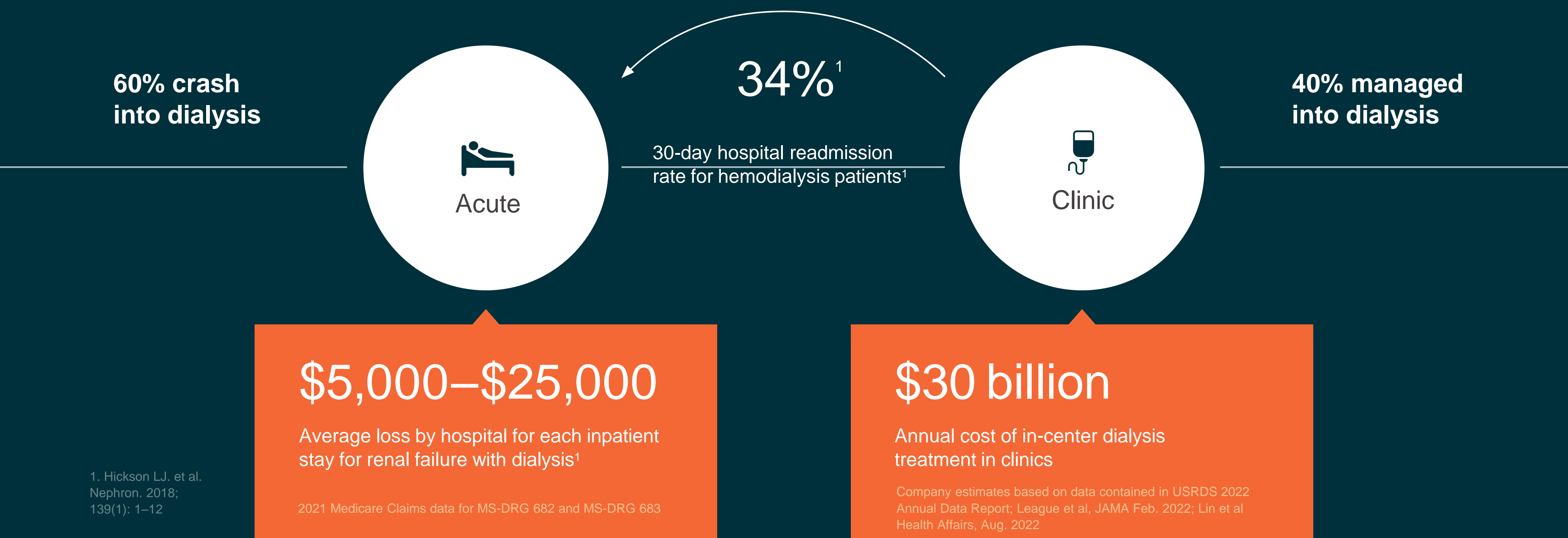


87%

40% managed  
into dialysis

CURRENT STATE

This is an expensive care delivery model...



1. Hickson LJ. et al. Nephron. 2018; 139(1): 1–12



## CURRENT STATE

# Dialysis is in need of new solutions



Hospitals lose money on every treatment



Staffing challenges constrain optimal patient care and drive up cost



**Complicated technologies made home hemodialysis impractical for most patients**



**We see**

**a technology-driven  
way forward**

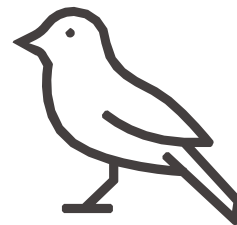
# Tablo® is a first-of-its-kind technology designed to reduce the cost and complexity of dialysis



Single device  
from ICU to home



Connected and  
intelligent



Small and  
mobile



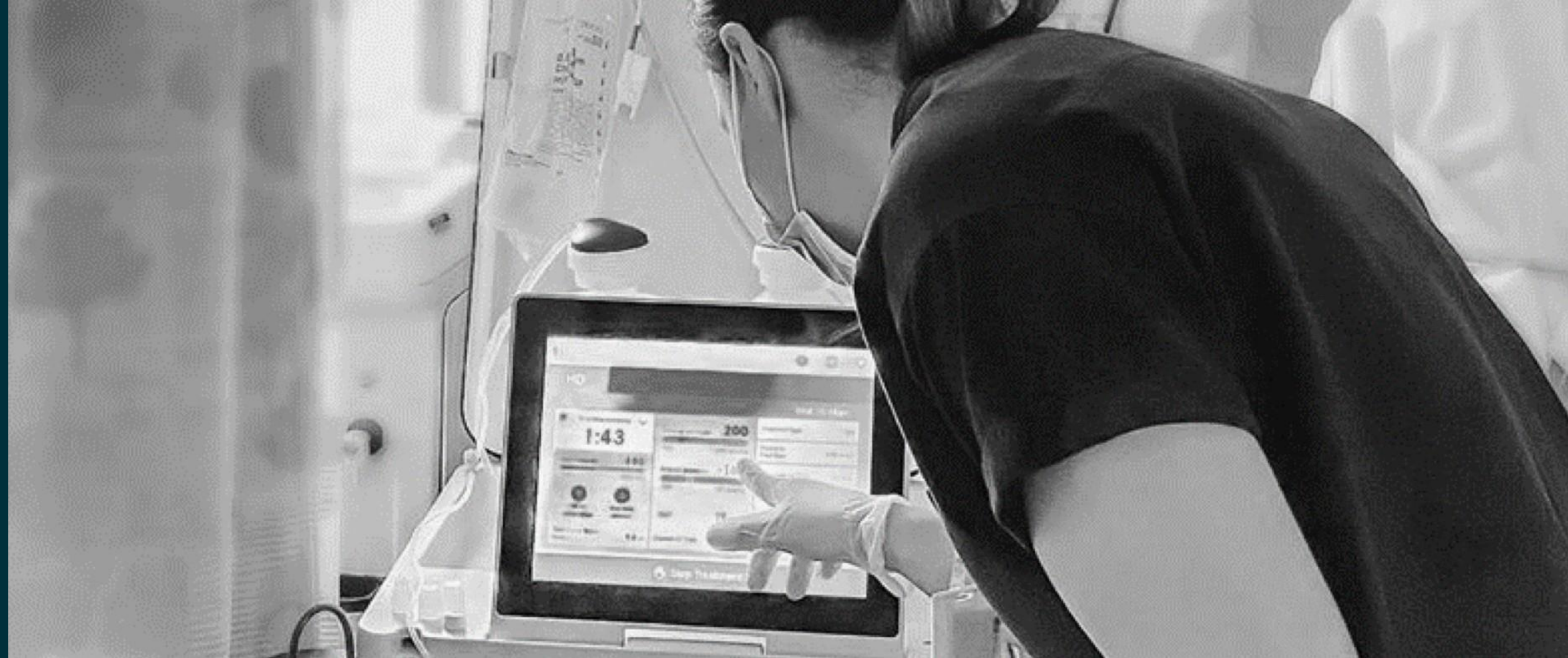


**An all-in-one solution** that replaces multiple machines and a water treatment room with a single device





**One device,  
multiple markets**



**\$11.4B**

**U.S. TAM**

**\$2.5B**

**Acute market**  
Hospital & sub-acute  
based dialysis

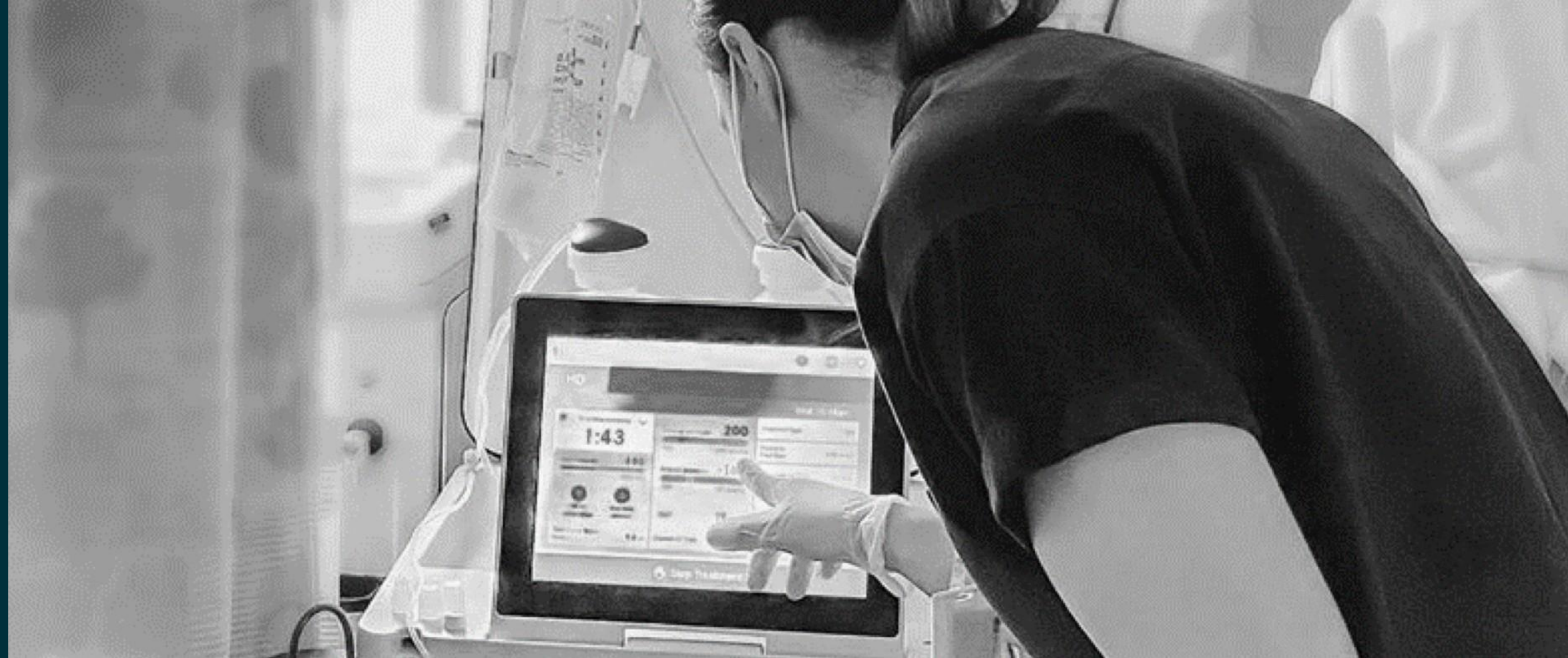
**\$8.9B**

**Home market**  
Home hemodialysis  
& transitional care

Company estimates based on data contained in  
USRDS 2021 Annual Data Report



# One device, multiple markets



\$11.4B

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ACUTE CARE

# Scale of Tablo in the Acute Care setting

**10 of 10**

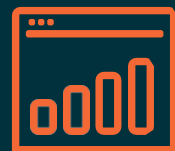
LARGEST SUBACUTE PROVIDERS

**8 of 8**

TOP NATIONAL HEALTH SYSTEMS

**650+**

UNIQUE ACUTE SITES



**>1 million treatments**  
expected annually



**~10,000 nurses trained**



**Extensive clinical evidence:**  
70+ abstracts  
15+ manuscripts



# Tablo reduces the cost and complexity of acute dialysis



## Before Tablo

## With Tablo

 **Supplies cost reduction**

Existing ICU machines require numerous dialysate bags for each treatment

**Tablo creates the dialysate on demand, eliminating the cost and complexity of bags**

 **Labor cost reduction**

Most hospitals incur the additional cost of outsourcing dialysis to a 3rd party provider

**Enables hospitals to insource and utilize their existing nursing staff to deliver dialysis**

TOTAL POTENTIAL COST SAVINGS

**50%–80%<sup>1</sup>**

Potential payback period <1 year

1. Company estimates based on data provided by third party health systems

# Tablo can deliver significant savings in the ICU

	Before Tablo	With Tablo
ICU mean length of stay	13.2	8.4
Total ICU dialysis Tx costs	\$1.33M	\$239K
ICU dialysis cost per Tx hour	\$97.15	\$46.93

Converting from an outsourced program to in-house long-duration dialysis, a medium-size ICU **reduced costs and increased nurse productivity while demonstrating trends toward improved care quality and patient outcomes**



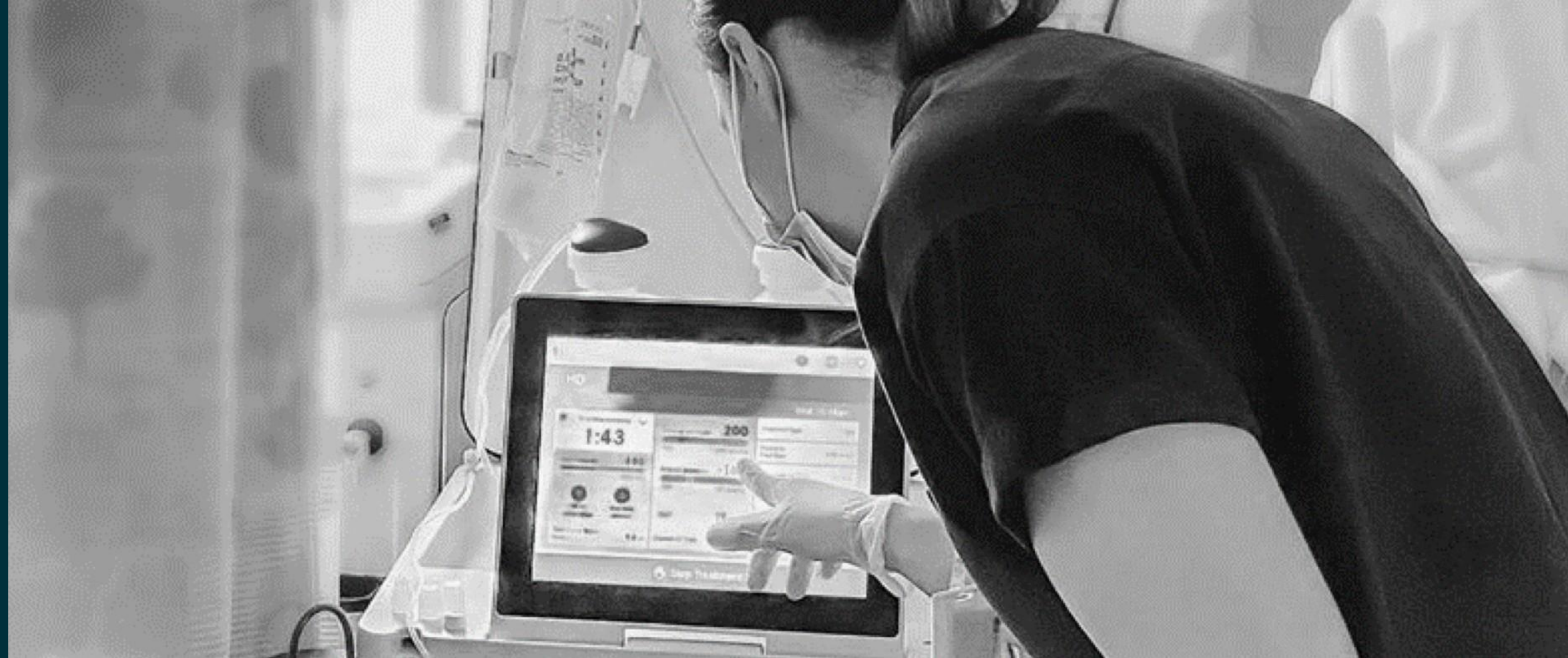
Retrospective, single-center analysis comparing ICU long-duration dialysis treatment (Tx) outcomes before (Nov. 2020-Oct. 2021) and after (Dec. 2021-Nov. 2022) converting to Tablo.

Intensive Care Unit improves Dialysis Care Quality while Reducing Costs: An ICU Quality Improvement Program, Tara Greenleaf Nichols, MSN, RN; David Domain; Sherrie Mullen, MSN, RN, Senthil Ramaiyah, MD; Sandy Rowe; Cynthia J. D'Alessandri-Silva, MD; Stephan Dunning, MS, MBA, American Society of Nephrology Annual Meeting, November 2023

The Tablo® Hemodialysis System is indicated for use in patients with acute and/or chronic renal failure, with or without ultrafiltration, in an acute or chronic care facility. Treatments must be administered under physician’s prescription and observed by a trained individual who is considered competent in the use of the device. The Tablo Hemodialysis System is also indicated for use in the home. Treatment types available include Intermittent Hemodialysis (IHD), Sustained Low Efficiency Dialysis (SLED/ SLEDD), Prolonged Intermittent Renal Replacement Therapy (PIRRT), and Isolated Ultrafiltration. This device is not indicated for continuous renal replacement therapy (CRRT) and is cleared for use for up to 24 hours. The dialysate generated by this device is not sterile and should not be used for intravenous (IV) infusion.



# One device, multiple markets



\$11.4B

U.S. TAM

\$2.5B

Acute market  
Hospital & sub-acute  
based dialysis

\$8.9B

**Home market**  
Home hemodialysis  
& transitional care

Company estimates based on data contained in  
USRDS 2021 Annual Data Report



## HOME CARE

# The Home market is significantly underpenetrated



## Historical barriers



### REIMBURSEMENT

Medicare reimbursement misaligned with treatment frequency



### INCENTIVES

Inadequate provider payment incentives



### TECHNOLOGY

Cumbersome technology and training



## HOME CARE

**The Home market is poised for change. Outset's commercial strategy is designed to capitalize on it**

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**CMS financial incentives**

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**Medicare Advantage eligibility**

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**Clinic staffing shortages**

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**Patient preferences**





## HOME CARE

# Tablo addresses key barriers to home dialysis adoption and retention



tablo®

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**3**

Treatments per week

---

**<25 hours**

Training per patient

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**0 hours**

Dialysate prep time



Historical device

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**5–6**

Treatments per week

---

**100 hours**

Training per patient

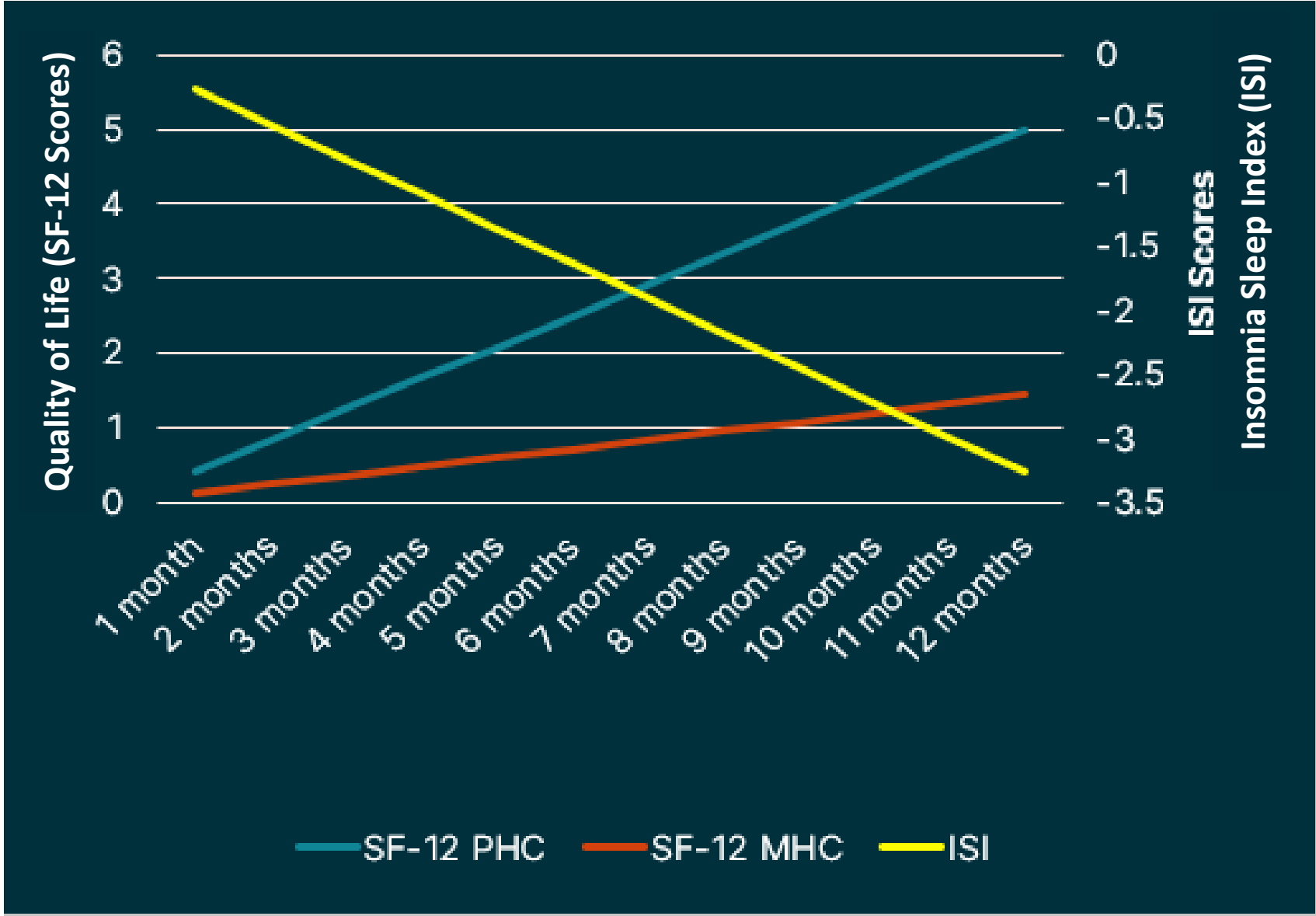
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**16–24 hours**

Dialysate prep time per week

# Tablo changes the Home benefit-burden ratio

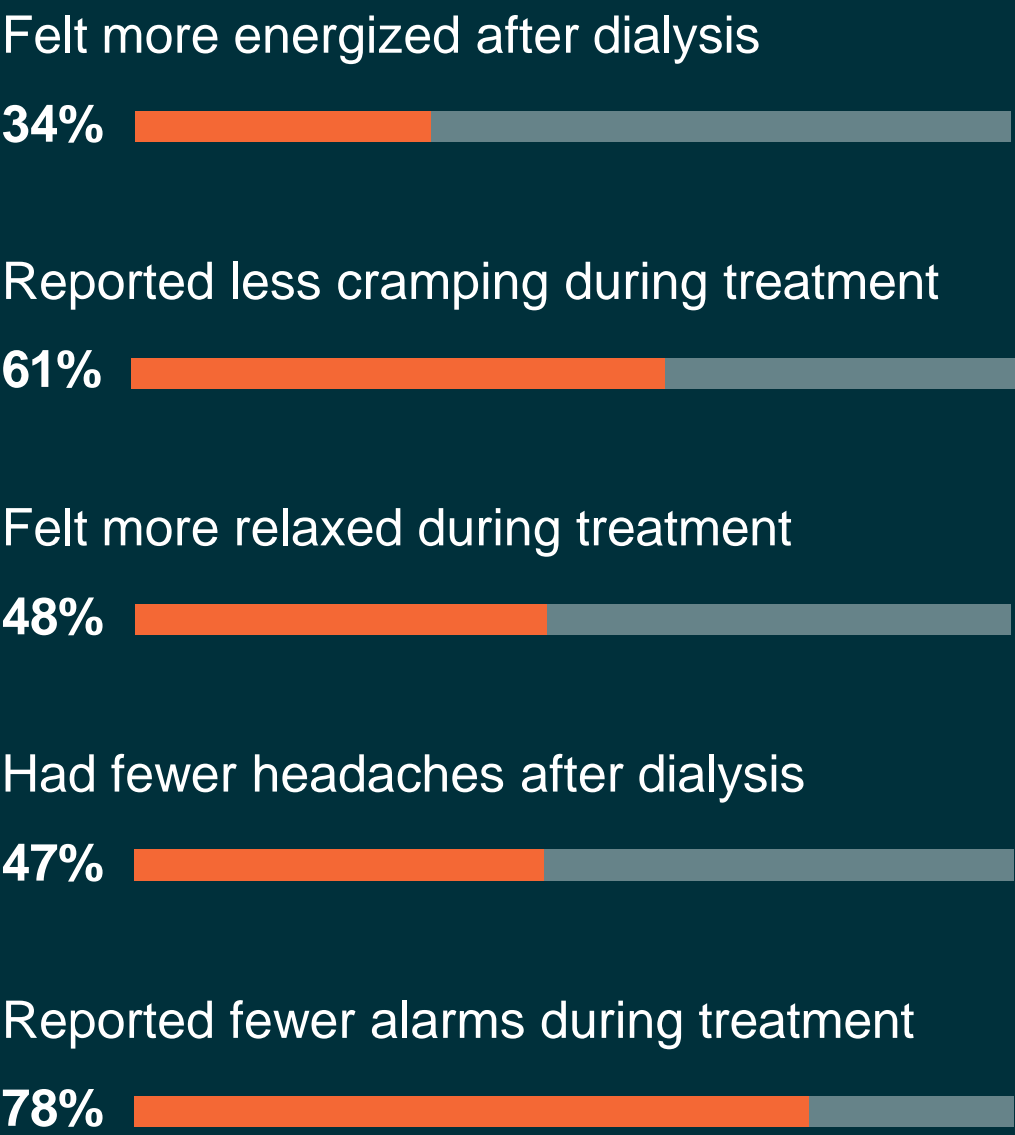
Improvement in SF-12 Quality of Life Scores and Sleep Symptoms  
12-month trend of patients on Tablo<sup>1</sup>



(1) Patient Reported Outcomes (PRO) among Patients Receiving Home Hemodialysis (HHD) with the Tablo® Hemodialysis System. Prospective, multicenter, observational study of patients with ESRD utilizing Tablo Hemodialysis System for Home HD; N=57, reporting at 1, 3, 6, 9, and 12 months post-home dialysis initiation. Wazny JH1, Holmes CD1, D'Alessandri-Silva C1, Chertow GM2  
(2) Data from Outset 2019 IDE trial; Alvarez L, May Y, Chertow G, .Early Patient Experience with the Tablo Hemodialysis System; Outset Data Registry, 2022.

## Patients report fewer symptoms on Tablo<sup>2</sup>

Patient-reported outcomes survey comparing in-clinic treatments on Tablo vs their previous dialysis machine





# Home growth strategy



**MDOs**

**Mid-Sized Dialysis Organizations**

**\$8.9B**

TAM

**180K**

patients



**Home**

# Home growth strategy

NEW HOME DIALYSIS MARKET ENTRANTS

Adjacent healthcare providers

Post-Acute providers

Health systems

LONGER TERM

 MDOs



NEAR TERM

**30%**  
of the market<sup>1</sup>

**\$8.9B**  
TAM

1. Outset estimates the \$8.9 billion total addressable market for Tablo's use in the home represents revenue from 30% of U.S. chronic dialysis patients.

**Powerful recurring revenue of >50%  
in 2023 and expected to grow over time**

**Growth potential**

**FUTURE  
Software  
EMR interoperability**

**TODAY  
Consumables  
Service contracts**

**ACUTE  
\$20,000 per console  
per year**

**HOME  
\$15,000 per console  
per year**



# Strong financial position exiting 2023

\$130M

Revenue

70% CAGR  
2019–2023e

5,350

Consoles deployed  
(cumulative installed  
base at 12/31/2023)

Consoles by provider

Acute: 3,250  
Sub-acute: 800  
Home: 1,300

>50%

Recurring revenue

Driven by strong  
utilization in the acute  
and home settings

\$270M\*

Estimated Cash  
position

\*Cash, cash equivalents, short-term investments and restricted cash totaled \$207 million at Dec. 31, 2023. On Jan. 2, Outset reported receipt of an additional \$66.5M under its term loan agreements with SLR Investment Corp.

# Financial guidance

## 2024 Revenue guidance

**\$145M-\$153M**  
12% to 18%  
year-over-year growth

## 2024 Non-GAAP gross margin

**Low-30% range**  
Full year

**Mid-30% range**  
Exiting Q4

## Long-term guidance

**High-teens annual revenue growth**  
2025-2027

**~50% non-GAAP gross margin**  
as revenues reach ~\$250M,  
exiting 2027



When Sara discovered she was in kidney failure last year, her were to find a trustworthy nephrologist, and to live as normal possible on dialysis. Fast-forward three months: done and do [#TabloDialysis](#).

Learn how Sara went directly from the hospital to home, avoid in a dialysis clinic, and maintaining the normalcy and flexibility that she and her family needed:

[#BetterBeginsNow](#)

[#HomeHemodialysis](#) [#PatientExperience](#) [#KidneyDisease](#) [#HealthcareTransformation](#) [#KidneyCare](#) [#HomeDialysis](#) [#KidneyStrong](#) [#KidneyMonth](#)



als quickly transitioned from a long-ute dialysis with [#TabloDialysis](#).  
al success rate. ...see more

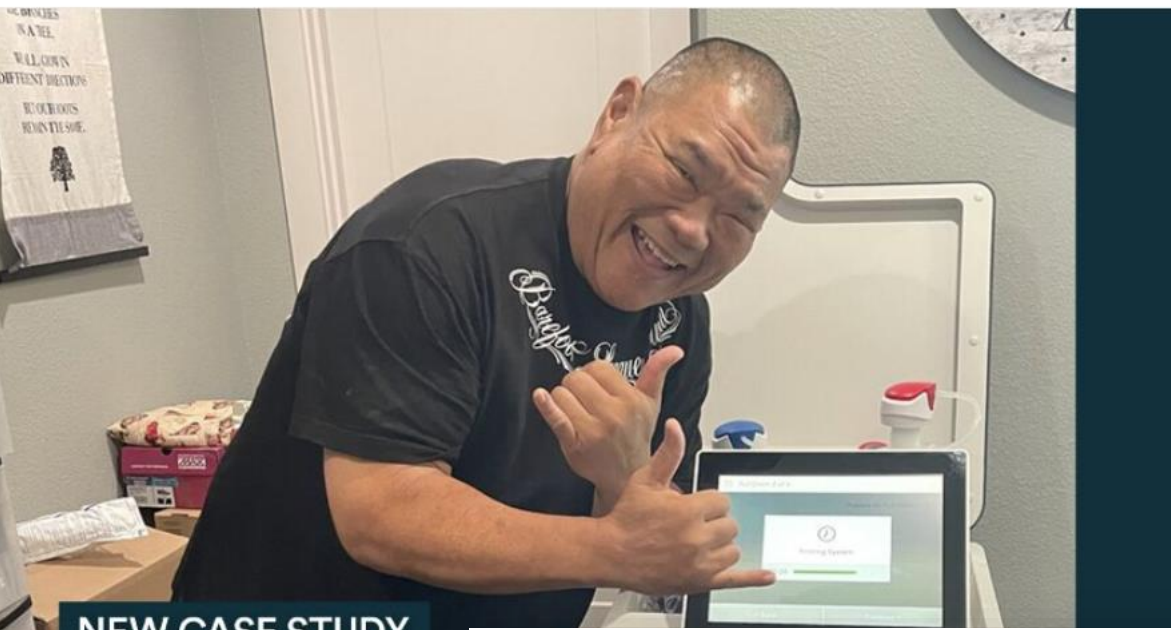


Health

1 comment · 21 reposts



We're proud to share the results of our new case study at the [National Kidney Foundation's](#) Spring Clinical Meetings, which shows how implementing a home hemodialysis program with [#TabloDialysis](#) expanded access to dialy ...see more



NEW CASE STUDY

Redefining di  
on the Hawai



112

technology, and thinking about ways  
provide better care for our patients,"  
and SVP of Patient Care Sei ...see more



**Outset Medical**  
October 24 · 🌐

Andrei and his family emigrated to the U.S. from the Philippines in 1998, when he was 17. Now 42 and living in Orange County, CA, Andrei's health journey has taken him from acute kidney failure and hospital dialysis to in-center treatment, and a diagnosis of IgA nephropathy (IgAN). But it's his positive attitude and willingness to try something new that has changed his life. In May, his care team introduced him to [#TabloDialysis](#), and now he's able to do his 3x/-week treatmen... [See more](#)



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**Home Dialysis Patient Andrei Says How to Make the Best of the Reality of CKD**  
Experience the freedom of home dialysis with CKD patient Andrei as he shares his transfor...



**How PAM Health Cleared a Path to Doubling its Dial Medical**

outsetmedical.com · 1 min read

135



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33,288 followers  
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Rapa's challenging 25-year kidney disease journey has included Alport Syndrome, three kidney transplants and every kind of dialysis and vascular access. Now, he hopes to inspire other kidney disease patients to e... [see more](#)

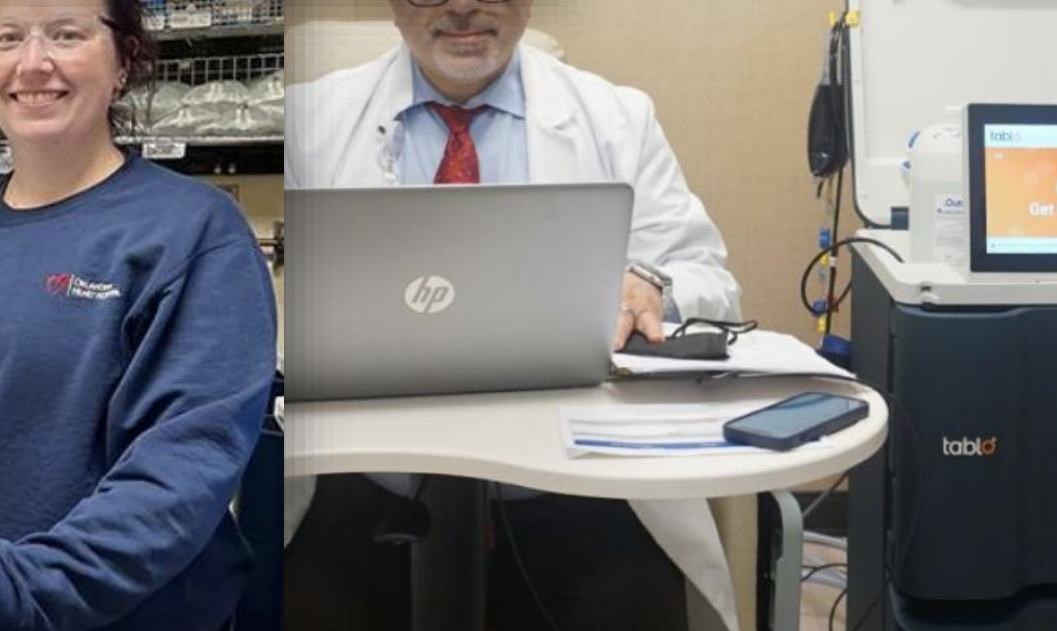


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**Oklahoma Heart Hospital trans the [#TabloDialysis](#) system.**

**Overcoming Hereditary Kidney Disease with Home Dialysis: Rapa's Story**  
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**It's Like a Dream: Letisha's**  
Letisha's inspiring journey with





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3052 Orchard Drive  
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