

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2025**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-39513**

Outset Medical, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
3052 Orchard Dr.
San Jose, California
(Address of principal executive offices)

20-0514392
(I.R.S. Employer
Identification No.)

95134
(Zip Code)

Registrant's telephone number, including area code: **(669) 231-8200**

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, par value \$0.001 per share	OM	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 1, 2025, the registrant had 17,766,193 shares of common stock, \$0.001 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

Outset Medical, Inc.
Condensed Balance Sheets
(in thousands, except per share amounts)

	June 30, 2025	December 31, 2024
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 39,559	\$ 124,014
Short-term investments	144,531	34,671
Accounts receivable, net	34,891	35,619
Inventories	52,249	59,387
Prepaid expenses and other current assets	4,348	4,530
Total current assets	<u>275,578</u>	<u>258,221</u>
Restricted cash	3,329	3,329
Property and equipment, net	6,166	8,133
Operating lease right-of-use assets	3,168	3,940
Other assets	560	2,172
Total assets	<u>\$ 288,801</u>	<u>\$ 275,795</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,445	\$ 3,862
Accrued compensation and related benefits	9,789	16,821
Accrued expenses and other current liabilities	8,518	8,205
Accrued warranty liability	1,239	1,938
Deferred revenue, current	14,009	12,753
Operating lease liabilities, current	1,909	1,799
Total current liabilities	<u>36,909</u>	<u>45,378</u>
Accrued interest	—	2,695
Deferred revenue	587	844
Operating lease liabilities	1,707	2,684
Term loans	94,814	197,375
Total liabilities	<u>134,017</u>	<u>248,976</u>
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred Stock, \$0.001 par value; 5,000 shares authorized as of June 30, 2025 and December 31, 2024; 21 and 0 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	3,841	—
Common stock, \$0.001 par value; 300,000 shares authorized as of June 30, 2025 and December 31, 2024; 17,766 and 3,530 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	18	4
Additional paid-in capital	1,284,923	1,116,496
Accumulated other comprehensive income	49	42
Accumulated deficit	(1,134,047)	(1,089,723)
Total stockholders' equity	<u>154,784</u>	<u>26,819</u>
Total liabilities and stockholders' equity	<u>\$ 288,801</u>	<u>\$ 275,795</u>

The accompanying notes are an integral part of these unaudited condensed financial statements.

Outset Medical, Inc.
Condensed Statements of Operations
(Unaudited)
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue:				
Product revenue	\$ 23,082	\$ 19,238	\$ 44,376	\$ 39,666
Service and other revenue	8,337	8,150	16,795	15,890
Total revenue	31,419	27,388	61,171	55,556
Cost of revenue:				
Cost of product revenue	11,791	10,567	22,793	23,148
Cost of service and other revenue	7,761	7,039	15,445	14,411
Total cost of revenue	19,552	17,606	38,238	37,559
Gross profit	11,867	9,782	22,933	17,997
Operating expenses:				
Research and development	5,289	9,734	10,804	22,369
Sales and marketing	14,280	18,128	27,932	39,176
General and administrative	9,163	12,684	17,461	24,128
Total operating expenses	28,732	40,546	56,197	85,673
Loss from operations	(16,865)	(30,764)	(33,264)	(67,676)
Interest income and other income, net	1,903	2,471	3,879	5,569
Interest expense	(3,475)	(6,010)	(7,035)	(11,978)
Loss on extinguishment of term loan	—	—	(7,685)	—
Loss before provision for income taxes	(18,437)	(34,303)	(44,105)	(74,085)
Provision for income taxes	104	151	219	313
Net loss	\$ (18,541)	\$ (34,454)	\$ (44,324)	\$ (74,398)
Net loss per share, basic and diluted	\$ (1.04)	\$ (9.96)	\$ (3.57)	\$ (21.72)
Shares used in computing net loss per share, basic and diluted	17,743	3,458	12,420	3,426

The accompanying notes are an integral part of these unaudited condensed financial statements.

Outset Medical, Inc.
Condensed Statements of Comprehensive Loss
(Unaudited)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (18,541)	\$ (34,454)	\$ (44,324)	\$ (74,398)
Other comprehensive (loss) income:				
Unrealized gain (loss) on available-for-sale securities	(39)	(44)	7	(370)
Comprehensive loss	\$ (18,580)	\$ (34,498)	\$ (44,317)	\$ (74,768)

The accompanying notes are an integral part of these unaudited condensed financial statements.

Outset Medical, Inc.
Condensed Statements of Convertible Preferred Stock and Stockholders' Equity
(Unaudited)
(in thousands)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2024	—	\$ —	3,530	\$ 4	\$ 1,116,496	\$ 42	\$ (1,089,723)	\$ 26,819
Issuance of Series A convertible preferred stock, net of issuance costs	863	161,071	—	—	—	—	—	161,071
Conversion of convertible preferred stock to common stock	(842)	(157,230)	14,046	14	157,216	—	—	—
Issuance of common stock warrant, net of issuance costs	—	—	—	—	4,330	—	—	4,330
Issuance of common stock through employee stock purchase plan	—	—	60	—	408	—	—	408
Issuance of common stock for settlement of RSUs	—	—	86	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	2,977	—	—	2,977
Unrealized gain on available-for-sale securities	—	—	—	—	—	46	—	46
Net loss	—	—	—	—	—	—	(25,783)	(25,783)
Balance as of March 31, 2025	21	\$ 3,841	17,722	\$ 18	\$ 1,281,427	\$ 88	\$ (1,115,506)	\$ 169,868
Issuance of common stock for settlement of RSUs	—	—	44	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	3,496	—	—	3,496
Unrealized loss on available-for-sale securities	—	—	—	—	—	(39)	—	(39)
Net loss	—	—	—	—	—	—	(18,541)	(18,541)
Balance as of June 30, 2025	21	\$ 3,841	17,766	\$ 18	\$ 1,284,923	\$ 49	\$ (1,134,047)	\$ 154,784

The accompanying notes are an integral part of these unaudited condensed financial statements.

Outset Medical, Inc.
Condensed Statements of Convertible Preferred Stock and Stockholders' Equity
(Unaudited)
(in thousands)

	Convertible Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2023	—	\$ —	3,354	\$ 3	\$ 1,084,562	\$ 68	\$ (961,747)	\$ 122,886
Issuance of common stock through employee stock purchase plan	—	—	52	1	2,079	—	—	2,080
Issuance of common stock for settlement of RSUs	—	—	40	—	295	—	—	295
Stock option exercises	—	—	—	—	6	—	—	6
Stock-based compensation expense	—	—	—	—	8,203	—	—	8,203
Unrealized loss on available-for-sale securities	—	—	—	—	—	(326)	—	(326)
Net loss	—	—	—	—	—	—	(39,944)	(39,944)
Balance as of March 31, 2024	—	\$ —	3,446	\$ 4	\$ 1,095,145	\$ (258)	\$ (1,001,691)	\$ 93,200
Issuance of common stock for settlement of RSUs	—	—	21	—	—	—	—	—
Stock option exercises	—	—	5	—	77	—	—	77
Stock-based compensation expense	—	—	—	—	9,820	—	—	9,820
Unrealized loss on available-for-sale securities	—	—	—	—	—	(44)	—	(44)
Net loss	—	—	—	—	—	—	(34,454)	(34,454)
Balance as of June 30, 2024	—	\$ —	3,472	\$ 4	\$ 1,105,042	\$ (302)	\$ (1,036,145)	\$ 68,599

The accompanying notes are an integral part of these unaudited condensed financial statements.

Outset Medical, Inc.
Condensed Statements of Cash Flows
(Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (44,324)	\$ (74,398)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	6,473	18,023
Depreciation and amortization	2,449	2,931
Non-cash lease expense	772	700
Non-cash interest expense	1,335	1,241
Amortization of premium on investments, net	(1,028)	(2,928)
Provision for inventories	(160)	706
Loss on disposal of property and equipment	2	23
Provision for credit losses	1,622	1,813
Loss on extinguishment of term loan	7,685	—
Changes in operating assets and liabilities:		
Accounts receivable	(893)	(2,953)
Inventories	7,297	(13,214)
Prepaid expenses and other assets	468	1,196
Accounts payable	(2,502)	(544)
Accrued compensation and related benefits	(7,032)	(7,279)
Accrued expenses and other current liabilities	610	(3,695)
Accrued warranty liability	(698)	(1,513)
Deferred revenue	999	1,410
Operating lease liabilities	(866)	(766)
Accrued interest	(2,695)	—
Net cash used in operating activities	<u>(30,486)</u>	<u>(79,247)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(415)	(474)
Purchases of investment securities	(153,653)	(128,445)
Sales and maturities of investment securities	44,827	108,829
Net cash used in investing activities	<u>(109,241)</u>	<u>(20,090)</u>
Cash flows from financing activities:		
Proceeds from stock option exercises and ESPP purchases	408	2,163
Proceeds from issuance of term loans, net of issuance costs	98,270	66,524
Repayment of term loan and extinguishment costs	(204,954)	—
Proceeds from issuance of Series A convertible preferred stock, net of issuance costs	161,548	—
Net cash provided by financing activities	<u>55,272</u>	<u>68,687</u>
Net decrease in cash, cash equivalents and restricted cash	(84,455)	(30,650)
Cash, cash equivalents and restricted cash as of beginning of period	127,343	71,838
Cash, cash equivalents and restricted cash as of end of period	<u>\$ 42,888</u>	<u>\$ 41,188</u>
Summary of cash, cash equivalents and restricted cash reported within the balance sheets:		
Cash and cash equivalents	\$ 39,559	\$ 37,859
Restricted cash	3,329	3,329
Total cash, cash equivalents and restricted cash	<u>\$ 42,888</u>	<u>\$ 41,188</u>

The accompanying notes are an integral part of these unaudited condensed financial statements.

Outset Medical, Inc.
Condensed Statements of Cash Flows
(Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2025	2024
Supplemental cash flow disclosures:		
Cash paid for income taxes	\$ 212	\$ 356
Cash paid for interest	\$ 10,140	\$ 10,102
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 866	\$ 766
Supplemental non-cash investing and financing activities:		
Capital expenditures included in accounts payable and accrued expenses	\$ 101	\$ 115
Transfer of inventories to property and equipment	\$ —	\$ 148
Fair value of common stock warrant	\$ 4,367	\$ —

The accompanying notes are an integral part of these unaudited condensed financial statements.

Outset Medical, Inc.
Notes to Unaudited Condensed Financial Statements

1. Description of Business

Outset Medical, Inc. (the Company) is a medical technology company pioneering a first-of-its-kind technology to reduce the cost and complexity of dialysis. Tablo® Hemodialysis System (Tablo), cleared by the U.S. Food and Drug Administration (FDA) for use from the hospital to the home, represents a significant technological advancement designed to transform the dialysis experience for patients and operationally simplify it for providers. Tablo serves as a single enterprise solution designed to be utilized across the continuum of care, allowing dialysis to be delivered anytime, anywhere, and by virtually anyone. The integration of water purification and on-demand dialysate production in a single 35-inch compact console enables Tablo to serve as a dialysis clinic on wheels. With a simple-to-use touchscreen interface, two-way wireless data transmission and a proprietary data analytics platform, Tablo is a new holistic approach to dialysis care. The Company's headquarters are located in San Jose, California.

Reverse Stock Split

In March 2025, the Company's board of directors and shareholders approved a Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation to effect a reverse split of shares of the Company's common stock on a 15-for-one basis (the Reverse Stock Split), which became effective as of March 20, 2025. The number of authorized shares and the par values of the common stock and preferred stock were not adjusted as a result of the Reverse Stock Split. In connection with the Reverse Stock Split, the conversion ratio for the Company's outstanding convertible preferred stock was proportionately adjusted such that the common stock issuable upon conversion of such preferred stock was decreased in proportion to the Reverse Stock Split. Also, any outstanding common stock warrants were adjusted such that the common stock issuable upon exercise of such warrants were decreased in proportion to the Reverse Stock Split. In addition, the number of shares of common stock available for issuance under the Company's equity incentive plans and issuable upon the exercise of stock options, warrants and restricted stock units outstanding prior to the Reverse Stock Split were proportionately adjusted. No fractional shares were distributed as a result of the Reverse Stock Split and stockholders were entitled to a cash payment in lieu of fractional shares.

All common stock share and per share amounts and information presented herein have been retroactively adjusted to reflect the effect of the Reverse Stock Split for all periods presented.

Liquidity

Since inception, the Company has incurred net losses and negative cash flows from operations. During the six months ended June 30, 2025 and 2024, the Company incurred a net loss of \$44.3 million and \$74.4 million, respectively, and cash outflow from operating activities of \$30.5 million and \$79.2 million, respectively. As of June 30, 2025, the Company had an accumulated deficit of \$1.1 billion.

As of June 30, 2025, the Company had cash, cash equivalents, restricted cash and short-term investments of \$187.4 million. In January and March 2025, the Company sold 863,000 shares of its Series A Non-Voting Convertible Preferred Stock (Series A Convertible Preferred Stock) at a price of \$200.00 per share in a private placement transaction (the Private Placement) for total gross proceeds of \$172.7 million, before deducting placement agent fees and other offering expenses. Subsequently, 842,000 shares of Series A Convertible Preferred Stock were converted into 14,046,000 shares of the Company's common stock. See Note 8 for further details.

In addition, in January 2025, the Company entered into a credit agreement and guaranty (the Perceptive Credit Agreement) with Perceptive Credit Holdings IV, LP, as administrative agent (Agent) and the lenders from time to time party thereto, which provided a \$100 million 5-year term loan at closing and provides an additional term loan of up to \$25 million, which is available for funding until July 14, 2027, subject to the achievement of certain revenue milestone and other customary conditions (the Perceptive Term Loan). The Company is required to comply with certain covenants under the Perceptive Credit Agreement including, among others, requirements as to financial reporting, restrictions on its ability to incur additional indebtedness and to pay any dividends or other distributions on capital stock, maintenance of a minimum cash balance, and achievement of certain specified trailing twelve-month net revenue targets. If the Company fails to comply with any covenants, payments or other terms of the Perceptive Credit Agreement and such failure constitutes an event of default, such event of default would give Agent the right to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. Further details of obligations under the Perceptive Credit Agreement are described in Note 7.

While the Company has taken actions to reduce operating expenses and working capital to align with anticipated revenue growth including implementing restructuring plans to streamline its overall organizational structure and renegotiating commitments with suppliers to reduce inventory, management expects to continue to incur operating losses in the near term while the Company makes investments to support its anticipated growth.

Furthermore, in September 2024, the Company received notice from the Nasdaq Stock Market LLC (Nasdaq) that it no longer complied with the minimum bid price requirement for continued listing on the Nasdaq Global Select Market. Although compliance was regained in December 2024, the Company received a second notice of non-compliance in February 2025 after again failing to meet the minimum bid price requirement. Following the Reverse Stock Split, the Company regained compliance. However, if the Company is unable to maintain compliance with the minimum bid price requirement or other applicable Nasdaq listing rules, it may not be able to maintain the listing of its common stock on Nasdaq, which could adversely affect its ability to issue additional securities or obtain additional financing on terms acceptable to it, or at all.

Management believes that the Company's existing cash, cash equivalents, short-term investments, cash generated from sales, and proceeds recently received from the debt financing described in Note 7 as well as proceeds received from the Private Placement described in Note 8, will be sufficient to meet its anticipated needs for at least the next 12 months from the issuance date of the accompanying condensed financial statements.

Basis of Presentation

The accompanying condensed financial statements are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, that are necessary for the fair statement of the Company's financial position, results of operations, comprehensive loss, and cash flows for the interim periods presented. The financial data and the other financial information disclosed in these notes to the condensed financial statements related to the three- and six-month periods are also unaudited. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results of operations to be anticipated for any other future annual or interim period. The condensed balance sheet as of December 31, 2024 included herein was derived from the audited financial statements as of that date.

These unaudited condensed financial statements should be read in conjunction with the Company's audited financial statements and related notes for the year ended December 31, 2024, which are included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission (SEC) on February 21, 2025 (2024 Annual Report).

All share amounts disclosed in the notes to the condensed financial statements are rounded to the nearest thousand except for per share data.

2. Summary of Significant Accounting Policies

Significant Accounting Policies

With the exception of the new accounting policy below, there have been no other new or material changes to the Company's significant accounting policies as described in its 2024 Annual Report that have had a material impact on the Company's condensed financial statements and related notes.

Common Stock Warrant

The Company has accounted for its freestanding warrants to purchase shares of the Company's common stock as equity at fair value upon issuance primarily because the warrants are indexed to the Company's own common stock. The Company estimated the fair value of these warrants using the Black-Scholes option pricing model, which is considered to be a Level 3 fair value measurement. Assumptions used in the pricing model were based on the individual characteristics of the warrants on the valuation date, as well as assumptions for expected volatility, expected term, and risk-free interest rate.

3. Revenue and Deferred Revenue

Disaggregation of Revenue

Revenue by source consists of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Consoles	\$ 8,932	\$ 7,161	\$ 16,023	\$ 16,371
Consumables	14,150	12,077	28,353	23,295
Total product revenue	23,082	19,238	44,376	39,666
Service and other revenue	8,337	8,150	16,795	15,890
Total revenue	\$ 31,419	\$ 27,388	\$ 61,171	\$ 55,556

Remaining Performance Obligations and Contract Liabilities

As of June 30, 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations related to customer service contracts that are unsatisfied or partially unsatisfied was \$14.6 million, which is recorded as deferred revenue on the Company's condensed balance sheets. Of that amount, \$14.0 million will be recognized as revenue during the next 12 months and \$0.6 million thereafter.

The contract liabilities consist of deferred revenue which represents payments received in advance of revenue recognition. Revenue under these agreements is recognized over the related service period. During the three and six months ended June 30, 2025, the Company recognized \$4.7 million and \$10.6 million of previously deferred revenue, respectively.

4. Fair Value Measurements

The following tables summarize the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy (in thousands):

	Valuation Hierarchy	June 30, 2025			Aggregate Fair Value
		Amortized Costs	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	
Assets:					
Cash equivalents:					
Money market funds	Level 1	\$ 23,312	\$ —	\$ —	\$ 23,312
Corporate debt	Level 2	1,825	—	—	1,825
Short-term investments:					
U.S. Treasury securities	Level 1	84,841	24	(11)	84,854
U.S. government-sponsored enterprises debt securities	Level 2	3,999	—	(1)	3,998
Corporate debt	Level 2	50,625	36	(2)	50,659
Commercial paper	Level 2	1,945	—	—	1,945
Foreign entity bond	Level 2	3,071	4	—	3,075
Total cash equivalents and short-term investments		<u>\$ 169,618</u>	<u>\$ 64</u>	<u>\$ (14)</u>	<u>\$ 169,668</u>

	Valuation Hierarchy	December 31, 2024			Aggregate Fair Value
		Amortized Costs	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	
Assets:					
Cash equivalents:					
Money market funds	Level 1	\$ 110,979	\$ —	\$ —	\$ 110,979
Short-term investments:					
Corporate debt	Level 2	34,629	43	(1)	34,671
Total cash equivalents and short-term investments		<u>\$ 145,608</u>	<u>\$ 43</u>	<u>\$ (1)</u>	<u>\$ 145,650</u>

As of June 30, 2025, the remaining contractual maturities for available-for-sale securities were one month to seventeen months.

The following tables present the breakdown of the available-for-sale debt securities with unrealized losses as of June 30, 2025, and December 31, 2024 (in thousands):

	June 30, 2025					
	Unrealized losses less than 12 months		Unrealized losses 12 months or greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities	\$ 53,148	\$ (11)	\$ —	\$ —	\$ 53,148	\$ (11)
U.S. government-sponsored enterprises debt securities	\$ 3,999	\$ (1)	\$ —	\$ —	\$ 3,999	\$ (1)
Corporate debt	\$ 9,604	\$ (2)	\$ —	\$ —	\$ 9,604	\$ (2)
Total	\$ 66,751	\$ (14)	\$ —	\$ —	\$ 66,751	\$ (14)

	December 31, 2024					
	Unrealized losses less than 12 months		Unrealized losses 12 months or greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt	2,994	(1)	—	—	2,994	(1)
Total	\$ 2,994	\$ (1)	\$ —	\$ —	\$ 2,994	\$ (1)

The unrealized losses on the Company's available-for-sale debt securities were caused by interest rate increases. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost basis of the investments. As of June 30, 2025, the Company does not intend to sell the investments, and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost basis, which may be at maturity. Additional factors considered in determining the treatment of unrealized losses include the financial condition and near-term prospects of the investee, the extent of the loss related to the credit of the issuer, and the expected cash flows from the security. For the three and six months ended June 30, 2025 and 2024, the Company did not recognize credit loss related to available-for-sale debt securities.

5. Balance Sheet Components

Accounts Receivable

The following table presents the activities in the Company's allowance for credit losses (in thousands):

Balance as of December 31, 2024	\$ 2,577
Increase in allowance	1,622
Write-offs	—
Balance as of June 30, 2025	\$ 4,199

Inventories

Inventories consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Raw materials	\$ 26,788	\$ 25,703
Work in process	7,638	9,973
Finished goods	17,823	23,711
Total inventories	\$ 52,249	\$ 59,387

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Inventory	\$ 2,285	\$ 2,079
Research and development expenses	139	219
Professional services	939	1,084
Customer rebates	1,966	1,733
Other	3,189	3,090
Total accrued expenses and other current liabilities	<u>\$ 8,518</u>	<u>\$ 8,205</u>

6. Commitments and Contingencies

Litigation

On August 29, 2024, a purported stockholder class action lawsuit (the Porcelli Complaint), Porcelli v. Outset Medical, Inc., et al., 5:24-cv-06124-EJD, was filed in the U.S. District Court for the Northern District of California, against the Company, its Chief Executive Officer, and then-Chief Financial Officer. On October 18, 2024, a second purported stockholder class action lawsuit (the Plymouth Complaint; together with the Porcelli Complaint, the Class Actions), Plymouth County Retirement Association v. Outset Medical, Inc., et al., 5:24-cv-06124-HSG, was filed in the same court. The second lawsuit also named the Company's prior Chief Financial Officer as a defendant (together with the CEO and then-CFO, the Class Defendants). The Porcelli Complaint alleged that, between August 1, 2022 and August 7, 2024, defendants made materially false or misleading statements in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (Exchange Act) regarding the Company's business, operations, and prospects related to the sale and marketing of the Tablo Hemodialysis System and TabloCart with Prefiltration, including concerning the impact of certain FDA processes for these products on the Company's revenue growth. The Plymouth Complaint alleged similar violations between September 15, 2020 and August 7, 2024. On March 18, 2025, the court consolidated the Class Actions into one action captioned *In re Outset Medical, Inc. Securities Litigation*, Case No. 5:24-cv-06124-EJD, appointing a lead Plaintiff and lead Counsel. The lead plaintiff filed its consolidated amended complaint on June 6, 2025. The Class Defendants' deadline to respond to or file a motion to dismiss is August 14, 2025, with additional briefing to follow.

On November 29, 2024, an Outset stockholder purporting to act on behalf of the Company filed an action in the U.S. District Court for the Northern District of California against current and former members of Outset's Board of Directors and certain of its officers (the Derivative Defendants), alleging that the Derivative Defendants breached their fiduciary duties to the Company in connection with the same alleged events and alleged materially false and misleading statements asserted in the Class Actions described above. Three additional substantively duplicative actions were filed in the U.S. District Court for the Northern District of California on April 28, 2025, May 8, 2025, and June 16, 2025. The complaints seek unspecified monetary damages and other relief. On July 17, 2025, the court entered a stay of all derivative actions pending the outcome of the Class Defendants' forthcoming motion to dismiss the consolidated amended complaint.

The cases are at a very early stage and the Company cannot currently estimate the loss or the range of possible losses it may experience in connection with this litigation.

In addition, from time to time, the Company may become involved in other legal proceedings or investigations, which could have an adverse impact on its reputation, business and financial condition and divert the attention of the Company's management from the operation of the Company's business.

Indemnification

In the ordinary course of business, the Company often includes standard indemnification provisions in its arrangements with its partners, customers and suppliers. Pursuant to these provisions, the Company may be obligated to indemnify such parties for losses or claims suffered or incurred in connection with its service, breach of representations or covenants, intellectual property infringement or other claims made against such parties. These provisions may limit the time within which an indemnification claim can be made. It is not possible to determine the maximum potential amount under these indemnification obligations due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. To date, the Company has not incurred any material costs as a result of such indemnification obligations and has not accrued any liabilities related to such obligations in these financial statements.

7. Term Loans

Term loans consist of the following (in thousands):

	June 30, 2025	December 31, 2024
Principal of term loans	\$ 100,727	\$ 200,000
Unamortized debt discount	(5,913)	(2,625)
Term loans, noncurrent	<u>\$ 94,814</u>	<u>\$ 197,375</u>

SLR Credit Facilities

In November 2022, the Company entered into two senior secured credit facilities, which collectively provide for borrowings of up to \$300.0 million as follows: (i) up to a \$250.0 million term loan facility pursuant to a loan and security agreement (the SLR Loan Agreement) among SLR Investment Corp., as collateral agent (SLR Agent), the lenders from time to time party thereto (the Term Loan Lenders) and the Company (the SLR Term Loan Facility), and (ii) up to a \$50.0 million asset-based revolving credit facility pursuant to a credit agreement (the SLR Revolving Credit Agreement, together with the SLR Loan Agreement, the SLR Credit Facility Agreements) among Gemino Healthcare Finance, LLC d/b/a SLR Healthcare ABL, as lender (ABL Lender), and the Company (the SLR Revolver, together with the SLR Term Loan Facility, the SLR Credit Facilities).

As of December 31, 2024, \$200.0 million was outstanding under the SLR Term Loan Facility and no amounts were outstanding under the SLR Revolver. On January 3, 2025, the Company terminated the SLR Credit Facility Agreements and repaid in full all amounts due, including a final payment of \$7.5 million and a termination fee of \$0.1 million, using the proceeds from the Perceptive Term Loan as described below, together with cash on hand. The repayment of the SLR Credit Facilities was accounted for as a debt extinguishment, which resulted in a loss on extinguishment of \$7.7 million recorded in the accompanying condensed statements of operations for the six months ended June 30, 2025.

Perceptive Term Loan

On January 3, 2025, the Company entered into a senior secured credit facility for borrowings up to an aggregate principal amount of \$125.0 million pursuant to the Perceptive Credit Agreement with Perceptive Credit Holdings IV, LP (who also participated in the Private Placement). Pursuant to the terms and conditions of the Perceptive Credit Agreement, the lenders agreed to extend term loans to the Company in an aggregate principal amount of up to \$125.0 million, comprised of (i) a term loan of \$100.0 million (the Initial Term Loan), which was funded on January 8, 2025 (the Closing Date), and (ii) a delayed draw term loan of up to \$25.0 million (the Delayed Draw Loan). The Initial Term Loan and the Delayed Draw Loan are referred to collectively as the Perceptive Term Loans. The Delayed Draw Loan is available for funding until July 14, 2027, subject to the achievement of a specific revenue milestone and other customary conditions.

The principal amount outstanding under the Loans will accrue interest at a rate per annum equal to (i) the greater of (a) one-month term SOFR or (b) 4.00% per annum, plus (ii) an applicable margin of 8.00%, payable monthly in arrears. During the first two years after the Closing Date, a portion of the accrued interest equal to 1.50% per annum will be paid in kind and added to the principal amount of the Loans on each monthly interest payment date. The outstanding principal amount of the Loans will be due and payable on the five year anniversary of the Closing Date (the Maturity Date).

The Company paid the lenders a non-refundable closing fee in the amount of \$1.0 million in respect of the Initial Term Loan on the Closing Date. The Company is obligated to pay the lenders a non-refundable closing fee in the amount of \$250,000 in respect of the Delayed Draw Loan, to be due and payable upon the funding of the Delayed Draw Loan.

On the Closing Date, the Company issued to Perceptive Credit Holdings IV, LP as the initial lender a warrant to purchase 375,000 of shares of the Company's common stock (the Closing Date Warrant), at an exercise price equal to \$12.00 per share. If the Company draws the Delayed Draw Loan, the Company is required to issue additional warrant(s) to the lenders to purchase 94,000 shares of the Company's common stock (the Delayed Draw Warrant), at an exercise price equal to the average closing price of the Company's common stock for the 5 trading days immediately preceding the issuance date of the Delayed Draw Warrant. Both the Closing Date Warrant and the Delayed Draw Warrant, if issued, are exercisable during the seven years after the date of issuance.

The fair value of the Closing Date Warrant of \$4.4 million and the debt issuance costs paid directly to Perceptive Credit Holdings IV, LP along with other debt issuance costs amounting to \$6.5 million were accounted for as a direct deduction from the term loan balance on the balance sheets and are being recognized as non-cash interest expense over the term of the loan using the effective interest method.

The Company may voluntarily prepay the outstanding loan(s), subject to a prepayment premium of (i) 10.0% of the principal amount of the prepaid loan(s), if prepaid prior to or on the first anniversary of the Closing Date, (ii) 8.0% of the principal amount of the prepaid Loans, if prepaid after the first anniversary of the Closing Date through and including the second anniversary of the

Closing Date, (iii) 4.0% of the principal amount of the prepaid loan(s), if prepaid after the second anniversary of the Closing Date through and including the third anniversary of the Closing Date, (iv) 2.0% of the principal amount of the prepaid Loans, if prepaid after the third anniversary of the Closing Date through and including the fourth anniversary of the Closing Date, and (v) 0.00% of the principal amount of the prepaid loan(s), if prepaid after the fourth anniversary of the Closing Date.

The Perceptive Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants, including, among others, requirements as to financial reporting and insurance and restrictions on the Company's ability to dispose of its business or property, to change its line of business, to liquidate or dissolve, to enter into any change in control transaction, to merge or consolidate with any other entity or to acquire all or substantially all the capital stock or property of another entity, to incur additional indebtedness, to incur liens on its property or to pay any dividends or other distributions on capital stock, in each case with certain exceptions. The Company has also agreed to certain financial covenants that require the Company to (i) maintain a minimum cash balance of at least \$10.0 million in accounts subject to control agreements in favor of Agent, and (ii) achieve certain trailing twelve-month net revenue targets as set forth in the Perceptive Credit Agreement.

In addition, the Perceptive Credit Agreement contains customary events of default that entitle the Agent to cause the Company's indebtedness under the Perceptive Credit Agreement to become immediately due and payable, and to exercise remedies against the Company and the collateral securing the obligations owed under the Perceptive Credit Agreement. Under the Perceptive Credit Agreement, an event of default will occur if, among other things, the Company fails to make payments under the Perceptive Credit Agreement, the Company breaches certain covenants under the Perceptive Credit Agreement, subject to specified cure periods with respect to certain breaches, a material adverse change or a material regulatory event has occurred under the Perceptive Credit Agreement, or the Company or its assets become subject to certain legal proceedings, such as bankruptcy proceedings. Upon the occurrence and for the duration of an event of default, an additional default interest rate equal to 4.0% per annum will apply to all obligations owed under the Perceptive Credit Agreement.

8. Convertible Preferred Stock and Stockholders' Equity

Convertible Preferred Stock

The Company is authorized to issue a total of 5,000,000 shares of preferred stock, par value \$0.001 per share. In connection with the Private Placement described below, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock with the Delaware Secretary of State on January 7, 2025 (the Certificate of Designation) to set forth the preferences, rights and limitations of the Series A Convertible Preferred Stock. The Company has designated a total of 863,000 shares as Series A Convertible Preferred Stock, which are non-voting and not redeemable.

On January 3, 2025, the Company entered into securities purchase agreements with various investors, including certain of the Company's directors, officers and employees (the Investors) for the issuance and sale by the Company of an aggregate of 863,000 shares of Series A Convertible Preferred Stock, par value \$0.001 per share, at a purchase price of \$200.00 per share in the Private Placement. The sale of 844,000 shares of Series A Convertible Preferred Stock to institutional investors closed on January 8, 2025, with gross proceeds, before deducting placement agent fees and other offering expenses, of \$168.8 million. On March 7, 2025, following stockholder approval of the Company's issuance of shares of Series A Convertible Preferred Stock and shares of the Company's common stock issuable upon the conversion thereof to certain of the Company's directors, officers and employees at the special meeting of stockholders held on March 5, 2025 (the Special Meeting), the Company issued 19,000 shares of Series A Convertible Preferred Stock to certain of the Company's directors, officers and employees, with gross proceeds, before deducting offering expenses, of \$3.9 million.

On March 10, 2025, following the stockholder approval of the Company's issuance of common stock in excess of 20% of the Company's then outstanding shares of common stock at the Special Meeting, 842,000 shares of Series A Convertible Preferred Stock were converted into 14,046,000 shares of the Company's common stock at the conversion price of \$12.00 per share in accordance with the Certificate of Designation. Following the conversion, 21,000 shares of the Series A Convertible Preferred Stock remain issued and outstanding as of June 30, 2025.

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, the Series A Convertible Preferred Stock shall rank on parity with the common stock as to distributions of assets. Series A Convertible Preferred Stock holders shall be entitled to receive, and the Company shall pay, dividends on shares of the Series A Convertible Preferred Stock (on an as-if-converted-to-Common-Stock basis) equal to and in the same form, and in the same manner, as dividends actually paid on shares of the common stock when, as and if such dividends (other than dividends payable in the form of common stock) are paid on shares of the common stock.

Based on the attributes of the Series A Convertible Preferred Stock as described above, the Company has accounted for the Series A Convertible Preferred Stock as a component of permanent stockholders' equity.

Common Stock Warrants

As discussed in Note 7 above, the Company issued a warrant to Perceptive Credit Holdings IV, LP to purchase 375,000 of shares of the Company's common stock, at an exercise price equal to \$12.00 per share, in January 2025. This warrant is immediately exercisable upon issuance, and expires seven years after the date of issuance, January 2032. This warrant is classified as a component of permanent stockholders' equity. The Company determined the fair value using the Black-Scholes option pricing model with the following assumptions on the date of issuance: common stock price of \$14.66 per share, expected volatility of 93%, expected term of 7 years, and risk-free interest rate of 4.56%.

As of June 30, 2025, aggregate common stock warrants of 379,000 shares with a weighted average exercise price of \$13.19 per share were outstanding and exercisable. Of these warrants, 4,000 shares expire in September 2025.

9. Equity Incentive Plan

Equity Incentive Plan

At the Company's annual meeting of stockholders held on June 2, 2025 (the 2025 Annual Meeting), the Company's stockholders approved an amendment to the Company's 2020 Equity Incentive Plan (2020 Plan) to increase the number of shares of common stock available for issuance under the plan by 1,950,000 shares. As of June 30, 2025, 1,370,000 shares were reserved for future issuance under the 2020 Plan.

Employee Share Purchase Plan (ESPP)

At the 2025 Annual Meeting, the Company's stockholders approved an amendment to the Company's ESPP to increase the number of shares of common stock available for issuance under the plan by 255,000 shares. As of June 30, 2025, 276,000 shares of common stock were reserved for issuance in connection with the current and future offering periods under the ESPP.

Restricted Stock

The Company issues restricted stock units (RSUs) and performance stock units (PSUs), both of which are considered restricted stock. The Company grants restricted stock pursuant to the 2020 Plan and satisfies such grants through the issuance of new shares. RSUs are share awards that, upon vesting, will deliver to the holder shares of the Company's common stock.

RSUs with a service-based vesting condition granted to a grantee, beginning in February 2022, generally vest over a three-year period as follows: (i) 25% on the first anniversary of the vesting commencement date, 25% quarterly over the course of the second year, and 50% quarterly over the course of the third year, or (ii) 33% on the first anniversary of the vesting commencement date, with the balance vesting quarterly over the remaining two years.

Annual RSUs granted to non-executive employees in 2025 vest over one year with 100% vesting on the first anniversary of the grant date while the annual RSUs granted to executives in 2025 vest over a two-year period with 50% vesting on the first anniversary of the vesting commencement date, and the remaining 50% vesting quarterly over the following year.

Annual RSUs granted to non-executive employees in 2024 vest over a two-year period at a rate of 50% on the first anniversary of the original vesting date, with the balance vesting quarterly over the remaining one year.

Prior to February 2022, RSUs with a service-based vesting condition granted to a grantee generally vest at a rate of 25% on the first anniversary of the original vesting date, with the balance vesting quarterly over the remaining three years.

Since 2022, the Company has granted a mix of 50% PSUs and 50% RSUs to its CEO, and a mix of 20% PSUs and 80% RSUs to its other executive officers and certain other senior leaders on an annual basis. These PSUs are earned and vest based on achievement against a performance-based metric and a market-based metric as follows:

- Performance-based vesting conditions:
 - o PSUs granted in 2022 through 2024 are earned based on the number of patients treating at home on Tablo as of the end of the second or third year following the grant date (Year 2 or Year 3), with earned units vesting either (i) 50% after certification of achievement following the end of Year 2 and 50% at the end of Year 3 or (ii) 100% after certification of achievement following the end of Year 3 (Home PSUs); or
 - o PSUs granted in 2025 are earned based on the Company's three-year non-GAAP cumulative earnings before income tax, depreciation and amortization (EBITDA) at the end of 2027, with 100% of earned units vesting after certification of the achievement level following the end of 2027 (EBITDA PSUs).

- Market-based vesting conditions:
 - o PSUs granted in 2022 through 2025 are earned based on the Company's relative total stockholder return (Relative TSR) at the end of a two-year or three-year performance period as compared to companies in a pre-determined index of medical device companies, in each case, with 100% of earned units vesting at the end of Year 3, or after certification of achievement following the end of the three-year performance period (Relative TSR PSUs).

The number of units earned varies based on actual performance as follows: (i) from 0% to 200% (250% for the CEO) of the target number of the Home PSUs and EBITDA PSUs granted, (ii) from 75% to 150% (250% for the CEO) of the target number of Relative TSR PSUs granted in 2022 and 2023 and (iii) from 0% to 200% (250% for the CEO) of the target number of Relative TSR PSUs granted in 2024 and 2025.

The grant dates for the Home PSUs and EBITDA PSUs are not considered established until the Compensation Committee of the Board approves the target and it is communicated to the award recipients, which then triggers the service inception date, the fair value of the awards, and the associated expense recognition period. Once the grant dates for the Home PSUs and EBITDA PSUs have been established, the related stock-based compensation expense would be recorded based on the forecasted performance, which is reassessed each reporting period based on the probability of achieving the performance conditions.

In 2024, the Company also granted a new type of PSU award to executive officers and certain other senior leaders which is earned and vests based on appreciation of the Company's stock price above pre-determined stock price triggers or achievement of specified non-GAAP operating income targets over a performance period of up to three years.

Stock-Based Compensation Expense

The following table sets forth stock-based compensation expense included in the accompanying condensed statements of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 186	\$ 531	\$ 303	\$ 796
Research and development	750	2,293	1,309	4,625
Sales and marketing	933	2,494	1,412	3,953
General and administrative	1,627	4,502	3,449	8,649
Total stock-based compensation expense	<u>\$ 3,496</u>	<u>\$ 9,820</u>	<u>\$ 6,473</u>	<u>\$ 18,023</u>

10. Income Taxes

For each of the three and six months ended June 30, 2025 and 2024, the Company incurred an income tax provision of an insignificant amount, which related to foreign income taxes for the Company's Mexico operations. The U.S. federal and state net deferred tax assets have been fully offset by a valuation allowance, as the Company believes it is not more likely than not that the deferred tax assets will be realized.

11. Net Loss Per Share

The following outstanding potentially dilutive shares were excluded from the calculation of diluted net loss per share due to their anti-dilutive effect (in thousands):

	Three and Six Months Ended June 30,	
	2025	2024
Stock options to purchase common stock	90	107
Restricted stock units	780	318
Performance stock units	106	21
Shares committed under ESPP	8	3
Series A Convertible Preferred Stock	343	—
Warrants to purchase common stock	379	4
Total	<u>1,706</u>	<u>453</u>

12. Segment

The key measure of segment profit or loss that the Company's chief operating decision maker (CODM), its Chief Executive Officer, uses to allocate resources and assess performance is the Company's net loss, as reported on the accompanying condensed statements of operations. Net income is used to monitor budget versus actual results.

There are no intra-entity sales or transfers. All expense categories on the accompanying condensed statements of operations are significant and there are no other expense categories regularly provided to the CODM beyond those disclosed in the accompanying condensed statements of operations. The CODM manages the business using expense information as well as regularly provided budgeted or forecasted expense information for the single operating segment. The measure of segment assets is reported on the accompanying condensed balance sheets as total consolidated assets with particular emphasis on the Company's available liquidity, including its cash, cash equivalents, restricted cash, and short-term investments.

13. Workforce reduction

In order to improve operational efficiencies, reduce operating expenses and streamline its overall organizational structure, the Company implemented two organizational restructuring plans to reduce its workforce in the fourth quarter of 2023 and May 2024 and incurred restructuring charges of \$2.5 million in fiscal year 2023 and \$2.7 million through the first half of fiscal year 2024 for employee severance and other termination benefits.

In connection with steps the Company took to help optimize its commercial organization, and to help improve operational efficiencies and reduce operating expenses to align with anticipated revenue growth, in the third quarter of 2024, the Company completed an additional restructuring plan primarily impacting its commercial organization. The Company incurred restructuring charges of \$1.4 million in the third quarter of 2024 for employee severance and other termination benefits associated with this restructuring.

In January 2025, the Company implemented another restructuring plan and, as a result, estimated and recognized restructuring charges of \$1.5 million as of December 31, 2024 for employee severance and other termination benefits. Restructuring accruals were based upon management estimates at the time and adjusted based on the changes in facts and circumstances subsequent to the date the original liability was recorded.

The following table sets forth severance and related benefits charges included in the accompanying condensed statements of operations (in thousands):

	Six Months Ended	
	June 30,	
	2025	2024
Cost of revenue	\$ —	\$ 213
Research and development	34	1,099
Sales and marketing	—	1,011
General and administrative	(42)	455
Total	\$ (8)	\$ 2,778

For the six months ended June 30, 2025, changes in liabilities resulting from the restructuring accruals, which were recorded in accrued compensation and related benefits on the accompanying condensed balance sheet, were as follows (in thousands):

Balance as of December 31, 2024	\$	1,501
Charges		34
Payments and other adjustments		(1,510)
Balance as of June 30, 2025	\$	25

14. Related Party Transactions

As discussed in Note 8, certain of the Company's directors, officers and employees purchased 19,000 shares of Series A Convertible Preferred Stock for a total purchase price of \$3.9 million in March 2025. These shares of Series A Convertible Preferred Stock were subsequently converted to common stock.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion of our financial condition and results of operations should be read together with our unaudited condensed financial statements and related notes and other financial information included elsewhere in this Quarterly Report, as well as our audited financial statements and notes thereto and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our 2024 Annual Report. As used in this Quarterly Report, references to the “Company,” “we,” “us,” “our,” or similar terms refer to Outset Medical, Inc.

In addition to historical financial information, this discussion and other parts of this report contain forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact contained in this Quarterly Report are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “predict,” “plan,” “expect” or the negative or plural of these words or similar expressions. The forward-looking statements in this report are only predictions and are based largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Such risks and uncertainties include those described throughout this Quarterly Report, including in this discussion as well as in the section titled “Risk Factors” under Part II, Item 1A below and in Part I, Item 1A, “Risk Factors” and in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2024 Annual Report. The forward-looking statements in this Quarterly Report are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements, like all statements in this report, speak only as of their date, and, except as required by law we undertake no obligation to update or revise these statements, whether as a result of any new information, future developments or otherwise. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

Overview

Our technology is designed to elevate the dialysis experience for patients and help providers overcome traditional care delivery challenges. Requiring only an electrical outlet and tap water to operate, our Tablo® Hemodialysis System (Tablo) frees patients and providers from the burdensome infrastructure required to operate traditional dialysis machines. The integration of water purification and on-demand dialysate production in a single 35-inch compact console enables Tablo to serve as a dialysis clinic on wheels. With a simple-to-use touchscreen interface, two-way wireless data transmission and a proprietary data analytics platform, Tablo is a holistic approach to dialysis care. Unlike existing hemodialysis machines, which have limited clinical versatility across care settings, Tablo can be used seamlessly across multiple care settings and a wide range of clinical applications. Tablo is cleared by the FDA for use in the hospital, clinic, or home setting.

Tablo leverages cloud technology, making it possible for providers to monitor devices remotely, view treatment data, perform patient and population analytics, and automate clinical recordkeeping. Tablo’s wireless connectivity enables us to release training, new features and enhancements over-the-air without interventions by field service engineers. Tablo’s connectedness allows continuous streaming of over 500,000 device performance data points to the cloud for every treatment. We use this data, in conjunction with our diagnostic and predictive algorithms, to monitor device performance, identify and diagnose failures and, in some instances, predict and prevent potential future device failures or malfunctions. In effect, this contributes to a reduction in service hours and an increase in device uptime.

We have generated meaningful evidence to demonstrate that providers can realize significant operational efficiencies, including reducing the cost of their dialysis programs. In addition, Tablo has been shown to deliver robust clinical care. In studies and surveys we have conducted, patients have reported quality of life benefits on Tablo compared to other dialysis machines. We believe Tablo empowers patients, who have traditionally been passive recipients of care, to regain agency and ownership of their treatment.

Driving adoption of Tablo in the acute care setting has been our primary focus to date. We have invested in growing our economic and clinical evidence, built a veteran sales and clinical support team with significant expertise, and implemented a comprehensive training and customer experience program. Our experience in the acute care market has demonstrated Tablo’s clinical flexibility and operational versatility, while also delivering meaningful cost savings to the providers. In addition, we are also working with skilled nursing facilities (SNFs), sub-acute long-term acute care hospitals (LTACHs), and other post-acute providers to raise awareness of Tablo’s economic and clinical benefits to them and to patients. We plan to continue leveraging our commercial infrastructure to broaden our installed base in the acute and post-acute care markets, as well as driving utilization and fleet expansion with our existing customers.

Tablo is also utilized for home-based dialysis. We believe our ability to reduce training time, patient dropout, and the supplies and infrastructure required to deliver dialysis in the home can drive efficiency and economic improvements to the home care model. In our home investigational device exemption trial, patients reported specific quality of life improvements compared to their experience on the incumbent home dialysis machine. To penetrate this market successfully, we have made investments in and continue to focus on refining our home distribution, logistics and support systems to help ensure they are ready for scale. We are also working with providers, patients, and payors to increase awareness and adoption of transitional care units as a bridge to home-based therapy.

We generate revenue from the placement of Tablo consoles along with accessories, and shipping and handling charged to customers, which revenue is recognized up-front. We also earn recurring revenue from sales of consumables, including Tablo cartridge, and services, which generates significant total revenue over the life of Tablo consoles. Our total revenues were \$31.4 million and \$27.4 million for the three months ended June 30, 2025 and 2024, respectively, and \$61.2 million and \$55.6 million for the six months ended June 30, 2025 and 2024, respectively.

We primarily sell our solutions through our direct sales organization, which covers most major metropolitan markets in the United States. Our sales organization is comprised of our capital sales team, responsible for generating new customer demand for Tablo, and our clinical sales team, responsible for driving utilization and fleet expansion of Tablo at existing customer sites. In addition, our field service team provides maintenance services and product support to our customers. Our field sales and service teams represent 59% of our total full-time employees as of June 30, 2025. The same sales organization and field service team drive Tablo penetration in both the acute and home markets. We believe the ability to leverage one team to serve both markets will result in significant productivity and cost optimization as we continue to scale our business.

Recent Developments

In July 2023, we received a warning letter (the Warning Letter) from the FDA that raised two observations. The first observation asserted that certain content reviewed by the FDA and found on our website promotes Continuous Renal Replacement Therapy (CRRT), a modality outside of the current indications for Tablo. The second observation asserted that TabloCart with Prefiltration required prior 510(k) clearance for marketing authorization. TabloCart with Prefiltration is an accessory to Tablo launched in the third quarter of 2022. We took action to address the first observation regarding CRRT promotion through revision of processes and procedures and updates to existing labeling and promotional materials. We also took action to address the second observation regarding TabloCart with Prefiltration. Although we evaluated TabloCart with Prefiltration prior to marketing and distributing the product and concluded that no marketing authorization was necessary, we paused distribution of TabloCart with Prefiltration pending the FDA's review and clearance of a 510(k) application for the same that we submitted in September 2023. In early May 2024, we received 510(k) clearance from the FDA for TabloCart with Prefiltration, and we have resumed distribution of TabloCart with Prefiltration. In February 2025, we were notified by the FDA that the issues cited in the Warning Letter have been addressed.

Key Factors Affecting Our Performance

We believe that our financial performance has been, and in the foreseeable future will continue to be, primarily driven by the following factors. While we believe each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations. Our ability to successfully address the factors below is subject to various risks and uncertainties, including those described in the section titled "Risk Factors."

Market Acceptance of Tablo in Acute Setting

We plan to further broaden our installed base by continuing to target national and regional integrated delivery networks and health systems, SNFs, LTACHs and other post-acute providers. In addition, we focus on driving utilization and fleet expansion with existing customers by providing an exceptional user experience delivered through our commercial team and a steady release of software enhancements that amplify Tablo's operational reliability and clinical versatility. Our ability to successfully execute on this strategy, and thereby increase our revenue in the acute market, will depend on several factors. These factors include our ability to recover from the adverse impact in the field from the Warning Letter as we resume distribution of TabloCart with Prefiltration, as well as the success of our initiatives to optimize and further evolve our commercial organization, infrastructure and sales processes to support the growth of our business in the acute and post-acute care markets as we focus more heavily on enterprise selling and transition beyond earlier stage adoption of Tablo.

Expansion of Tablo within the Home Setting

We believe that a significant growth opportunity exists within the home hemodialysis market. We are partnering with innovative dialysis clinic providers, health systems and other adjacent healthcare providers who are motivated to grow their home hemodialysis population, and who share our vision of creating a seamless and supported transition to the home. We are also investing in market development over the longer term to expand the home hemodialysis market itself. The expansion of the home hemodialysis market and our ability to penetrate this market will be an important factor in driving the future growth of our business. In addition, the

success of our efforts to expand within the home market, help grow new home programs and increase our revenue generated from home-based dialysis on the timeline that we anticipate will depend on several factors. These factors include the success of our initiatives to optimize and further evolve our commercial organization, infrastructure and sales processes as we scale our business in the home market.

Gross Margin

Our ability to expand our gross margins depends on: first, our ability to continue to sell Tablo cartridges, services, and accessories for Tablo consoles; second, our ability to reduce the cost of service and third, our ability to reduce the cost to manufacture Tablo consoles. Our ability to expand gross margins will also depend in part on our ability to control the average selling prices of our products and services, including by selling higher-margin accessories, consumables and services. Further, we will continue to utilize our cloud-based data system, as well as enhanced product and support performance, to improve service margin and drive down service costs per console. In addition, over the past several years, we have moved the production of Tablo consoles and a majority of Tablo cartridges in-house to our manufacturing facility in Tijuana, Mexico which we operate in collaboration with TACNA, as part of our cost reduction activities. This has helped further our long-term gross margin expansion and supply continuity strategies while reducing the costs of Tablo console production and improving the flexibility of our operations. We will continue our cost reduction activities by using our design, engineering, supply chain and manufacturing capabilities to help further advance and improve the efficiency of our manufacturing processes, lowering the cost of parts and components and lowering our costs of production. Our ability to expand gross margins depends on our ability to successfully execute these strategies, as well as the impact of macroeconomic factors described below, including the tariffs imposed by the current administration.

Profitability Initiatives

Our ability to achieve and sustain profitability depends on several key factors: first, our ability to grow our revenue while expanding gross margins, as discussed above; second, our ability to optimize operating expenses; and third, our ability to optimize working capital. We have undertaken various initiatives designed to improve operational efficiencies, reduce operating expenses to align with anticipated levels of revenue growth and streamline our overall cost structure, including several organizational restructurings implemented beginning in the fourth quarter of 2023 through early 2025. We are also taking steps to improve our ability to efficiently manage working capital, including inventory. Our ability to transition to profitability will depend on the success of our efforts to optimize spending and working capital, including inventory.

Impacts of Macroeconomic Factors

Global macroeconomic conditions, including inflationary pressures, rising interest rates, changes in tariff or trade laws and policies (such as the tariffs imposed by the current administration), increased labor costs, staffing shortages and global supply chain disruptions, may impact our business and results of operations, and those of our customers, manufacturing partners and suppliers. As the duration and severity of these macroeconomic conditions remain uncertain and depend on various factors, we cannot predict what effects these macroeconomic conditions will ultimately have on our business and results of operations, our customers, or our suppliers.

Beginning in the third quarter of 2023, we began to observe an increasing number of our existing and prospective customers deferring their decisions to purchase Tablo in an environment of rising interest rates and more cautious capital spending. These deferrals served to elongate our sales cycle and the timing of delivery and installations, which, in turn, contributed to an adverse impact on our bookings and revenues starting in the second half of 2023 and through 2024. We may see disruption from this in future periods. In addition, ongoing uncertainty relating to various policy changes under the current administration – including developments in trade policy (such as increased tariffs), changes in interest rate policy, potential reductions in government reimbursement and shifts in broader healthcare policy – could increase financial pressures faced by our existing and prospective hospital customers. These actual or anticipated policy changes may lead to higher operating costs for our customers, as well as tighter operating budgets and more cautious capital spending decisions. Additionally, broader economic uncertainty and market volatility – driven in part by these evolving policies – could exacerbate financial strain on our customers, potentially resulting in delayed or reduced purchases of our products and services. These factors could adversely impact our revenues, results of operations and financial condition in future periods.

If our customers continue to face prolonged periods of rising interest rates, capital budget constraints, volatility, uncertainty, staffing shortages, cash flow challenges, rising costs and other financial pressures, whether due to general macroeconomic conditions, evolving policy changes under the current administration (including trade policy developments, reductions in government reimbursement or shifts in healthcare policy), cybersecurity events or other factors, it could ultimately adversely impact our ability to expand existing customer relationships or attract new customers of Tablo, timely collect amounts due, effectively manage our inventory levels, and have a material adverse effect on our bookings, revenues, results of operations, financial condition, and, ultimately, our future growth and profitability.

From a supply chain perspective, we have worked closely with our manufacturing partners and suppliers to enable us to source key components and maintain appropriate inventory levels to meet customer demand, and have not experienced material disruptions in our supply chain to date. However, macroeconomic factors such as rising inflation, increasing labor costs, and surges and shifts in

consumer demand have disrupted the operations of certain of our third-party suppliers, resulting, in some cases, in increased lead times and higher component costs. We believe that localizing production of a majority of Tablo cartridges in Mexico (in-house at our manufacturing facility) has helped achieve cost reductions through lower freight costs, further our long-term gross margin expansion and supply continuity strategies and improve the flexibility of our operations. However, we may face increased supply chain constraints in the future, which could negatively impact our ability to meet customer demand on a timely basis, result in customer dissatisfaction and adversely impact our operating margins and results of operations. Moreover, increased tariffs imposed by the current administration, including on goods imported into the United States from Mexico and China, could adversely impact our supply chain and distribution costs, as well as our ability to achieve sustainable gross margins. While we do not believe we have exposure to these potential tariffs as Tablo, TabloCart and Tablo cartridge are covered under a special exemption, we cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the United States and other countries (including Mexico and China), what products may be subject to such actions, or what actions may be taken by the other countries in retaliation.

Results of Operations

The following table summarizes our results of operations for the three and six months ended June 30, 2025 and 2024 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue:				
Product revenue	\$ 23,082	\$ 19,238	\$ 44,376	\$ 39,666
Service and other revenue	8,337	8,150	16,795	15,890
Total revenue	31,419	27,388	61,171	55,556
Cost of revenue:				
Cost of product revenue	11,791	10,567	22,793	23,148
Cost of service and other revenue	7,761	7,039	15,445	14,411
Total cost of revenue	19,552	17,606	38,238	37,559
Gross profit	11,867	9,782	22,933	17,997
Operating expenses:				
Research and development	5,289	9,734	10,804	22,369
Sales and marketing	14,280	18,128	27,932	39,176
General and administrative	9,163	12,684	17,461	24,128
Total operating expenses	28,732	40,546	56,197	85,673
Loss from operations	(16,865)	(30,764)	(33,264)	(67,676)
Interest income and other income, net	1,903	2,471	3,879	5,569
Interest expense	(3,475)	(6,010)	(7,035)	(11,978)
Loss on extinguishment of term loan	—	—	(7,685)	—
Loss before provision for income taxes	(18,437)	(34,303)	(44,105)	(74,085)
Provision for income taxes	104	151	219	313
Net loss	\$ (18,541)	\$ (34,454)	\$ (44,324)	\$ (74,398)

Comparison of the Three and Six Months Ended June 30, 2025 and 2024

Revenue

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	\$	%	2025	2024	\$	%
<i>(dollars in thousands)</i>								
Revenue:								
Product revenue	\$ 23,082	\$ 19,238	\$ 3,844	20%	\$ 44,376	\$ 39,666	\$ 4,710	12%
Service and other revenue	8,337	8,150	187	2%	16,795	15,890	905	6%
Total revenue	\$ 31,419	\$ 27,388	4,031	15%	\$ 61,171	\$ 55,556	5,615	10%

Product revenue increased by \$3.8 million, or 20%, for the three months ended June 30, 2025 as compared to the same period in the prior year. This increase was driven by a \$2.0 million increase in consumable revenue due to growth in our console installed base and a \$1.8 million increase in console revenue.

Product revenue increased by \$4.7 million, or 12%, for the six months ended June 30, 2025 as compared to the same period in the prior year. This increase was driven by a \$5.0 million increase in consumable revenue attributable to growth in our console

installed base, which was offset by a \$0.3 million decrease in console revenue due to fewer consoles being sold in the current year period as compared to prior year period.

Service and other revenue increased for the three and six months ended June 30, 2025 as compared to the same periods in the prior year. The increase was primarily due to services associated with growth in our console installed base.

Gross Profit and Gross Margin

<i>(dollars in thousands)</i>	Three Months Ended				Six Months Ended				
	June 30,		Change		June 30,		Change		
	2025	2024	\$	%	2025	2024	\$	%	
Gross profit and gross margin:									
Gross profit	\$ 11,867	\$ 9,782	\$ 2,085	21%	\$ 22,933	\$ 17,997	\$ 4,936	27%	
Gross margin	37.8 %	35.7 %			37.5 %	32.4 %			

Gross profit increased for the three and six months ended June 30, 2025 as compared to the same periods in the prior year. Gross margin improved by 2.1 percentage points for the three months ended June 30, 2025 and 5.1 percentage points for the six months ended June 30, 2025 as compared to the same periods in the prior year. These improvements in gross profit and gross margin were primarily driven by higher average selling prices for consoles and consumables and lower unit cost per console. These improvements were slightly offset by lower gross margin on service and other revenue as a result of one-time strategic investment in service operations to enhance console reliability.

Operating Expenses

<i>(dollars in thousands)</i>	Three Months Ended				Six Months Ended				
	June 30,		Change		June 30,		Change		
	2025	2024	\$	%	2025	2024	\$	%	
Operating expenses:									
Research and development	\$ 5,289	\$ 9,734	\$ (4,445)	(46)%	\$ 10,804	\$ 22,369	\$ (11,565)	(52)%	
Sales and marketing	14,280	18,128	(3,848)	(21)%	27,932	39,176	(11,244)	(29)%	
General and administrative	9,163	12,684	(3,521)	(28)%	17,461	24,128	(6,667)	(28)%	
Total operating expenses	\$ 28,732	\$ 40,546	(11,814)	(29)%	\$ 56,197	\$ 85,673	(29,476)	(34)%	

Research and development expenses decreased for the three and six months ended June 30, 2025 as compared to the same periods in the prior year. The decrease was primarily due to an overall decrease in compensation-related and stock-based compensation expense, consulting expense, and infrastructure costs resulting from our cost reduction efforts implemented in the fourth quarter of 2023, in 2024 and early 2025.

Sales and marketing expenses decreased for the three and six months ended June 30, 2025 as compared to the same periods in the prior year. The decrease was primarily driven by an overall decrease in compensation-related and stock-based compensation expense, freight, travel and consulting expenses resulting from our cost reduction efforts implemented in the fourth quarter of 2023, in 2024 and early 2025. The decreases for the six months ended June 30, 2025 were also reduced by the reduction in infrastructure costs.

General and administrative expenses decreased for the three and six months ended June 30, 2025 as compared to the same period in the prior year. The decrease was primarily due to an overall decrease in compensation-related and stock-based compensation expense, and consulting expenses resulting from our cost reduction efforts implemented in the fourth quarter of 2023, in 2024 and early 2025. Our provision for credit losses also decreased as compared to the prior year periods.

Other Income (Expenses), Net

<i>(dollars in thousands)</i>	Three Months Ended				Six Months Ended				
	June 30,		Change		June 30,		Change		
	2025	2024	\$	%	2025	2024	\$	%	
Other income (expenses), net:									
Interest income and other income, net	\$ 1,903	\$ 2,471	\$ (568)	(23)%	\$ 3,879	\$ 5,569	\$ (1,690)	(30)%	
Interest expense	(3,475)	(6,010)	2,535	(42)%	(7,035)	(11,978)	4,943	(41)%	
Loss on extinguishment of term loan	—	—	—	—	(7,685)	—	(7,685)	*	
Total other expenses, net	\$ (1,572)	\$ (3,539)	1,967	(56)%	\$ (10,841)	\$ (6,409)	(4,432)	69%	

* Not meaningful

The decrease in interest income and other income, net for the three and six months ended June 30, 2025 as compared to the same periods in the prior year were driven by a lower average short-term investment balance in 2025.

The decreases in interest expense for the three and six months ended June 30, 2025 were primarily due to a lower outstanding term loan balance in 2025.

The loss on extinguishment of term loan of \$7.7 million was recognized for the repayment of the SLR Term Loan in 2025, which included final payment and termination fees.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have incurred net losses and negative cash flows from operations. To date, we have financed our operations and capital expenditures primarily through sales of equity securities, revenue from sales, debt financings, and proceeds from employee exercise of stock options and ESPP purchases.

As of June 30, 2025, we had cash, cash equivalents, restricted cash, and short-term investments of \$187.4 million. In January and March 2025, we sold 863,340 shares of Series A Convertible Preferred Stock at a price of \$200.00 per share in the Private Placement for total gross proceeds of \$172.7 million, before deducting placement agent fees and other offering expenses. Subsequently, 842,753 shares of Series A Convertible Preferred Stock were converted into 14,045,866 shares of our common stock.

In addition, in January 2025, we entered into the Perceptive Credit Agreement with Perceptive Credit Holdings IV, LP, which provided a \$100 million 5-year term loan at closing and provides an additional term loan of up to \$25 million, which is available for funding until July 14, 2027, subject to achievement of a specified revenue milestone and other customary conditions.

We are required to comply with certain covenants under the Perceptive Credit Agreement, including, among others, requirements as to financial reporting, restrictions on our ability to incur additional indebtedness and to pay any dividends or other distributions on capital stock, maintenance of a minimum cash balance, and achievement of certain specified trailing twelve-month net revenue targets. If we fail to comply with any covenants, payments or other terms of the Perceptive Credit Agreement and such failure constitutes an event of default thereunder, such event of default would give Agent the right to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable.

While we have taken actions to reduce operating expenses and working capital to align with anticipated revenue growth including implementing restructuring plans to streamline our overall organizational structure and renegotiating commitments with suppliers to reduce inventory, we expect to continue to incur operating losses in the near term while we make investments to support our anticipated growth. We may raise additional capital through the issuance of additional equity financing, debt financings, which may require refinancing or amending the terms of our existing debt, or other sources. If this financing is not available to us at adequate levels or on acceptable terms, we may need to further evaluate our operating plans. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our existing stockholders' rights. We are subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional capital through debt financing (including through our existing debt), we may be subject to an increase in our interest expense which may negatively affect our cash flow.

In September 2024, we received notice from the Listing Qualifications staff of Nasdaq that we no longer complied with the minimum bid price requirement for continued listing on the Nasdaq Global Select Market. Although compliance was regained in December 2024, we received a second notice of non-compliance in February 2025 after again failing to meet the minimum bid price requirement. Following the Reverse Stock Split, the Company regained compliance. However, if we are unable to maintain compliance with the minimum bid price requirement or other applicable Nasdaq listing rules, we may not be able to maintain the listing of our common stock on Nasdaq, which could adversely affect our ability to issue additional securities or obtain additional financing on terms acceptable to us, or at all.

We believe that our existing cash, cash equivalents and short-term investments, cash generated from sales, and proceeds received from the debt financing and the Private Placement described in Note 7 and 8, respectively, of the accompanying condensed financial statements above, will be sufficient to meet our anticipated needs for at least the next 12 months from the issuance date of this Quarterly Report.

Cash Flows Summary

The following table summarizes the cash flows for each of the periods indicated (in thousands):

	Six Months Ended June 30,	
	2025	2024
Net cash (used in) provided by:		
Operating activities	\$ (30,486)	\$ (79,247)
Investing activities	(109,241)	(20,090)
Financing activities	55,272	68,687
Net decrease in cash, cash equivalents and restricted cash	<u>\$ (84,455)</u>	<u>\$ (30,650)</u>

Operating Activities

The net cash used in operating activities of \$30.5 million for the six months ended June 30, 2025 was due to a net loss of \$44.3 million, a net cash outflow from the change in our operating assets and liabilities of \$5.3 million, and the amortization of premiums on investments of \$1.0 million, which were adjusted by loss on extinguishment of term loan of \$7.7 million, stock-based compensation expense of \$6.5 million, depreciation and amortization of \$2.4 million, provision for credit losses of \$1.6 million, non-cash interest expense of \$1.3 million, non-cash lease expense of \$0.8 million, and provision for inventories of \$0.2 million. The net cash outflow from operating assets and liabilities was primarily due to a decrease in accrued compensation and related benefits resulting from the payouts of 2024 annual cash bonus, a decrease in accrued interest as a result of the termination of the SLR Term Loan, a decrease in accounts payable, an increase in accounts receivable resulting from the timing of collection and decreases in operating lease liabilities and accrued warranty liability. The net cash outflow from operating assets and liabilities was partially offset by a decrease in inventory, an increase in deferred revenue due to growth in our business, increases in accrued expenses and other current liabilities and a decrease in prepaid expenses and other assets.

Investing Activities

The net cash used in investing activities of \$109.2 million for the six months ended June 30, 2025 was due to purchases of short-term investment securities of \$153.7 million and purchases of property and equipment of \$0.4 million, which was partially offset by the maturities of short-term investment securities of \$44.8 million.

Financing Activities

The net cash provided by financing activities of \$55.3 million for the six months ended June 30, 2025 was due to net proceeds of \$161.5 million from the issuance of Series A Convertible Preferred Stock, net proceeds of \$98.3 million from borrowings under the Perceptive Term Loan Facility, and proceeds from ESPP purchases, partially offset by cash outflow of \$205.0 million in repayment of the SLR Term Loan which included final payment and termination fees.

Critical Accounting Estimates

Management's discussion and analysis of the financial condition and results of operations is based on the financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses incurred during the reporting periods. The estimates are based on historical experience and on various other factors that are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no new or significant changes in our critical accounting estimates as compared to the critical accounting estimates disclosed in Part II Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2024 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this Quarterly Report. Our disclosure controls and procedures are

designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures are also designed to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of the end of the period covered by this Quarterly Report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information set forth under “Litigation” in Note 6, Commitments and Contingencies, of the notes accompanying our unaudited condensed financial statements in this Quarterly Report is incorporated herein by reference.

Item 1A. Risk Factors.

You should carefully consider the risk factors discussed in Part I, “Item 1A. Risk Factors” in our 2024 Annual Report, as updated by the risk factors discussed in Part II, “Item 1A. Risk Factors” in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2025 (Q1 2025 Quarterly Report), which could materially affect our business, financial position, or future results of operations. There have been no material changes to the risk factors described in our 2024 Annual Report, as updated by our Q1 2025 Quarterly Report, except as set forth below. The risks described in our 2024 Annual Report and Q1 2025 Quarterly Report, as updated below, are not the only risks that we face. Additional risks and uncertainties not precisely known to us, or that we currently deem to be immaterial, may also arise and materially impact our business. If any of these risks occur, our business, results of operations and financial condition could be materially and adversely affected and the trading price of our common stock could decline.

Our customers may face financial pressures including, but not limited to, capital budget constraints, staffing shortages and increased costs, that have had, and may continue to have, a negative impact on our financial condition or results of operations.

Beginning in 2022, our existing and prospective customers faced shortages of skilled nurses and other clinical personnel as well as increased labor costs, combined with economic pressures resulting from general economic and financial market conditions, primarily escalating inflation, tightening hospital operating budgets and increased scrutiny of capital purchase decisions, all of which generally have the effect of lengthening the average sales cycle and elongating the timing of installations. These factors negatively impacted our customer base on pipeline development and installation schedules, which, in turn, negatively impacted our bookings, delayed our shipments and adversely impacted our revenues for 2022 and, to a lesser extent, 2023.

Beginning in the third quarter of 2023, we began to observe an increasing number of our existing and prospective customers deferring their decisions to purchase Tablo in an environment of rising interest rates and more cautious capital spending. These deferrals served to further elongate our sales cycle and the timing of delivery and installations which in turn, contributed to an adverse impact on our bookings and revenues starting in the second half of 2023, and through 2024. We have no assurance that these impacts will abate in future periods.

Moreover, in February 2024, Change Healthcare, a large provider of healthcare payment systems, experienced a cyberattack on its information technology systems, causing disruptions to healthcare providers across the United States, including financial impacts such as reduced reimbursements and cash flow. We believe several of our customers experiencing these disruptions deferred both Tablo console and treatment purchases until their cash flow normalized, adversely impacting our revenues for the first quarter of 2024.

In addition, ongoing uncertainty relating to various policy changes under the current administration – including developments in trade policy (such as increased tariffs), changes in interest rate policy, potential reductions in government reimbursement and shifts in broader healthcare policy – could increase financial pressures faced by our existing and prospective hospital customers. These actual or anticipated policy changes may lead to higher operating costs for our customers, as well as tighter operating budgets and more cautious capital spending decisions. Additionally, broader economic uncertainty and market volatility – driven in part by these evolving policies – could exacerbate financial strain on our customers, potentially resulting in delayed or reduced purchases of our products and services. These factors could adversely impact our revenues, results of operations and financial condition in future periods.

We also believe that there will continue to be proposals and other actions by legislators and other policymakers at both the federal and state levels, and by regulators and third-party payors to reduce costs. For example, the recently-enacted One Big Beautiful Bill Act aims to reform Medicaid by eliminating certain financial incentives, imposing work requirements on certain adult beneficiaries, and requiring states to increase patient cost-sharing amounts for certain services. We cannot predict with any assurance the ultimate effect of these reforms on our business.

If our customers continue to face prolonged periods of rising interest rates, capital budget constraints, volatility, uncertainty, staffing shortages, cash flow challenges, rising costs and other financial pressures, whether due to general macroeconomic conditions, evolving policy changes under the current administration (including trade policy developments, reductions in government reimbursement or shifts in healthcare policy), cybersecurity events or other factors, it could ultimately adversely impact our ability to expand existing customer relationships or attract new customers of Tablo, timely collect amounts due, effectively manage our inventory levels, and have a material adverse effect on our bookings, revenues, results of operations, financial condition, and, ultimately, our future growth and profitability.

Litigation and other legal proceedings may adversely affect our business.

From time to time we may become involved in legal proceedings relating to patent and other intellectual property matters, product liability claims, employee claims, tort or contract claims, federal regulatory investigations, securities class action and other legal proceedings or investigations, which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business. For example, on August 29, 2024 and October 18, 2024, two purported stockholder class action lawsuits were filed against the Company, our Chief Executive Officer, then-Chief Financial Officer and prior Chief Financial Officer, in the U.S. District Court for the Northern District of California alleging that the defendants violated federal securities laws by making false or misleading statements about our business, operations and prospects related to the sale and marketing of the Tablo Hemodialysis System and TabloCart with Prefiltration, including concerning the impact of certain FDA processes for these products on our revenue growth. Further, on November 29, 2024, April 28, 2025, May 8, 2025 and June 16, 2025 Outset stockholders purporting to act on behalf of the Company filed lawsuits in the U.S. District Court for the Northern District of California against current and former members of our Board of Directors and certain of our officers, alleging that the defendants breached their fiduciary duties to the Company in connection with the same alleged events and alleged materially false and misleading statements asserted in the stockholder class action lawsuits. For more information, see the section entitled “Litigation” in Note 6, Commitments and Contingencies, to our unaudited condensed financial statements included in this Quarterly Report. Litigation is inherently unpredictable and can result in excessive or unanticipated verdicts and/or injunctive relief that affect how we operate our business. We could incur judgments or enter into settlements of claims for monetary damages or for agreements to change the way we operate our business, or both. There may be an increase in the scope of these matters or there may be additional lawsuits, claims, proceedings or investigations in the future, which could have a material adverse effect on our business, financial condition and results of operations. Adverse publicity about regulatory or legal action against us could damage our reputation and brand image, undermine our customers’ confidence and reduce long-term demand for Tablo, even if the regulatory or legal action is unfounded or not material to our operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description	Incorporation by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Form of Amended and Restated Certificate of Incorporation of Outset Medical, Inc.	S-1/A	333-248225	3.1	September 9, 2020
3.2	Form of Amended and Restated Bylaws of Outset Medical, Inc.	S-1/A	333-248225	3.2	September 9, 2020
3.3	Amendment No. 1 To Amended and Restated Bylaws of Outset Medical, Inc., dated January 23, 2025	8-K	001-39513	3.1	January 24, 2025
3.4	Certificate of Designation of Preferences, Rights and Limitations of Series A Non-Voting Convertible Preferred Stock	8-K	001-39513	3.1	January 8, 2025
4.1	Form of Common Stock Certificate	S-1/A	333-248225	4.1	September 9, 2020
4.2	Amended and Restated Registration Rights Agreement	S-1	333-248225	4.2	August 21, 2020
4.3	Form of Series A Warrant Agreement #1	S-1	333-248225	4.3	August 21, 2020
4.4	Form of Series A Warrant Agreement #2	S-1	333-248225	4.4	August 21, 2020
4.5	Description of Outset Medical, Inc.'s Securities Registered Pursuant to Section 12 of the Exchange Act	10-K	001-39513	4.5	March 22, 2021
4.6	Warrant Certificate, dated January 8, 2025, issued by Outset Medical, Inc. to Perceptive Credit Holdings IV, LP	8-K	001-39513	4.1	January 8, 2025
10.1†*	Outset Medical, Inc. 2020 Equity Incentive Plan, as amended and restated				
10.2†*	Outset Medical, Inc. Employee Stock Purchase Plan, as amended and restated				
10.3†*	Offer Letter between Outset Medical, Inc. and Renee Gaeta, dated as of May 31, 2025				
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents				
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)				

* Filed herewith.

† Indicates a management contract or compensatory plan or arrangement.

OUTSET MEDICAL, INC.

2020 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: SEPTEMBER 2, 2020

APPROVED BY THE STOCKHOLDERS: SEPTEMBER 7, 2020

AMENDED AND RESTATED, EFFECTIVE MARCH 20, 2025

APPROVED BY THE STOCKHOLDERS: JUNE 2, 2025 (IN RESPECT OF AMENDMENT 2025-1)

AMENDED AND RESTATED, EFFECTIVE AUGUST 6, 2025

TERMINATION DATE: SEPTEMBER 2, 2030

I. INTRODUCTION

1.1 PURPOSES. The purposes of the Outset Medical, Inc. 2020 Equity Incentive Plan (this “*Plan*”) are (i) to align the interests of the Company’s stockholders and the recipients of awards under this Plan by increasing the proprietary interest of such recipients in the Company’s growth and success, (ii) to advance the interests of the Company by attracting and retaining Non-Employee Directors, officers, other employees, consultants, independent contractors and agents and (iii) to motivate such persons to act in the long-term best interests of the Company and its stockholders.

1.2 CERTAIN DEFINITIONS.

“*Agreement*” means the written or electronic agreement evidencing an award hereunder between the Company and the recipient of such award.

“*Board*” means the Board of Directors of the Company.

“*Change in Control*” has the meaning set forth in Section 5.8(a).

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Committee*” means the Compensation Committee of the Board, or a subcommittee thereof, or such other committee designated by the Board, in each case, consisting of two or more members of the Board, each of whom is intended to be (i) a “Non-Employee Director” within the meaning of Rule 16b-3 under the Exchange Act and (ii) “independent” within the meaning of the rules of NASDAQ or, if the Common Stock is not listed on NASDAQ, within the meaning of the rules of the principal stock exchange on which the Common Stock is then traded.

“*Common Stock*” means the common stock, par value \$0.001 per share, of the Company, and all rights appurtenant thereto.

“*Company*” means Outset Medical, Inc., a Delaware corporation, or any successor thereto.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“Exchange Act Person” means any natural person, entity, or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that “Exchange Act Person” does not include: (i) the Company or any Subsidiary; (ii) any employee benefit plan of the Company or any Subsidiary or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary; (iii) an underwriter temporarily holding securities pursuant to an offering of such securities; (iv) an entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company; or (v) any natural person, entity, or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the effective date of this Plan, is the owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities.

“Fair Market Value” means the closing transaction price of a share of Common Stock as reported on NASDAQ on the date as of which such value is being determined or, if the Common Stock is not listed on NASDAQ, the closing transaction price of a share of Common Stock on the principal national stock exchange on which the Common Stock is traded on the date as of which such value is being determined or, if there shall be no reported transactions for such date, on the next preceding date for which transactions were reported; *provided, however*, that (i) the Company may in its discretion use the closing transaction price of a share of Common Stock on the day preceding the date as of which such value is being determined to the extent the Company determines such method is more practical for administrative purposes, such as for purposes of tax withholding and (ii) if the Common Stock is not listed on a national stock exchange or if Fair Market Value for any date cannot be so determined, Fair Market Value shall be determined by the Committee by whatever means or method as the Committee, in the good faith exercise of its discretion, shall at such time deem appropriate and in compliance with Section 409A of the Code.

“Free-Standing SAR” means a SAR which is not granted in tandem with, or by reference to, an option, which entitles the holder thereof to receive, upon exercise, shares of Common Stock (which may be Restricted Stock) or, to the extent set forth in the applicable Agreement, cash or a combination thereof, with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of such SARs that are exercised.

“Incentive Stock Option” means an option to purchase shares of Common Stock that meets the requirements of Section 422 of the Code, or any successor provision, which is intended by the Committee to constitute an Incentive Stock Option.

“Incumbent Director” has the meaning set forth in Section 5.8(a)(5).

“Non-Employee Director” means any member of the Board who is not an officer or employee of the Company or any Subsidiary.

“Nonstatutory Stock Option” means an option to purchase shares of Common Stock which is not an Incentive Stock Option.

“Other Stock Award” means an award granted pursuant to Section 3.4 of the Plan.

“Performance Award” means a right to receive an amount of cash, Common Stock, or a combination of both, contingent upon the attainment of specified Performance Measures within a specified Performance Period.

“Performance Measures” means the criteria and objectives, established by the Committee, which shall be satisfied or met (i) as a condition to the grant or exercisability of all or a portion of an option or SAR or (ii) during the applicable Restriction Period or Performance Period as a condition to the vesting of the holder’s interest, in the case of a Restricted Stock Award, of the shares of Common Stock subject to such award, or, in the case of a Restricted Stock Unit Award, Other Stock Award or Performance Award, to the holder’s receipt of the shares of Common Stock subject to such award or of payment with respect to such award. Such criteria and objectives may include one or more of the following corporate-wide or Subsidiary, division, operating unit, line of business, project, geographic or individual measures: the attainment by a share of Common Stock of a specified Fair Market Value for a specified period of time; increase in stockholder value; earnings per share; return on or net assets; return on equity; return on investments; return on capital or invested capital; total stockholder return; earnings or income of the Company before or after taxes and/or interest; earnings before interest, taxes, depreciation and amortization (“EBITDA”); EBITDA margin; operating income; revenues; operating expenses, attainment of expense levels or cost reduction goals; market share; cash flow, cash flow per share, cash flow margin or free cash flow; interest expense; economic value created; gross profit or margin; operating profit or margin; net cash provided by operations; price-to-earnings growth; and strategic business criteria, consisting of one or more objectives based on meeting specified goals relating to market penetration, customer acquisition, business expansion, cost targets, customer satisfaction, reductions in errors and omissions, reductions in lost business, management of employment practices and employee benefits, supervision of litigation, supervision of information technology, quality and quality audit scores, efficiency, acquisitions or divestitures, publication, clinical or regulatory milestones, research and development achievements, coverage decisions, licenses, collaborations, joint ventures or promotional arrangements and such other goals as the Committee may determine whether or not listed herein, or any combination of the foregoing. Each such goal may be expressed on an absolute or relative basis and may include comparisons based on current internal targets, the past performance of the Company (including the performance of one or more Subsidiaries, divisions, or operating units) or the past or current performance of other companies or market indices (or a combination of such past and current performance). In addition to the ratios specifically enumerated above, performance goals may include comparisons relating to capital (including, but not limited to, the cost of capital), shareholders’ equity, shares outstanding, assets or net assets, sales, or any combination thereof. The applicable performance measures may be applied on a pre- or post-tax basis and may be adjusted to include or exclude components of any performance measure, including, without limitation, foreign exchange gains and losses, asset writedowns, acquisitions and divestitures, change in fiscal year, unbudgeted capital expenditures, special charges such as restructuring or impairment charges, debt refinancing costs, extraordinary or noncash items, unusual, infrequently occurring, nonrecurring or one-time events affecting the Company or its financial statements or changes in law or accounting principles (“Adjustment Events”). In the sole discretion of the Committee, the Committee may amend or adjust the Performance Measures or other terms and conditions of an outstanding award in recognition of any Adjustment Events. Performance goals shall be subject to such other special rules and conditions as the Committee may establish at any time.

“Performance Period” means any period designated by the Committee during which (i) the Performance Measures applicable to an award shall be measured and (ii) the conditions to vesting applicable to an award shall remain in effect.

“Prior Plan” means the Outset Medical, Inc. 2019 Equity Incentive Plan and each other equity plan maintained by the Company under which awards are outstanding as of the effective date of the Plan.

“Restricted Stock” means shares of Common Stock which are subject to a Restriction Period and which may, in addition thereto, be subject to the attainment of specified Performance Measures within a specified Performance Period.

“Restricted Stock Award” means an award of Restricted Stock under this Plan.

“Restricted Stock Unit” means a right to receive one share of Common Stock or, in lieu thereof and to the extent set forth in the applicable Agreement, the Fair Market Value of such share of Common Stock in cash, which shall be contingent upon the expiration of a specified Restriction Period and which may, in addition thereto, be contingent upon the attainment of specified Performance Measures within a specified Performance Period.

“Restricted Stock Unit Award” means an award of Restricted Stock Units under this Plan.

“Restriction Period” means any period designated by the Committee during which either (i) the Common Stock subject to a Restricted Stock Award may not be sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of, except as provided in this Plan or the Agreement relating to such award, or (ii) the conditions to vesting applicable to a Restricted Stock Unit Award or Other Stock Award shall remain in effect.

“SAR” means a stock appreciation right, which may be a Free-Standing SAR or a Tandem SAR.

“Stock Award” means a Restricted Stock Award, Restricted Stock Unit Award or Other Stock Award.

“Subject Person” has the meaning set forth in Section 5.8(a)(1).

“Subsidiary” means any corporation, limited liability company, partnership, joint venture, or similar entity in which the Company owns, directly or indirectly, an equity interest possessing more than 50% of the combined voting power of the total outstanding equity interests of such entity.

“Substitute Award” means an award granted under this Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity in connection with a corporate transaction, including a merger, combination, consolidation, or acquisition of property or stock; *provided, however*, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an option or SAR.

“Tandem SAR” means an SAR which is granted in tandem with, or by reference to, an option (including a Nonstatutory Stock Option granted prior to the date of grant of the SAR), which entitles the holder thereof to receive, upon exercise of such SAR and surrender for cancellation of all or a portion of such option, shares of Common Stock (which may be Restricted Stock) or, to the extent set forth in the applicable Agreement, cash or a combination thereof, with an aggregate value equal to the excess of the Fair Market Value of one share of Common Stock on the date of exercise over the base price of such SAR, multiplied by the number of shares of Common Stock subject to such option, or portion thereof, which is surrendered.

“Tax Date” has the meaning set forth in Section 5.5.

“Ten Percent Holder” has the meaning set forth in Section 2.1(a).

1.3 ADMINISTRATION. This Plan shall be administered by the Committee. Any one or a combination of the following awards may be made under this Plan to eligible persons: (i) options to purchase shares of Common Stock in the form of Incentive Stock Options or Nonstatutory Stock Options; (ii) SARs in the form of Tandem SARs or Free-Standing SARs; (iii) Stock Awards in the form of Restricted Stock, Restricted Stock Units or Other Stock Awards; and (iv) Performance Awards. The Committee shall, subject to the terms of this Plan, select eligible persons for participation in this Plan and determine the form, amount and timing of each award to such persons and, if applicable, the number of shares of Common Stock subject to an award, the number of SARs, the number of Restricted Stock Units, the dollar value subject to a Performance Award, the purchase price or base price associated with the award, the time and conditions of exercise or settlement of the award, and all other terms and conditions of the award, including, without limitation, the form of the Agreement evidencing the award. The Committee may, in its sole discretion and for any reason at any time, take action such that (i) any or all outstanding options and SARs shall become exercisable in part or in full, (ii) all or a portion of the Restriction Period applicable to any outstanding awards shall lapse, (iii) all or a portion of the Performance Period applicable to any outstanding awards shall lapse and (iv) the Performance Measures (if any) applicable to any outstanding awards shall be deemed to be satisfied at the target, maximum or any other level. The Committee shall, subject to the terms of this Plan, interpret this Plan and the application thereof, establish rules and regulations it deems necessary or desirable for the administration of this Plan, and may impose, incidental to the grant of an award, conditions with respect to the award, such as limiting competitive employment or other activities. All such interpretations, rules, regulations and conditions shall be conclusive and binding on all parties.

The Committee may delegate some or all of its power and authority hereunder to the Board (or any members thereof) or, subject to applicable law, to a subcommittee of the Board, a member of the Board, the Chief Executive Officer or other executive officer of the Company as the Committee deems appropriate; *provided, however*, that the Committee may not delegate its power and authority to a member of the Board, the Chief Executive Officer or other executive officer of the Company with regard to the selection for participation in this Plan of an officer, director or other person subject to Section 16 of the Exchange Act or decisions concerning the timing, pricing or amount of an award to such an officer, director or other person.

No member of the Board or Committee, and neither the Chief Executive Officer nor any other executive officer to whom the Committee delegates any of its power and authority hereunder,

shall be liable for any act, omission, interpretation, construction or determination made in connection with this Plan in good faith, and the members of the Board and the Committee and the Chief Executive Officer or other executive officer shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including attorneys' fees) arising therefrom to the full extent permitted by law (except as otherwise may be provided in the Company's Certificate of Incorporation and/or By-laws) and under any directors' and officers' liability insurance that may be in effect from time to time.

1.4 ELIGIBILITY. Participants in this Plan shall consist of such officers, other employees, Non-Employee Directors, consultants, independent contractors, agents, and persons expected to become officers, other employees, Non-Employee Directors, consultants, independent contractors and agents of the Company and its Subsidiaries as the Committee in its sole discretion may select from time to time. The Committee's selection of a person to participate in this Plan at any time shall not require the Committee to select such person to participate in this Plan at any other time. Except as otherwise provided for in an Agreement, for purposes of this Plan, references to employment by the Company shall also mean employment by a Subsidiary, and references to employment shall include service as a Non-Employee Director, consultant, independent contractor or agent. The Committee shall determine, in its sole discretion, the extent to which a participant shall be considered employed during an approved leave of absence. Notwithstanding anything herein to the contrary, the aggregate value of cash compensation to be paid and the grant date fair value of equity awards that may be granted during any fiscal year of the Company to any Non-Employee Director shall not exceed \$400,000, increased to \$800,000 with respect to the fiscal year of a Non-Employee Director's initial service as a Non-Employee Director.

1.5 SHARES AVAILABLE. Subject to adjustment as provided in Section 5.7 and to all other limits set forth in this Plan, 244,344 shares of Common Stock shall initially be available for all awards under this Plan, other than Substitute Awards. Subject to adjustment as provided in Section 5.7, no more than 610,861 shares of Common Stock in the aggregate may be issued under the Plan in connection with Incentive Stock Options. The number of shares of Common Stock available under the Plan shall increase annually on the first day of each fiscal year, beginning with the fiscal year ending December 31, 2021, and continuing until (and including) the fiscal year ending December 31, 2030, with such annual increase equal to an amount equal to the lesser of (i) 4% of the number of shares of Common Stock issued and outstanding on December 31 of the immediately preceding calendar year, and (ii) an amount determined by the Board; provided that, subject to adjustment as provided in Section 5.7, and effective as of the June 2, 2025 approval date of the stockholders of the Company at the Company's 2025 Annual Meeting of Stockholders, an additional 1,950,000 shares of Common Stock shall be available for awards under the Plan effective as of the date on which such stockholder approval takes place, which additional 1,950,000 shares of Common Stock shall not increase the number of shares of Common Stock that may be issued under the Plan in connection with Incentive Stock Options. The number of shares of Common Stock that remain available for future grants under this Plan shall be reduced by the sum of the aggregate number of shares of Common Stock that become subject to outstanding options, outstanding Free-Standing SARs, outstanding Stock Awards and outstanding Performance Awards denominated in shares of Common Stock.

To the extent that shares of Common Stock subject to an outstanding option, SAR, Stock Award or Performance Award granted under the Plan or the Prior Plan, other than Substitute

Awards, are not issued or delivered by reason of (i) the expiration, termination, cancellation or forfeiture of such award (excluding shares subject to an option cancelled upon settlement in shares of a related Tandem SAR or shares subject to a Tandem SAR cancelled upon exercise of a related option) or (ii) the settlement of such award in cash, then such shares of Common Stock shall again be available under this Plan. In addition, shares of Common Stock subject to an award under this Plan or the Prior Plan shall again be available for issuance under this Plan if such shares are (x) shares that were subject to an option or stock-settled SAR and were not issued or delivered upon the net settlement or net exercise of such option or SAR or (y) shares delivered to or withheld by the Company to pay the purchase price or the withholding taxes related to an outstanding award. Notwithstanding anything herein to the contrary, shares repurchased by the Company on the open market with the proceeds of an option exercise shall not again be available under this Plan.

The number of shares of Common Stock available for awards under this Plan shall not be reduced by (i) the number of shares of Common Stock subject to Substitute Awards or (ii) available shares under a stockholder approved plan of a company or other entity which was a party to a corporate transaction with the Company (as appropriately adjusted to reflect such corporate transaction) which become subject to awards granted under this Plan (subject to applicable stock exchange requirements).

Shares of Common Stock to be delivered under this Plan shall be made available from authorized and unissued shares of Common Stock, or authorized and issued shares of Common Stock reacquired and held as treasury shares or otherwise or a combination thereof.

II. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

2.1 STOCK OPTIONS. The Committee may, in its discretion, grant options to purchase shares of Common Stock to such eligible persons as may be selected by the Committee. Each option, or portion thereof, that is not an Incentive Stock Option, shall be a Nonstatutory Stock Option. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of shares of Common Stock with respect to which options designated as Incentive Stock Options are exercisable for the first time by a holder during any calendar year (under this Plan or any other plan of the Company, or any parent or Subsidiary) exceeds the amount (currently \$100,000) established by the Code, such options shall constitute Nonstatutory Stock Options.

Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) **Number of Shares and Purchase Price.** The number of shares of Common Stock subject to an option and the purchase price per share of Common Stock purchasable upon exercise of the option shall be determined by the Committee; *provided, however*, that the purchase price per share of Common Stock purchasable upon exercise of an option shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such option; *provided further*, that if an Incentive Stock Option shall be granted to any person who, at the time such option is granted, owns capital stock possessing more than 10% of the total combined voting power of all classes of capital stock of the Company (or of any parent or Subsidiary) (a **“Ten Percent**

Holder”), the purchase price per share of Common Stock shall not be less than the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option.

Notwithstanding the foregoing, in the case of an option that is a Substitute Award, the purchase price per share of the shares subject to such option may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate purchase price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate purchase price of such shares.

(b) Option Period and Exercisability. The period during which an option may be exercised shall be determined by the Committee; *provided, however*, that no option may be exercised later than ten years after its date of grant; *provided further*, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such option may not be exercised later than five years after its date of grant. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an option or to the exercisability of all or a portion of an option. The Committee shall determine whether an option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. An exercisable option, or portion thereof, may be exercised only with respect to whole shares of Common Stock.

(c) Method of Exercise. An option may be exercised (i) by giving written notice to the Company specifying the number of whole shares of Common Stock to be purchased and accompanying such notice with payment therefor in full (or arrangement made for such payment to the Company’s satisfaction) either: (A) in cash; (B) by delivery (either actual delivery or by attestation procedures established by the Company) of shares of Common Stock having a Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise; (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation; (D) in cash by a broker-dealer acceptable to the Company to whom the holder has submitted an irrevocable notice of exercise; (E) in any other form of legal consideration that may be acceptable to the Committee and specified in the Agreement; or (F) a combination of (A), (B), (C) and (E), in each case to the extent set forth in the Agreement relating to the option; (ii) if applicable, by surrendering to the Company any Tandem SARs which are cancelled by reason of the exercise of the option; and (iii) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by the holder. No shares of Common Stock shall be issued and no certificate representing Common Stock shall be delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 5.5, have been paid (or arrangement made for such payment to the Company’s satisfaction).

2.2 STOCK APPRECIATION RIGHTS. The Committee may, in its discretion, grant SARs to such eligible persons as may be selected by the Committee. The Agreement relating to an SAR shall specify whether the SAR is a Tandem SAR or a Free-Standing SAR.

SARs shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable:

(a) **Number of SARs and Base Price.** The number of SARs subject to an award shall be determined by the Committee. Any Tandem SAR related to an Incentive Stock Option shall be granted at the same time that such Incentive Stock Option is granted. The base price of a Tandem SAR shall be the purchase price per share of Common Stock of the related option. The base price of a Free-Standing SAR shall be determined by the Committee; *provided, however*, that such base price shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of grant of such SAR (or, if earlier, the date of grant of the option for which the SAR is exchanged or substituted).

Notwithstanding the foregoing, in the case of an SAR that is a Substitute Award, the base price per share of the shares subject to such SAR may be less than 100% of the Fair Market Value per share on the date of grant, provided, that the excess of: (a) the aggregate Fair Market Value (as of the date such Substitute Award is granted) of the shares subject to the Substitute Award, over (b) the aggregate base price thereof does not exceed the excess of: (x) the aggregate fair market value (as of the time immediately preceding the transaction giving rise to the Substitute Award, such fair market value to be determined by the Committee) of the shares of the predecessor company or other entity that were subject to the grant assumed or substituted for by the Company, over (y) the aggregate base price of such shares.

(b) **Exercise Period and Exercisability.** The period for the exercise of an SAR shall be determined by the Committee; *provided, however*, that (i) no Tandem SAR may be exercised later than the expiration, cancellation, forfeiture or other termination of the related option and (ii) no Free-Standing SAR may be exercised later than ten years after its date of grant. The Committee may, in its discretion, establish Performance Measures which shall be satisfied or met as a condition to the grant of an SAR or to the exercisability of all or a portion of an SAR. The Committee shall determine whether an SAR may be exercised in cumulative or non-cumulative installments and in part or in full at any time. An exercisable SAR, or portion thereof, may be exercised, in the case of a Tandem SAR, only with respect to whole shares of Common Stock and, in the case of a Free-Standing SAR, only with respect to a whole number of SARs. If an SAR is exercised for shares of Restricted Stock, a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 3.2(c), or such shares shall be transferred to the holder in book entry form with restrictions on the shares duly noted, and the holder of such Restricted Stock shall have such rights of a stockholder of the Company as determined pursuant to Section 3.2(d). Prior to the exercise of a stock-settled SAR, the holder of such SAR shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such SAR.

(c) **Method of Exercise.** A Tandem SAR may be exercised by (i) giving written notice to the Company specifying the number of whole SARs which are being exercised, (ii) surrendering

to the Company any options which are cancelled by reason of the exercise of the Tandem SAR and (iii) executing such documents as the Company may reasonably request. A Free-Standing SAR may be exercised by (A) giving written notice to the Company specifying the whole number of SARs which are being exercised and (B) executing such documents as the Company may reasonably request. No shares of Common Stock shall be issued and no certificate representing Common Stock shall be delivered until any withholding taxes thereon, as described in Section 5.5, have been paid (or arrangement made for such payment to the Company's satisfaction).

2.3 TERMINATION OF EMPLOYMENT OR SERVICE. All of the terms relating to the exercise, cancellation or other disposition of an option or SAR (i) upon a termination of employment with or service to the Company of the holder of such option or SAR, as the case may be, whether by reason of disability, retirement, death, or any other reason; or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable Agreement.

2.4 NO REPRICING. The Committee shall not, without the approval of the stockholders of the Company, (i) reduce the purchase price or base price of any previously granted option or SAR, (ii) cancel any previously granted option or SAR in exchange for another option or SAR with a lower purchase price or base price or (iii) cancel any previously granted option or SAR in exchange for cash or another award if the purchase price of such option or the base price of such SAR exceeds the Fair Market Value of a share of Common Stock on the date of such cancellation, in each case, other than in connection with a Change in Control or the adjustment provisions set forth in Section 5.7.

2.5 NO DIVIDEND EQUIVALENTS. Notwithstanding anything in an Agreement to the contrary, the holder of an option or SAR shall not be entitled to receive dividend equivalents with respect to the number of shares of Common Stock subject to such option or SAR.

III. STOCK AWARDS

3.1 STOCK AWARDS. The Committee may, in its discretion, grant Stock Awards to such eligible persons as may be selected by the Committee. The Agreement relating to a Stock Award shall specify whether the Stock Award is a Restricted Stock Award, a Restricted Stock Unit Award or, in the case of an Other Stock Award, the type of award being granted.

3.2 TERMS OF RESTRICTED STOCK AWARDS. Restricted Stock Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) **Number of Shares and Other Terms.** The number of shares of Common Stock subject to a Restricted Stock Award and the Restriction Period, Performance Period (if any) and Performance Measures (if any) applicable to a Restricted Stock Award shall be determined by the Committee.

(b) **Vesting and Forfeiture.** The Agreement relating to a Restricted Stock Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of the shares of Common Stock subject to such award (i) if the holder of such award remains continuously in the employment of the Company during the specified Restriction Period and (ii) if specified Performance Measures (if any) are satisfied or met during a

specified Performance Period, and for the forfeiture of the shares of Common Stock subject to such award (x) if the holder of such award does not remain continuously in the employment of the Company during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) **Stock Issuance.** During the Restriction Period, the shares of Restricted Stock shall be held by a custodian in book entry form with restrictions on such shares duly noted or, alternatively, a certificate or certificates representing a Restricted Stock Award shall be registered in the holder's name and may bear a legend, in addition to any legend which may be required pursuant to Section 5.6, indicating that the ownership of the shares of Common Stock represented by such certificate is subject to the restrictions, terms and conditions of this Plan and the Agreement relating to the Restricted Stock Award. All such certificates shall be deposited with the Company, together with stock powers or other instruments of assignment (including a power of attorney), each endorsed in blank with a guarantee of signature if deemed necessary or appropriate, which would permit transfer to the Company of all or a portion of the shares of Common Stock subject to the Restricted Stock Award in the event such award is forfeited in whole or in part. Upon termination of any applicable Restriction Period (and the satisfaction or attainment of applicable Performance Measures), subject to the Company's right to require payment of any taxes in accordance with Section 5.5, the restrictions shall be removed from the requisite number of any shares of Common Stock that are held in book entry form, and all certificates evidencing ownership of the requisite number of shares of Common Stock shall be delivered to the holder of such award.

(d) **Rights with Respect to Restricted Stock Awards.** Unless otherwise set forth in the Agreement relating to a Restricted Stock Award, and subject to the terms and conditions of a Restricted Stock Award, the holder of such award shall have all rights as a stockholder of the Company, including, but not limited to, voting rights, the right to receive dividends and the right to participate in any capital adjustment applicable to all holders of Common Stock; *provided, however*, that (i) a distribution with respect to shares of Common Stock, other than a regular cash dividend, and (ii) a regular cash dividend with respect to shares of Common Stock that are subject to performance-based vesting conditions, in each case, shall be deposited with the Company and shall be subject to the same restrictions as the shares of Common Stock with respect to which such distribution was made.

3.3 TERMS OF RESTRICTED STOCK UNIT AWARDS. Restricted Stock Unit Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) **Number of Shares and Other Terms.** The number of shares of Common Stock subject to a Restricted Stock Unit Award, including the number of shares that are earned upon the attainment of any specified Performance Measures, and the Restriction Period, Performance Period (if any) and Performance Measures (if any) applicable to a Restricted Stock Unit Award shall be determined by the Committee.

(b) **Vesting and Forfeiture.** The Agreement relating to a Restricted Stock Unit Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of such Restricted Stock Unit Award (i) if the holder of

such award remains continuously in the employment of the Company during the specified Restriction Period and (ii) if specified Performance Measures (if any) are satisfied or met during a specified Performance Period, and for the forfeiture of the shares of Common Stock subject to such award (x) if the holder of such award does not remain continuously in the employment of the Company during the specified Restriction Period or (y) if specified Performance Measures (if any) are not satisfied or met during a specified Performance Period.

(c) Settlement of Vested Restricted Stock Unit Awards. The Agreement relating to a Restricted Stock Unit Award shall specify (i) whether such award may be settled in shares of Common Stock or cash or a combination thereof and (ii) whether the holder thereof shall be entitled to receive dividend equivalents, and, if determined by the Committee, interest on, or the deemed reinvestment of, any deferred dividend equivalents, with respect to the number of shares of Common Stock subject to such award. Any dividend equivalents with respect to Restricted Stock Units that are subject to performance-based vesting conditions shall be subject to the same restrictions as such Restricted Stock Units. Prior to the settlement of a Restricted Stock Unit Award, the holder of such award shall have no rights as a stockholder of the Company with respect to the shares of Common Stock subject to such award.

3.4 OTHER STOCK AWARDS. Subject to the limitations set forth in the Plan, the Committee is authorized to grant other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of Common Stock, including without limitation shares of Common Stock granted as a bonus and not subject to any vesting conditions, dividend equivalents, deferred stock units, stock purchase rights and shares of Common Stock issued in lieu of obligations of the Company to pay cash under any compensatory plan or arrangement, subject to such terms as shall be determined by the Committee. The Committee shall determine the terms and conditions of such awards, which may include the right to elective deferral thereof, subject to such terms and conditions as the Committee may specify in its discretion.

3.5 TERMINATION OF EMPLOYMENT OR SERVICE. All of the terms relating to the satisfaction of Performance Measures and the termination of the Restriction Period or Performance Period relating to a Stock Award, or any forfeiture and cancellation of such award (i) upon a termination of employment with or service to the Company of the holder of such award, whether by reason of disability, retirement, death, or any other reason; or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable Agreement.

IV. PERFORMANCE AWARDS

4.1 PERFORMANCE AWARDS. The Committee may, in its discretion, grant Performance Awards to such eligible persons as may be selected by the Committee.

4.2 TERMS OF PERFORMANCE AWARDS. Performance Awards shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall deem advisable.

(a) Value of Performance Awards and Performance Measures. The method of determining the value of the Performance Award and the Performance Measures and Performance Period applicable to a Performance Award shall be determined by the Committee.

(b) Vesting and Forfeiture. The Agreement relating to a Performance Award shall provide, in the manner determined by the Committee, in its discretion, and subject to the provisions of this Plan, for the vesting of such Performance Award if the specified Performance Measures are satisfied or met during the specified Performance Period and for the forfeiture of such award if the specified Performance Measures are not satisfied or met during the specified Performance Period.

(c) Settlement of Vested Performance Awards. The Agreement relating to a Performance Award shall specify whether such award may be settled in shares of Common Stock (including shares of Restricted Stock) or cash or a combination thereof. If a Performance Award is settled in shares of Restricted Stock, such shares of Restricted Stock shall be issued to the holder in book entry form or a certificate or certificates representing such Restricted Stock shall be issued in accordance with Section 3.2(c) and the holder of such Restricted Stock shall have such rights as a stockholder of the Company as determined pursuant to Section 3.2(d). Any dividends or dividend equivalents with respect to a Performance Award subject to performance-based vesting conditions shall be subject to the same restrictions as such Performance Award. Prior to the settlement of a Performance Award in shares of Common Stock, including Restricted Stock, the holder of such award shall have no rights as a stockholder of the Company.

4.3 TERMINATION OF EMPLOYMENT OR SERVICE. All of the terms relating to the satisfaction of Performance Measures and the termination of the Performance Period relating to a Performance Award, or any forfeiture and cancellation of such award (i) upon a termination of employment with or service to the Company of the holder of such award, whether by reason of disability, retirement, death, or any other reason; or (ii) during a paid or unpaid leave of absence, shall be determined by the Committee and set forth in the applicable Agreement.

V. GENERAL

5.1 EFFECTIVE DATE AND TERM OF PLAN. This Plan was approved by the stockholders of the Company and became effective on September 7, 2020. This Plan shall terminate on the tenth anniversary of Board approval of the Plan, unless terminated earlier by the Board. Termination of this Plan shall not affect the terms or conditions of any award granted prior to termination. Awards hereunder may be made at any time prior to the termination of this Plan, provided that no Incentive Stock Option may be granted later than ten years after the date on which the Plan was approved by the Board.

5.2 AMENDMENTS. The Board may amend this Plan as it shall deem advisable; *provided, however*, that no amendment to the Plan shall be effective without the approval of the Company's stockholders if (i) stockholder approval is required by applicable law, rule or regulation, including any rule of NASDAQ or any other stock exchange on which the Common Stock is then traded, or (ii) such amendment seeks to modify the Non-Employee Director compensation limit set forth in Section 1.4 or the terms of Section 2.4 hereof; *provided further*, that no amendment may materially impair the rights of a holder of an outstanding award without the consent of such holder.

5.3 AGREEMENT. The Company may condition an award holder's right (a) to exercise, vest or settle the award and (b) to receive delivery of shares, on the execution and delivery to the Company of an Agreement and the completion of other requirements, including, but not limited to, the execution of a nonsolicitation agreement by the recipient and delivery thereof to the

Company. Notwithstanding anything contained herein to the contrary, the Committee may approve an Agreement that, upon the termination of an award holder's employment or service, provides that (i) any or all outstanding options and SARs shall become exercisable in part or in full, (ii) all or a portion of the Restriction Period applicable to any outstanding awards shall lapse, (iii) all or a portion of the Performance Period applicable to any outstanding awards shall lapse and (iv) the Performance Measures (if any) applicable to any outstanding awards shall be deemed to be satisfied at the target, maximum or any other level.

5.4 NON-TRANSFERABILITY. No award shall be transferable other than by will, the laws of descent and distribution or pursuant to beneficiary designation procedures approved by the Company or, to the extent expressly permitted in the Agreement relating to such award, to the holder's family members, a trust or entity established by the holder for estate planning purposes, a charitable organization designated by the holder or pursuant to a domestic relations order, in each case, without consideration. Except to the extent permitted by the foregoing sentence or the Agreement relating to an award, each award may be exercised or settled during the holder's lifetime only by the holder or the holder's legal representative or similar person. Except as permitted by the second preceding sentence, no award may be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of any award, such award and all rights thereunder shall immediately become null and void.

5.5 TAX WITHHOLDING. The Company shall have the right to require, prior to the issuance or delivery of any shares of Common Stock or the payment of any cash pursuant to an award made hereunder, payment by the holder of such award of any federal, state, local or other taxes which may be required to be withheld or paid in connection with such award. An Agreement may provide that (i) the Company shall withhold whole shares of Common Stock which would otherwise be delivered to a holder, having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with an award (the "**Tax Date**"), or withhold an amount of cash which would otherwise be payable to a holder, in the amount necessary to satisfy any such obligation or (ii) the holder may satisfy any such obligation by any of the following means: (A) a cash payment to the Company; (B) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation; (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to a holder, in either case equal to the amount necessary to satisfy any such obligation; (D) a cash payment by a broker-dealer acceptable to the Company; or (E) any combination of (A), (B), and (C), in each case to the extent set forth in the Agreement relating to the award. Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value in excess of the amount determined by applying the minimum statutory withholding rate (or, if permitted by the Company, such other rate as shall not cause adverse accounting consequences under the accounting rules then in effect, and is permitted under applicable IRS withholding rules). Any fraction of a share of Common Stock which would be required to satisfy such an obligation shall be disregarded and the remaining amount due shall be paid in cash by the holder.

5.6 RESTRICTIONS ON SHARES. Each award made hereunder shall be subject to the requirement that if at any time the Company determines that the listing, registration or qualification of the shares of Common Stock subject to such award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares thereunder, such shares shall not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company may require that certificates evidencing shares of Common Stock delivered pursuant to any award made hereunder bear a legend indicating that the sale, transfer or other disposition thereof by the holder is prohibited except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder.

5.7 ADJUSTMENT. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation or any successor or replacement accounting standard) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering, or recapitalization through an extraordinary cash dividend, the number and class of securities available under this Plan, the terms of each outstanding option and SAR (including the number and class of securities subject to each outstanding option or SAR and the purchase price or base price per share), the terms of each outstanding Stock Award (including the number and class of securities subject thereto), and the terms of each outstanding Performance Award (including the number and class of securities subject thereto, if applicable) shall be appropriately adjusted by the Committee, such adjustments to be made in the case of outstanding options and SARs in accordance with Section 409A of the Code. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of participants. In either case, the decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

5.8 CHANGE IN CONTROL.

(a) For purposes of this Plan, “*Change in Control*” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

- (1) any Exchange Act Person becomes the owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company’s securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (C) solely because the level of ownership held by any Exchange Act Person (the “*Subject Person*”) exceeds the designated percentage threshold

of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

- (2) there is consummated a merger, consolidation, or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation, or similar transaction, the stockholders of the Company immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation, or similar transaction, in each case in substantially the same proportions as their ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (3) there is consummated a sale, lease, exclusive license, or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license, or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an entity, more than 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license, or other disposition;
- (4) the stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur, except for a liquidation into a parent corporation; or
- (5) during any twenty-four (24) month period, individuals who, as of the beginning of such period, constitute the Board (the "*Incumbent Directors*") cease for any reason to constitute at least a majority of the Board; provided that any Person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such Person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other

actual or threatened solicitation of proxies by or on behalf of any Person other than the Board shall be deemed to be an Incumbent Director. For purposes of this clause (5), “Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (w) the Company or any of its Affiliates, within the meaning of Rule 12b-2 under Section 12 of the Exchange Act; (x) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries; (y) an underwriter temporarily holding securities pursuant to an offering of such securities; or (z) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger, or other transaction effected exclusively for the purpose of changing the domicile of the Company and (B) with respect to any nonqualified deferred compensation that becomes payable on account of the Change in Control, the transaction or event described in clause (1), (2), (3), (4) or (5) shall also constitute a “change in control event,” as defined in Treasury Regulation § 1.409A-3(i)(5) if required in order for the payment not to violate Section 409A of the Code.

(b) Subject to the terms of the applicable Agreements, in the event of a Change in Control, the Board, as constituted prior to the Change in Control, may, in its discretion:

- (1) require that (i) some or all outstanding options and SARs shall become exercisable in full or in part, either immediately or upon a subsequent termination of employment, (ii) the Restriction Period applicable to some or all outstanding Stock Awards shall lapse in full or in part, either immediately or upon a subsequent termination of employment, (iii) the Performance Period applicable to some or all outstanding awards shall lapse in full or in part, and (iv) the Performance Measures applicable to some or all outstanding awards shall be deemed to be satisfied at the target, maximum or any other level;
- (2) require that shares of capital stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, or other property be substituted for some or all of the shares of Common Stock subject to an outstanding award, with an appropriate and equitable adjustment to such award as determined by the Board in accordance with Section 5.7; and/or
- (3) require outstanding awards, in whole or in part, to be surrendered to the Company by the holder, and to be immediately cancelled by the Company, and to provide for the holder to receive (i) a cash payment in an amount equal to (A) in the case of an option or an SAR, the aggregate number of shares of Common Stock then subject to the portion of such option or SAR surrendered, whether or not vested or exercisable, multiplied by the excess, if any, of the Fair Market Value of a share of Common Stock as of the date of the Change in Control, over the purchase price or base price per share of Common Stock

subject to such option or SAR, (B) in the case of a Stock Award or a Performance Award denominated in shares of Common Stock, the number of shares of Common Stock then subject to the portion of such award surrendered to the extent the Performance Measures applicable to such award have been satisfied or are deemed satisfied pursuant to Section 5.8(a)(1), whether or not vested, multiplied by the Fair Market Value of a share of Common Stock as of the date of the Change in Control, and (C) in the case of a Performance Award denominated in cash, the value of the Performance Award then subject to the portion of such award surrendered to the extent the Performance Measures applicable to such award have been satisfied or are deemed satisfied pursuant to Section 5.8(a)(1); (ii) shares of capital stock of the corporation resulting from or succeeding to the business of the Company pursuant to such Change in Control, or a parent corporation thereof, or other property having a fair market value not less than the amount determined under clause (i) above; or (iii) a combination of the payment of cash pursuant to clause (i) above or the issuance of shares or other property pursuant to clause (ii) above.

5.9 DEFERRALS. The Committee may determine that the delivery of shares of Common Stock or the payment of cash, or a combination thereof, upon the settlement of all or a portion of any award made hereunder shall be deferred, or the Committee may, in its sole discretion, approve deferral elections made by holders of awards. Deferrals shall be for such periods and upon such terms as the Committee may determine in its sole discretion, subject to the requirements of Section 409A of the Code.

5.10 NO RIGHT OF PARTICIPATION, EMPLOYMENT OR SERVICE. Unless otherwise set forth in an employment agreement, no person shall have any right to participate in this Plan. Neither this Plan nor any award made hereunder shall confer upon any person any right to continued employment by or service with the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment or service of any person at any time without liability hereunder.

5.11 RIGHTS AS STOCKHOLDER. No person shall have any right as a stockholder of the Company with respect to any shares of Common Stock or other equity security of the Company which is subject to an award hereunder unless and until such person becomes a stockholder of record with respect to such shares of Common Stock or equity security.

5.12 DESIGNATION OF BENEFICIARY. To the extent permitted by the Company, a holder of an award may file with the Company a written designation of one or more persons as such holder's beneficiary or beneficiaries (both primary and contingent) in the event of the holder's death or incapacity. To the extent an outstanding option or SAR granted hereunder is exercisable, such beneficiary or beneficiaries shall be entitled to exercise such option or SAR pursuant to procedures prescribed by the Company. Each beneficiary designation shall become effective only when filed in writing with the Company during the holder's lifetime on a form prescribed by the Company. The spouse of a married holder domiciled in a community property jurisdiction shall join in any designation of a beneficiary other than such spouse. The filing with the Company of a new beneficiary designation shall cancel all previously filed beneficiary designations. If a holder fails to designate a beneficiary, or if all designated beneficiaries of a holder predecease the holder, then

each outstanding award held by such holder, to the extent vested or exercisable, shall be payable to or may be exercised by such holder's executor, administrator, legal representative or similar person.

5.13 AWARDS SUBJECT TO CLAWBACK. The awards granted under this Plan and any cash payment or shares of Common Stock delivered pursuant to such an award are subject to forfeiture, recovery by the Company or other action pursuant to the applicable Agreement or any clawback or recoupment policy which the Company may adopt from time to time, including without limitation the policy adopted by the Company under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

5.14 GOVERNING LAW. This Plan, each award hereunder and the related Agreement, and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

5.15 COMPLIANCE WITH SECTION 409A OF THE CODE. To the extent that the Board determines that any award granted hereunder is subject to Section 409A of the Code, the Plan and applicable Agreement will be interpreted in accordance with Section 409A of the Code. Notwithstanding anything to the contrary in the Plan (and unless the Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a holder holding an award that constitutes "deferred compensation" under Section 409A of the Code is a "specified employee" for purposes of Section 409A of the Code, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) will be issued or paid before the date that is six months following the date of such holder's "separation from service" (as defined in Section 409A of the Code without regard to alternative definitions thereunder) or, if earlier, the date of the holder's death, unless such distribution or payment can be made in a manner that complies with Section 409A of the Code, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

5.16 FOREIGN EMPLOYEES. Without amending this Plan, the Committee may grant awards to eligible persons who are foreign nationals and/or reside outside of the United States on such terms and conditions different from those specified in this Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of this Plan and, in furtherance of such purposes the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws in other countries or jurisdictions in which the Company or its Subsidiaries operates or has employees.

OUTSET MEDICAL, INC.

EMPLOYEE STOCK PURCHASE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: SEPTEMBER 2, 2020

APPROVED BY THE STOCKHOLDERS: SEPTEMBER 7, 2020

AMENDED AND RESTATED, EFFECTIVE APRIL 9, 2025

APPROVED BY THE STOCKHOLDERS: JUNE 2, 2025 (IN RESPECT OF AMENDMENT 2025-1)

AMENDED AND RESTATED, EFFECTIVE AUGUST 6, 2025

TERMINATION DATE: SEPTEMBER 2, 2030

1. PURPOSE. The purpose of the Outset Medical, Inc. Employee Stock Purchase Plan (this “Plan”) is to provide eligible Employees of the Company and Participating Subsidiaries with a convenient means of acquiring an equity interest in the Company through payroll deductions and other contributions in order to enhance such employees’ sense of participation in the affairs of the Company. This Plan is amended and restated as set forth herein and such amendment and restatement shall apply to Offering Periods, in effect as of, and beginning on or after, June 2, 2025.

This Plan includes two components: (a) a component intended to qualify as an “employee stock purchase plan” under Section 423 of the Code (the “423 Component”), the provisions of which shall be construed so as to extend and limit participation in a uniform and nondiscriminatory manner consistent with the requirements of Section 423 of the Code; and (b) a component that does not qualify as an “employee stock purchase plan” under Section 423 of the Code (the “Non-423 Component”), under which options shall be granted pursuant to rules, procedures or sub-plans adopted by the Committee designed to achieve tax, securities laws or other objectives for eligible Employees, the Company and its Participating Subsidiaries. Except as otherwise provided in this Plan, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

2. DEFINITIONS. As used herein, the terms set forth below have the meanings assigned to them in this Section 2 and shall include the plural as well as the singular.

“**1933 Act**” means the Securities Act of 1933, as amended.

“**1934 Act**” means the Securities Exchange Act of 1934, as amended.

“**Board**” means the Board of Directors of Outset Medical, Inc.

“**Business Day**” shall mean a day on which NASDAQ is open for trading.

“**Brokerage Account**” means the account in which the Purchased Shares are held.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Committee**” means the Compensation Committee of the Board, or the designee of the Compensation Committee.

“Company” means Outset Medical, Inc., a Delaware corporation.

“Compensation” means base pay, commissions, overtime, and vacation, holiday and sick pay. Compensation does not include: (1) income related to stock option awards, stock grants and other equity incentive awards, (2) expense reimbursements, (3) relocation-related payments, (4) benefit plan payments (including but not limited to short-term disability pay, long-term disability pay, maternity pay, military pay, tuition reimbursement and adoption assistance), (5) accrued but unpaid compensation for a deceased Participant, (6) income from non-cash and fringe benefits, (7) severance payments, (8) annual, quarterly, monthly and other cash bonuses, and (9) other forms of compensation not specifically listed herein.

“Employee” means any individual who is a common law employee of the Company or any other Participating Subsidiary. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company or the Participating Subsidiary, as appropriate, and only to the extent permitted under Section 423 of the Code with respect to the 423 Component. For purposes of the Plan, an individual who performs services for the Company or a Participating Subsidiary pursuant to an agreement (written or oral) that classifies such individual’s relationship with the Company or a Participating Subsidiary as other than a common law employee shall not be considered an “employee” with respect to any period preceding the date on which a court or administrative agency issues a final determination that such individual is an “employee.”

“Enrollment Date” means the first Business Day of each Offering Period.

“Exercise Date” means the last Business Day of each Offering Period (or, if determined by the Committee, the Purchase Period if different from the Offering Period).

“Fair Market Value” on or as of any date means the official closing price for a Share as reported on NASDAQ on the relevant valuation date or, if no official closing price is reported on such date, on the preceding day on which an official closing price is reported on NASDAQ was reported; or, if the Shares are no longer listed on NASDAQ, the closing price for Shares as reported on the official website for such other exchange on which the Shares are listed. Notwithstanding the foregoing, if the first Offering Period commences on the first Business Day on or after the date on which the Securities and Exchange Commission declares the Company’s Registration Statement to be effective, the Fair Market Value for purposes of the Enrollment Date for such first Offering Period shall be the initial price to the public as set forth in the final prospectus included in the Registration Statement.

“Offering Period” means each six-month period or, effective March 1, 2022, each 24-month period, beginning the first Business Day of March and the first Business Day of September or such other period designated by the Committee; provided that in no event shall an Offering Period exceed 27 months, with the commencement of the first Offering Period to be determined by the Committee. Notwithstanding anything herein to the contrary, the Committee may establish an Offering Period with multiple Purchase Periods within such Offering Period.

“Option” means an option granted under this Plan that entitles a Participant to purchase Shares.

“Participant” means an Employee who satisfies the requirements of Sections 3 and 5 of the Plan.

“Participating Subsidiary” means each Subsidiary other than those that the Committee or the Board has excluded from participation in the Plan.

“Plan” means this Outset Medical, Inc. Employee Stock Purchase Plan, as amended from time to time.

“Purchase Account” means the account used to purchase Shares through the exercise of Options under the Plan.

“Purchase Period” means the period designated by Committee during which payroll deductions and other contributions of the Participants are accumulated under the Plan. A Purchase Period may coincide with an entire Offering Period or there may be multiple Purchase Periods within an Offering Period, as determined by the Committee prior to the commencement of the applicable Offering Period.

“Purchase Price” shall be the lesser of: (i) 85% percent of the Fair Market Value of a Share on the applicable Enrollment Date for an Offering Period and (ii) 85% percent of the Fair Market Value of a Share on the applicable Exercise Date; provided, however, that the Committee may determine a different per share Purchase Price provided that such per share Purchase Price is communicated to Participants prior to the beginning of the Offering Period and provided that in no event shall such per share Purchase Price be less than the lesser of (i) 85% of the Fair Market Value of a Share on the applicable Enrollment Date or (ii) 85% of the Fair Market Value of a Share on the Exercise Date.

“Purchased Shares” means the full Shares issued or delivered pursuant to the exercise of Options under the Plan.

“Registration Statement” means the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Common Stock.

“Shares” means shares of the common stock of the Company.

“Subsidiary” means an entity, domestic or foreign, of which not less than 50% of the voting equity is held by the Company or a Subsidiary, whether or not such entity now exists or is hereafter organized or acquired by the Company or a Subsidiary; provided such entity is also a “subsidiary” within the meaning of Section 424 of the Code.

“Termination Date” means (i) the date on which a Participant terminates employment or on which the Participant ceases to provide services to the Company or a Subsidiary as an employee or as otherwise required under Section 423 with respect to the 423 Component or (ii) subject to Section 423 of the Code with respect to the 423 Component, the date on which the Participant’s employment is determined to have been terminated for purposes of the Plan by the Committee. The Termination Date specifically does not include any period following that date which the Participant may be eligible for or in receipt of other payments from the Company including in lieu of notice or termination or severance pay or as wrongful dismissal damages.

3. ELIGIBILITY.

(a) Only Employees of the Company or a Participating Subsidiary (i) whose customary employment is 20 hours or more per week and (ii) whose customary employment is for five months or more in any calendar year shall be eligible to be granted Options under the Plan and, in no event may a Participant be granted an Option under the Plan following his or her Termination Date.

(b) Any provisions of the Plan to the contrary notwithstanding, no Employee shall be granted an Option under the 423 Component of the Plan if (i) immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company and/or hold outstanding Options or options to purchase stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any of its Subsidiaries or (ii) such Option would permit his or her rights to purchase stock under all employee stock purchase plans (described in Section 423 of the Code) of the Company and its Subsidiaries to accrue at a rate that exceeds \$25,000 of the Fair Market Value of such stock (determined at the time each such Option is granted) for each calendar year in which such Option is outstanding at any time. Except as otherwise determined by the Committee prior to the commencement of an Offering Period, no Participant may purchase more than 5,000 Shares during any Offering Period, it being understood that beginning with any Offering Period commencing after April 9, 2025, the Committee has determined that (A) no more than 4,000 Shares may be purchased during any such Offering Period, and (B) to the extent there are multiple Purchase Periods within any such Offering Period, the number of Shares that may be purchased with respect to any such Purchase Period shall not exceed the 4,000 Shares described above *divided by* the total number of Purchase Periods within such Offering Period.

4. **EXERCISE OF AN OPTION.** Options shall be exercised on behalf of Participants in the Plan every Exercise Date, using (i) payroll deductions that have accumulated in the Participants' Purchase Accounts during the immediately preceding Purchase Period or that have been retained from a prior Purchase Period pursuant to Section 8 hereof and (ii) additional contributions to the Company made pursuant to the Cashless Participation Program approved by the Committee.

5. PARTICIPATION.

(a) Unless otherwise determined by the Committee prior to the commencement of an Offering Period and in accordance with Section 423 of the Code with respect to the 423 Component, an Employee shall be eligible to participate on the first Enrollment Date that occurs after such Employee's first date of employment with the Company or a Participating Subsidiary; provided, that such Employee properly completes and submits an election form by the deadline prescribed by the Company.

(b) An Employee who does not become a Participant on the first Enrollment Date on which he or she is eligible may thereafter become a Participant on any subsequent Enrollment Date by properly completing and submitting an election form by the deadline prescribed by the Company.

(c) Payroll deductions for a Participant shall commence on the first payroll date following the Enrollment Date and shall end on the last payroll date in the Purchase Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 12 hereof.

6. PAYROLL DEDUCTIONS AND OTHER CONTRIBUTIONS.

(a) A Participant shall elect to have payroll deductions made during a Purchase Period equal to no less than 1% of the Participant's Compensation up to a maximum of 15% (or such greater amount as the Committee establishes from time to time). The amount of such payroll deductions shall be in whole percentages. All payroll deductions made by a Participant shall be credited to his or her Purchase Account. In addition to such payroll deductions credited to a Participant's Purchase Account during the Purchase Period, Participants other than executive officers of the Company, within the meaning of the 1934 Act, may elect to purchase Shares pursuant to a cashless participation program approved by the Committee (the "Cashless Participation Program") by designating an additional amount to be contributed to such Participant's Purchase Account at the end of such Purchase Period. In addition, notwithstanding any provisions to the contrary in the Plan, the Committee may allow participants to make other contributions under the Plan via cash, check, or other means instead of payroll deductions if payroll deductions are not permitted under applicable local law, and for any Offering Period under the 423 Component, the Committee determines that such other contributions are permissible under Section 423 of the Code.

(b) Except as otherwise determined by the Committee prior to the commencement of an Offering Period, a Participant may not increase the rate of payroll deductions or other contributions to be made to the Plan during a Purchase Period. A Participant may decrease the rate of payroll deductions during a Purchase Period by properly completing and submitting an election change form in accordance with the procedures prescribed by the Committee and/or any other forms required by the Committee and by following any other procedures as may be established by the Committee, in which case the new rate shall become effective as soon as administratively practicable after the Participant elects such change and shall continue for the remainder of the Offering Period unless changed as described below. Such change in the rate of payroll deductions may be made at any time during a Purchase Period, but not more than one (1) change may be made effective during any Purchase Period, except that a Participant may elect at any time during a Purchase Period, regardless of whether the Participant previously decreased his or her payroll deduction percentage, to reduce his or her contribution percentage to 0% and such change shall become effective as soon as administratively practicable after the Participant elects such change and shall continue for the remainder of the Offering Period unless changed as described below. If a Participant reduces his or her payroll deduction percentage to 0%, then any election to purchase Shares pursuant to the Cashless Participation Program shall automatically terminate. A Participant may change his or her payroll deduction percentage or additional contribution amount under subsection (a) above for any subsequent Purchase Period by properly completing and submitting an election change form in accordance with the procedures prescribed by the Committee. The change in amount shall be effective as of the first Enrollment Date following the date of filing of the election change form. Unless otherwise determined by the Committee prior to the commencement of an Offering Period, a payroll deduction election and additional contribution election will automatically apply to the next Offering Period, unless

otherwise cancelled or changed by the Participant prior to the commencement of such Offering Period.

(c) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(b) hereof, a Participant's payroll deduction and additional contribution elections may be decreased to 0% at any time during an Offering Period. Payroll deductions and additional contributions shall recommence at the rate provided in such Participant's election form at the beginning of the first Offering Period which is scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 12 hereof.

7. GRANT OF OPTION. On the applicable Enrollment Date, each Participant in an Offering Period shall be granted an Option to purchase on the applicable Exercise Date a number of full Shares determined by dividing such Participant's payroll deductions and additional contributions accumulated on or before such Exercise Date and retained in the Participant's Purchase Account as of the applicable Exercise Date by the applicable Purchase Price; provided that in no event will a Participant be permitted to purchase during each Offering Period or Purchase Period (as the case may be) more than a fixed number shares of Common Stock in an amount that the Committee may establish from time to time pursuant to Section 3(b) hereof.

8. EXERCISE OF OPTION. A Participant's Option for the purchase of Shares shall be exercised automatically on the Exercise Date, and the maximum number of Shares subject to the Option shall be purchased for such Participant at the applicable Purchase Price with the accumulated payroll deductions and additional contributions in his or her Purchase Account. If the Fair Market Value of a Share on the first day of the current Offering Period in which a participant is enrolled is higher than the Fair Market Value of a Share on the first day of any subsequent Offering Period, the Company may establish procedures to automatically enroll such participant in the subsequent Offering Period and any funds accumulated in a participant's account prior to the first day of such subsequent Offering Period will be applied to the purchase of shares on the Exercise Date immediately prior to the first day of such subsequent Offering Period. A participant does not need to file any forms with the Company to be automatically enrolled in the subsequent Offering Period.

No fractional Shares shall be purchased; any payroll deductions and other contributions accumulated in a Participant's Purchase Account which are not sufficient to purchase a full Share shall be retained in the Purchase Account for the next subsequent Purchase Period, subject to earlier withdrawal by the Participant as provided in Section 12 hereof. All other payroll deductions and other contributions accumulated in a Participant's Purchase Account and not used to purchase Shares on an Exercise Date shall be distributed to the Participant. During a Participant's lifetime, a Participant's Option is exercisable only by him or her. The Company shall satisfy the exercise of all Participants' Options for the purchase of Shares through (a) the issuance of authorized but unissued Shares, (b) the transfer of treasury Shares, (c) the purchase of Shares on behalf of the applicable Participants on the open market through an independent broker and/or (d) a combination of the foregoing.

9. ISSUANCE OF STOCK. The Shares purchased by each Participant shall be issued in book entry form and shall be considered to be issued and outstanding to such Participant's credit as of the end of the last day of each Purchase Period. The Committee may permit or require that shares be deposited directly in a Brokerage Account with one or more brokers designated by the Committee or to one or more designated agents of the Company, and the Committee may use electronic or automated methods of share transfer. The Committee may require that Shares be retained with such brokers or agents for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares, and may also impose a transaction fee with respect to a sale of Shares issued to a Participant's credit and held by such a broker or agent. The Committee may permit Shares purchased under the Plan to participate in a dividend reinvestment plan or program maintained by the Company, and establish a default method for the payment of dividends.

10. APPROVAL BY STOCKHOLDERS. Notwithstanding the above, the Plan is expressly made subject to the approval of the stockholders of the Company within 12 months before or after the date the Plan is adopted by the Board. Such stockholder approval shall be obtained in the manner and to the degree required under applicable federal and state law. If the Plan is not so approved by the stockholders within 12 months before or after the date the Plan is adopted by the Board, this Plan shall not come into effect.

11. ADMINISTRATION.

(a) Powers and Duties of the Committee. The Plan shall be administered by the Committee. Subject to the provisions of the Plan, Section 423 of the Code and the regulations thereunder with respect to the 423 Component, the Committee shall have the discretionary authority to determine the time and frequency of granting Options, the duration of Offering Periods and Purchase Periods, the terms and conditions of the Options and the number of Shares subject to each Option. The Committee shall also have the discretionary authority to do everything necessary and appropriate to administer the Plan, including, without limitation, interpreting the provisions of the Plan (but any such interpretation shall not be inconsistent with the provisions of Section 423 of the Code with respect to the 423 Component). All actions, decisions and determinations of, and interpretations by the Committee with respect to the Plan shall be final and binding upon all Participants and upon their executors, administrators, personal representatives, heirs and legatees. No member of the Board or the Committee shall be liable for any action, decision, determination or interpretation made in good faith with respect to the Plan or any Option granted hereunder. With respect to the 423 Component, an Offering Period shall be administered so as to ensure that all Participants have the same rights and privileges as provided by Section 423(b)(5) of the Code.

(b) Administrator. The Company, Board or the Committee may engage the services of one or more brokerage firms or other companies to perform certain ministerial and procedural duties under the Plan including, but not limited to, mailing and receiving notices contemplated under the Plan, determining the number of Purchased Shares for each Participant, maintaining or causing to be maintained the Purchase Account and the Brokerage Account, disbursing funds maintained in the Purchase Account or proceeds from the sale of Shares through the Brokerage Account, and filing with the appropriate tax authorities proper tax returns and forms (including information returns) and providing to each Participant statements as required by law or regulation.

(c) Indemnification. Each person who is or shall have been (a) a member of the Board, (b) a member of the Committee, or (c) an officer or employee of the Company to whom authority was delegated in relation to this Plan, shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit or proceeding against him or her; provided, however, that he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability or expense is a result of his or her own willful misconduct or except as expressly provided by statute.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's certificate of incorporation or bylaws, any contract with the Company, as a matter of law, or otherwise, or of any power that the Company may have to indemnify them or hold them harmless.

12. WITHDRAWAL. A Participant may withdraw from the Plan by properly completing and submitting to the Company a withdrawal form in accordance with the procedures prescribed by the Committee, which must be submitted prior to the date specified by the Committee before the last day of the applicable Offering Period. Upon withdrawal, any payroll deductions credited to the Participant's Purchase Account prior to the effective date of the Participant's withdrawal from the Plan will be returned to the Participant. No further payroll deductions or additional contributions for the purchase of Shares will be made during subsequent Offering Periods, unless the Participant properly completes and submits an election form, by the deadline prescribed by the Company. A Participant's withdrawal from an offering will not have any effect upon his or her eligibility to participate in the Plan or in any similar plan that may hereafter be adopted by the Company.

13. TERMINATION OF EMPLOYMENT. On the Termination Date of a Participant for any reason prior to the applicable Exercise Date, whether voluntary or involuntary, and including termination of employment due to retirement, death or as a result of liquidation, dissolution, sale, merger or a similar event affecting the Company or a Participating Subsidiary, the corresponding payroll deductions credited to his or her Purchase Account will be returned to him or her or, in the case of the Participant's death, to the person or persons entitled thereto under Section 16, and his or her Option will be automatically terminated.

14. INTEREST. No interest shall accrue on the payroll deductions or other contributions of a Participant in the Plan.

15. STOCK.

(a) The stock subject to Options shall be common stock of the Company as traded on NASDAQ or on such other exchange as the Shares may be listed.

(b) Subject to adjustment upon changes in capitalization of the Company as provided in Section 18 hereof, the maximum number of Shares which shall be made available for sale under the Plan shall be 45,814 Shares. In addition, subject to adjustments upon changes in capitalization of the Company as provided in Section 18 hereof, the maximum number of Shares which shall be made available for sale under the Plan shall automatically increase on the first day of each fiscal year, beginning with the fiscal year ending December 31, 2021, and continuing until (and including) the fiscal year ending December 31, 2030, with such annual increase equal to the lesser of (i) 45,814 Shares, (ii) 1% of the number of Shares issued and outstanding on December 31 of the immediately preceding fiscal year, and (iii) an amount determined by the Board; provided that, subject to the aforementioned adjustments upon changes in the capitalization of the Company, and effective as of the June 2, 2025 approval date of the stockholders of the Company at the Company's 2025 Annual Meeting of Stockholders, an additional 255,000 Shares shall be available for awards under the Plan. If, on a given Exercise Date, the number of Shares with respect to which Options are to be exercised exceeds the number of Shares then available under the Plan, the Committee shall make a pro rata allocation of the Shares remaining available for purchase in as uniform a manner as shall be practicable and as it shall determine to be equitable.

(c) A Participant shall have no interest or voting right in Shares covered by his or her Option until such Option has been exercised and the Participant has become a holder of record of Shares acquired pursuant to such exercise.

16. DESIGNATION OF BENEFICIARY. The Committee may permit Participants to designate beneficiaries to receive any Purchased Shares or payroll deductions, if any, in the Participant's accounts under the Plan in the event of such Participant's death. Beneficiary designations shall be made in accordance with procedures prescribed by the Committee. If no properly designated beneficiary survives the Participant, the Purchased Shares and payroll deductions, if any, will be distributed to the Participant's estate.

17. ASSIGNABILITY OF OPTIONS. Neither payroll deductions or other contributions credited to a Participant's Purchase Account nor any rights with regard to the exercise of an Option or to receive Shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 16 hereof) by the Participant; provided that the Shares acquired pursuant to the terms of the Cashless Participation Program may be pledged and sold pursuant to the terms of the Cashless Participation Program. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from an Offering Period in accordance with Section 12 hereof.

18. ADJUSTMENT OF NUMBER OF SHARES SUBJECT TO OPTIONS.

(a) Adjustment. Subject to any required action by the stockholders of the Company, the maximum number of securities available for purchase under the Plan, as well as the price per security and the number of securities covered by each Option under the Plan which has not yet been exercised shall be appropriately adjusted in the event of any a stock split, reverse stock split, stock dividend, combination or reclassification of the common stock of the Company, or any other increase or decrease in the number of Shares effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board or the Committee, whose determination in that respect shall be final, binding and conclusive. If any such adjustment would result in a fractional security being available under the Plan, such fractional security shall be disregarded. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Option. With respect to the 423 Component, the Options granted pursuant to the Plan shall not be adjusted in a manner that causes the Options to fail to qualify as options issued pursuant to an "employee stock purchase plan" within the meaning of Section 423 of the Code.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Board, and the Board may either provide for the purchase of Shares as of the date on which such Offering Period terminates or return to each Participant the payroll deductions credited to such Participant's Purchase Account.

(c) Merger or Asset Sale. In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, each outstanding Option shall be assumed or an equivalent option substituted by the successor corporation or a parent or subsidiary of the successor corporation, unless the Board determines, in the exercise of its sole discretion, that in lieu of such assumption or substitution to either terminate all outstanding Options and return to each Participant the payroll deductions credited to such Participant's Purchase Account or to provide for the Offering Period in progress to end on a date prior to the consummation of such sale or merger.

19. AMENDMENTS OR TERMINATION OF THE PLAN.

(a) The Board or the Committee may at any time and for any reason amend, modify, suspend, discontinue or terminate the Plan without notice; provided that no Participant's existing rights in respect of existing Options are adversely affected thereby. To the extent necessary to comply with Section 423 of the Code (or any other applicable law, regulation or stock exchange rule), the Company shall obtain stockholder approval in such a manner and to such a degree as required.

(b) Without stockholder consent and without regard to whether any Participant rights may be considered to have been "adversely affected," the Board or the Committee shall be entitled to change the Purchase Price, Offering Periods, Purchase Periods, eligibility requirements, limit or increase the frequency and/or number of changes in the amount withheld during a Purchase Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding or other contributions in an amount less than or greater than the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Shares for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Board or the Committee determines in its sole discretion advisable which are consistent with the Plan; provided, however, that changes to (i) the Purchase Price, (ii) the Offering Period, (iii) the Purchase Period, (iv) the maximum percentage of Compensation that may be deducted pursuant to Section 6(a) or (v) the maximum number of Shares that may be purchased in a Purchase Period, shall not be effective until communicated to Participants in a reasonable manner, with the determination of such reasonable manner in the sole discretion of the Board or the Committee.

20. NO OTHER OBLIGATIONS. The receipt of an Option pursuant to the Plan shall impose no obligation upon the Participant to purchase any Shares covered by such Option. Nor shall the granting of an Option pursuant to the Plan constitute an agreement or an understanding, express or implied, on the part of the Company to employ the Participant for any specified period.

21. NOTICES AND COMMUNICATION. Any notice or other form of communication which the Company or a Participant may be required or permitted to give to the other shall be provided through such means as designated by the Committee, including but not limited to any paper or electronic method.

22. CONDITION UPON ISSUANCE OF SHARES.

(a) Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the 1933 Act and the 1934 Act and the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the Shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. GENERAL COMPLIANCE. The Plan will be administered and Options will be exercised in compliance with the 1933 Act, 1934 Act and all other applicable securities laws and Company policies, including without limitation, any insider trading policy of the Company.

24. TERM OF THE PLAN. The Plan shall become effective upon the earlier to occur of (i) its adoption by the Board and (ii) its approval by the stockholders of the Company (the earlier of such events, the “Effective Date”), and shall continue in effect until the earlier of (A) the termination of the Plan pursuant to Section 19 hereof and (B) the ten-year anniversary of the Effective Date, with no new Offering Periods commencing on or after such ten-year anniversary.

25. GOVERNING LAW. The Plan and all Options granted hereunder shall be construed in accordance with and governed by the laws of the State of Delaware without reference to choice of law principles and subject in all cases to the Code and the regulations thereunder.

26. NON-U.S. PARTICIPANTS. To the extent permitted under Section 423 of the Code, without the amendment of the Plan, the Company may provide for the participation in the Plan by Employees who are subject to the laws of foreign countries or jurisdictions on such terms and conditions different from those specified in the Plan as may in the judgment of the Company be necessary or desirable to foster and promote achievement of the purposes of the Plan and, in furtherance of such purposes the Company may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with provisions of laws of other countries or jurisdictions in which the Company or the Participating Subsidiaries operate or have employees. Each subplan shall constitute a separate “offering” under this Plan in accordance with Treas. Reg. §1.423-2(a) and, to the extent inconsistent with the requirements of Section 423, any such subplan shall be considered part of the Non-423 Component, and rights granted thereunder shall not be required by the terms of the Plan to comply with Section 423 of the Code.

27. SECTION 409A. The 423 Component is exempt from the application of Section 409A of the Code, and any ambiguities herein shall be interpreted to so be exempt from Section 409A of the Code. The Non-423 Component is intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception and any ambiguities shall be construed and interpreted in accordance with such intent. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Committee determines that an option granted under the Plan may be subject to Section 409A of the Code or that any provision in the Plan would cause an option under the Plan to be subject to Section 409A, the Committee may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Committee determines is necessary or appropriate, in each case, without the participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Section 409A of the Code, but only to the extent any such amendments or action by the Committee would not violate Section 409A of the Code. Notwithstanding the foregoing, the Company shall have no liability to a participant or any other party if the option under the Plan that is intended to be exempt from or compliant with Section 409A of the Code is not so exempt or compliant or for any action taken by the Committee with respect thereto.

Outset Medical
 3062 Orchard Drive
 San Jose, CA 95134
 669.231.8200

Better
 begins
 now.



May 31, 2025

Renee Gaeta
 Sent via email

Dear Renee,

On behalf of Outset Medical, Inc. (the "Company"), I am pleased to extend to you this conditional offer of employment in the position of Chief Financial Officer reporting directly to Leslie Trigg, Chair and Chief Executive Officer. This letter agreement sets forth the terms and conditions of your employment with the Company from and after the date of your employment, contingent upon completion of all conditions noted below satisfactory to the Company:

1. **Start Date:** Your position will be as a full-time, salaried/exempt employee commencing on June 3, 2025, or such other date as you and the Company may mutually agree.
2. **Salary:** The Company will pay you a base rate of \$500,000 per year, to be paid bi-weekly in accordance with the Company's standard payroll policies and subject to normal required withholding.
3. **Annual Cash Bonus Potential:** You will be eligible to receive a discretionary incentive cash bonus award of up to 50% of your base salary each calendar year. The amount of any actual bonus award will be based upon the level of achievement of annual Company performance objectives for such calendar year and will be determined by the Company's Board of Directors in its sole and absolute discretion; however, if your start date is on or after October 1st, you will not be eligible for a bonus for that current fiscal year. The Company reserves the rights to modify, suspend or discontinue this annual cash bonus program at any time.
4. **Equity/Vesting:** As soon as practical following your employment commencement date, it will be recommended that the Compensation Committee grant you equity awards valued at \$3,100,000. The number of shares will be determined at the time of the grant using the average closing price of the 20 trading days prior to grant. This grant is subject to approval by the Compensation Committee and if approved will be recommended in the form of 80% Restricted Stock Units (RSUs) and 20% Performance Stock Units (PSUs) as described further below.

RSU Vesting

The total number of RSUs subject to the award (the "RSU Award") shall vest over a three-year period as follows: 33.33% of the RSU Award shall vest on the first anniversary of the vesting commencement date, and the remaining 66.67% of the RSU Award shall vest over the course of the following two years on a quarterly basis on each February 15th, May 15th, August 15th and November 15th, subject to your Continuous Service (as defined in the applicable award agreement) through the applicable vesting date. The vesting commencement date shall be June 3, 2025.

PSU Vesting

As determined by the Compensation Committee and set forth in and subject in all respect to the terms of the applicable award agreement, which terms shall be consistent with other executive PSU grants for 2025, the total target number of PSUs subject to the award shall be earned and vest as set forth below. For purposes of the below, "Year 1" is the current year, "Year 2" is next year, and "Year 3" is the year following next year. All vesting is subject to your Continuous Service through the applicable vesting dates.

- 70% of the target PSUs shall be earned based on achievement against a financial metric to be determined by the Compensation Committee and measured over a three-year performance period. 100% of earned units (as certified by the Compensation Committee following the performance period) will vest at the end of Year 3.
- 30% of the target PSUs shall be earned based on the percentile ranking of the Company's Total Shareholder Return among companies in a pre-determined index over a three-year performance period, with potential earned units ranging from 50% to 200% of such target PSUs. 100% of earned units (as certified by the Compensation Committee following the performance period) will vest at the end of Year 3.

5. Benefits: You will be eligible for health insurance benefits and other employee benefits that the Company may make available from time to time, with your participation subject to the generally applicable eligibility requirements and other provisions of the various plans and programs. We typically celebrate eleven (11) paid company holidays per calendar year. As an executive, you will participate in our Flex Paid Time Off (PTO) plan which means that you can take time off as needed but you will not accrue a specific number of PTO days and will not be paid out for unused PTO time should you leave the Company. The Company reserves the rights to modify, suspend or discontinue any and all such benefits and plans, or any new benefits and plans, at any time and without notice. In addition, you will be covered by the Company's form of Change in Control and Severance Agreement and the Company's form of Indemnification Agreement between the Company and its directors and executive officers. Additional information and details regarding employee benefits will be provided.

6. At-Will Employment: All employment with the Company is at-will as provided by California law. If you choose to accept employment with the Company, your employment will be voluntarily entered into and will be for no specified period. As a result, you will be free to resign at any time, for any reason or for no reason, as you deem appropriate. The Company will have a similar right and may conclude its employment relationship with you at any time, with or without cause, and with or without notice.

7. Eligibility for Employment; Confidential Information Agreement: For purposes of federal immigration law, you will be required to provide documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated. Your employment is also conditioned upon entering into, and complying with, the Company's standard At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement (the "Confidential Information Agreement"), with no excluded inventions except as may be acceptable to the Company. A copy of the Confidential Information Agreement is being provided to you concurrent with this letter agreement. We must receive your signed Confidential Information Agreement before your employment commencement date.

8. Background Investigation: This offer of employment is contingent upon the successful completion of reference checks and a background investigation, consistent with applicable federal and state law. Where permitted by applicable law, the background investigation could include, but will not necessarily be limited to, verification of prior employment, verification of educational history, social security verification, criminal history information, driving record information, and information regarding professional licenses and debarments. The Company will provide you with separate, standalone documentation regarding the background investigation.

9. Prior Employment; No Conflict: By signing this letter agreement, you represent and warrant that you have disclosed to the Company any and all agreements relating to your prior employment that may affect your eligibility to be employed by the Company or limit the manner in which you may be employed. It is the Company's understanding that any such agreements will not prevent you from performing the duties of your position and you represent that such is the case and that you are under no contractual commitments inconsistent with your obligations to the Company. Notwithstanding our mutual belief that any such agreements will not prevent you from performing the duties of your position, you understand and agree that the Company retains the right, and may exercise such right at its discretion, to conclude its employment relationship with you, with or without notice, should any prior employer assert, whether or not proven or litigated, that you are prevented from performing, in whole or in part, the duties of your position with the Company. Moreover, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company. During the employment term, you may engage in (i) charitable, civic, community, and trade activities, serve as a member of the board of directors of Candle Therapeutics, Inc., manage your passive personal investments, and (ii) subject to, in each case, express prior written approval by the Board, engage in other advisory activities, and serve on other boards of non-competing entities (such permitted activities or engagements, the

"Outside Activities"); provided that, in each case, the Outside Activities do not materially interfere with your duties hereunder, violate the terms of this Employment Offer Letter or any other agreement to which you and the Company or its affiliates is a party, or present a business or fiduciary conflict of interest. Similarly, you agree not to bring any third-party confidential information to the Company, including that of your former employer, and that in performing your duties for the Company you will not in any way utilize any such information.

10. Other Conditions: As a condition to your employment with the Company, you agree to observe and comply with all of the rules, regulations, policies and procedures established by the Company from time to time and all applicable laws, rules and regulations imposed by any governmental regulatory authority from time to time. You may be required to sign an acknowledgement that you have read and that you understand the Company's rules, regulations, policies, and procedures at the time of employment commencement and/or at any time during your employment with the Company.

This letter agreement, along with the agreements referenced herein, set forth the terms of your employment with the Company and supersede any prior representations or agreements including, but not limited to, any representations made during your recruitment, interviews or pre-employment negotiations, whether written or oral. This letter agreement, including, but not limited to, it's at-will employment provision, may not be modified or amended except by a written agreement signed by the Chief Executive Officer of the Company and you.

We look forward to your favorable reply and to working with you at the Company.

Sincerely,

/s/ Leslie Trigg

Leslie Trigg
Chair and CEO
Outset Medical, Inc.

I have read and understood the provisions of this offer of employment, and I accept the above conditional job offer:

Signature: /s/ Renee Gaeta Date: 6/1/2025

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Outset Medical, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to her/his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations the Company.

August 6, 2025

By: /s/ Leslie Trigg
Leslie Trigg
Chief Executive Officer
(Principal Executive Officer)

August 6, 2025

By: /s/ Renee Gaeta
Renee Gaeta
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Report and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.
