



Outset Medical
Investor Presentation
January 2023

Forward-looking statements

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

These forward-looking statements include, but are not limited to, statements about the Company’s expected results of operations, including fourth quarter and full year 2022 revenue and 2022 non-GAAP gross margin, statements about our possible or assumed future results of operations and financial position, including expectations regarding projected revenues, and revenue growth rate, gross margin (including non-GAAP gross margin), profitability and outlook, statements regarding our overall business strategy, plans and objectives of management, our expectations regarding the market sizes and growth potential for Tablo and the total addressable market opportunities for Tablo, our planned expansion within the home hemodialysis market and expected drivers of home dialysis adoption, our expectations with respect to anticipated benefits of the TPNIES approval, as well as our expectations regarding the impact

of macroeconomic factors on us, our customers and our suppliers. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, which could cause actual results to differ materially from those expressed or implied in these forward-looking statements. These risks and uncertainties include: our future financial performance, including our expectations regarding our revenues, cost of revenues, operating expenses, gross margin and our ability to achieve and maintain future profitability; continued execution of our initiatives designed to reduce the cost of producing and shipping Tablo devices and our ability to achieve projected cost reductions at the levels or within the timeframe we estimate; our ability to attain market acceptance among providers and patients; our ability to manage our growth; our expansion into the home hemodialysis market; our ability to ensure strong product performance and reliability; our relations with third-party suppliers, including contract manufacturers and single source suppliers; our ability to overcome manufacturing disruptions; the impact of COVID-19, natural or man-made disasters, and similar events, on our industry, business and results of operations; our ability to offer high-quality support for Tablo; our expectations of the sizes of the markets for Tablo; our ability to innovate and improve Tablo; our ability to effectively manage privacy, information and data security; concentration of our revenues in a single product and concentration of a large percentage of our revenues from a limited number of customers; our ability to compete effectively; our ability to accurately forecast customer demand and manage our inventory; our ability to ensure the proper training and use of Tablo; and our compliance with FDA and other regulations applicable to our products and business operations; as well as other risks and

uncertainties described in the Risk Factors section of our public filings with the SEC, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. Forward-looking statements should be considered in light of these risks and uncertainties, and you should not rely on these forward-looking statements as predictions of future events. These forward-looking statements speak only as of their date and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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

Certain financial information contained in this presentation is preliminary, unaudited, and subject to change or adjustment in connection with the completion of our quarter and year-end closing processes and the preparation of its audited financial statements for the fiscal quarter and year ended December 31, 2022, which will be contained in our related Annual Report on Form 10-K.

**Transforming
dialysis**
from the hospital
to the home



SUMMARY

Reducing the cost and complexity of dialysis



\$11.4B U.S. total addressable market¹



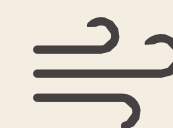
Established footprint in **\$2.5B U.S. acute care market**

Growing patient base in **\$8.9B U.S. home market**



2022 expected revenue of ~\$115M

175% CAGR
(2018–2022)

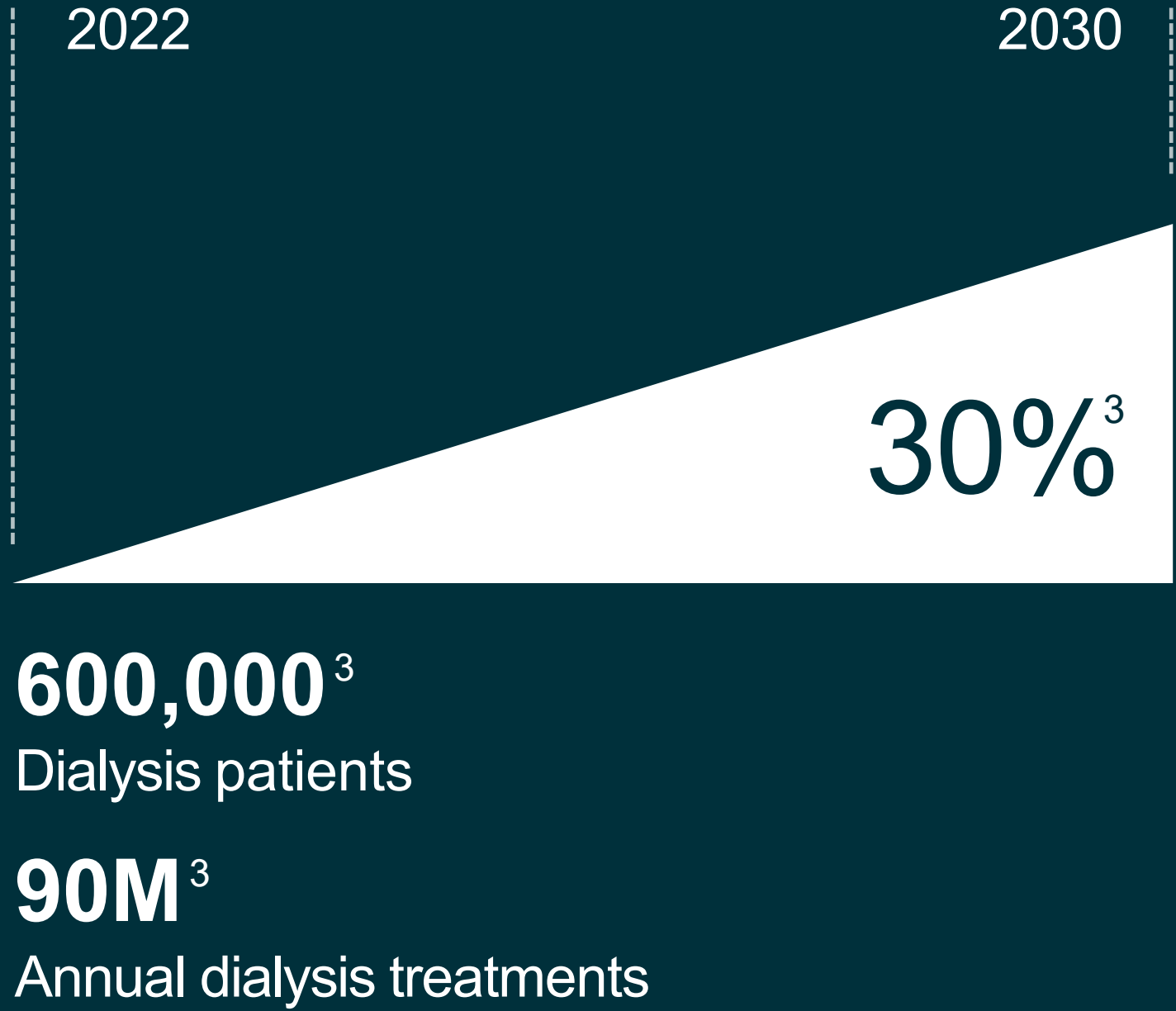
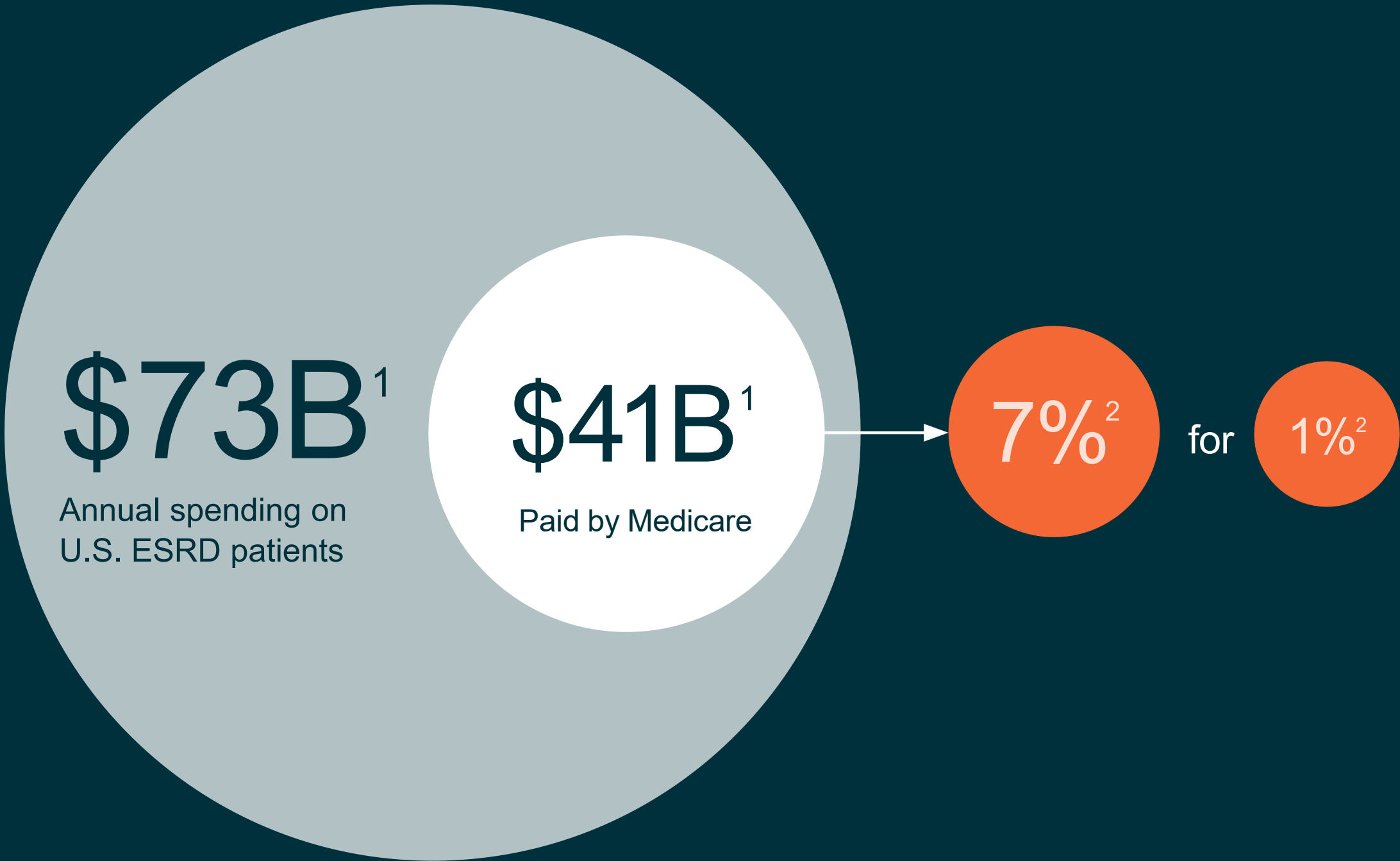


Multiple tailwinds
driving Tablo adoption

1. Company estimates based on data contained in U.S. Renal Data System (USRDS) 2021 Annual Data Report

CURRENT STATE

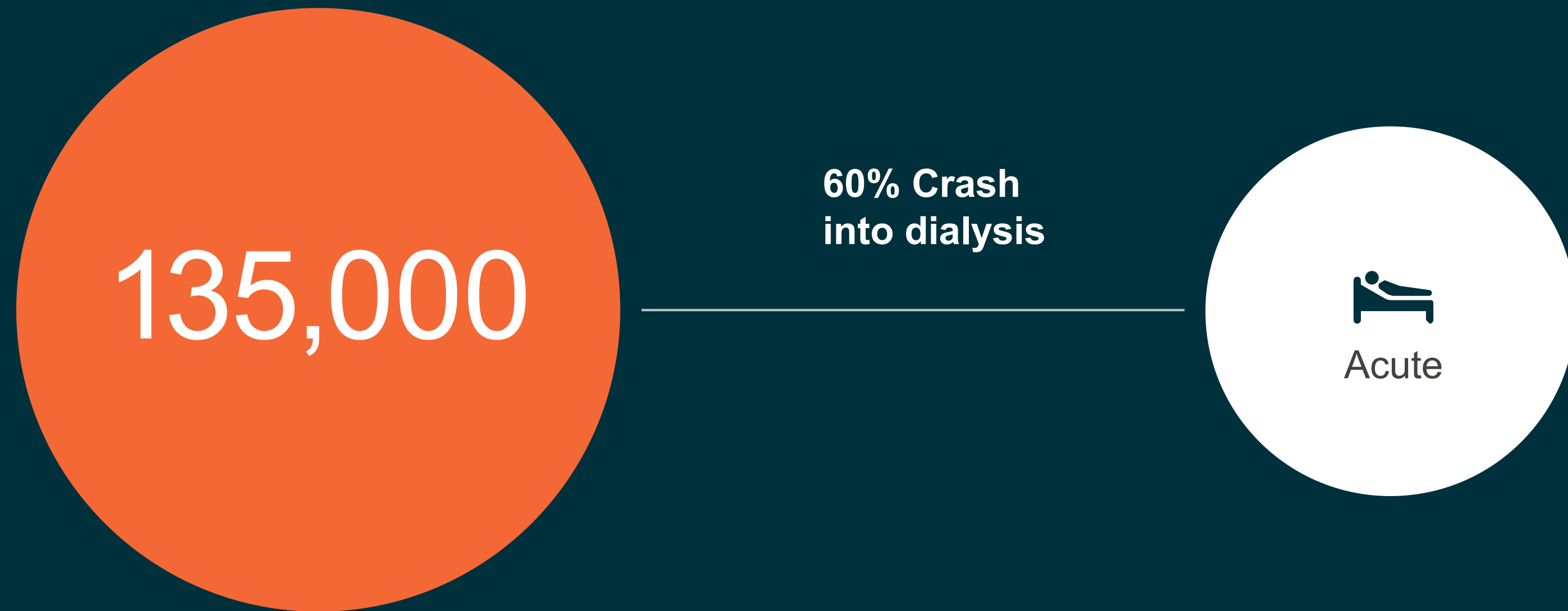
Dialysis is one of the largest, most expensive, least-changed sectors of healthcare



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

CURRENT STATE

Dialysis care pathways



New ESRD patients diagnosed annually in the U.S.

CURRENT STATE

Dialysis care pathways

60% Crash
into dialysis



13%



Home

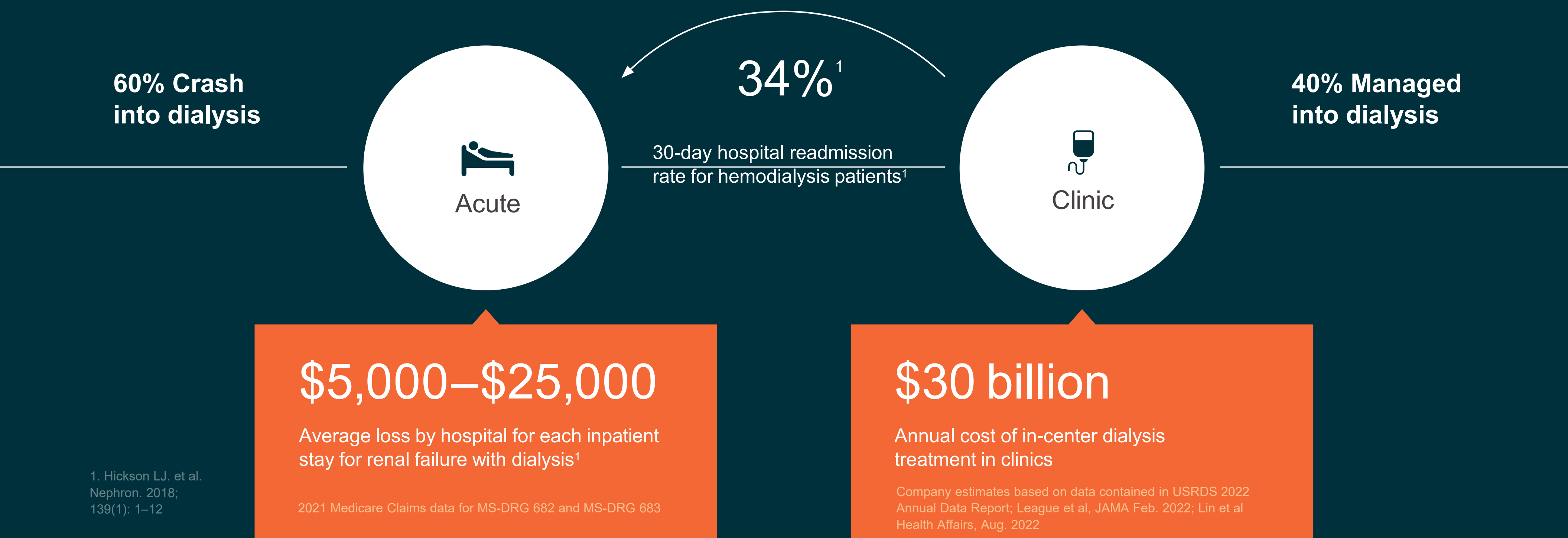


87%

40% Managed
into dialysis

CURRENT STATE

This is an expensive care delivery model...



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

CURRENT STATE

Dialysis is in need of new solutions



Hospitals lose money on every treatment



Staffing challenges constrain optimal patient care and drive up cost



Complicated technologies made home hemodialysis impractical for most patients



We see
a technology-driven
way forward

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

1

Single device from ICU to home



Connected and intelligent



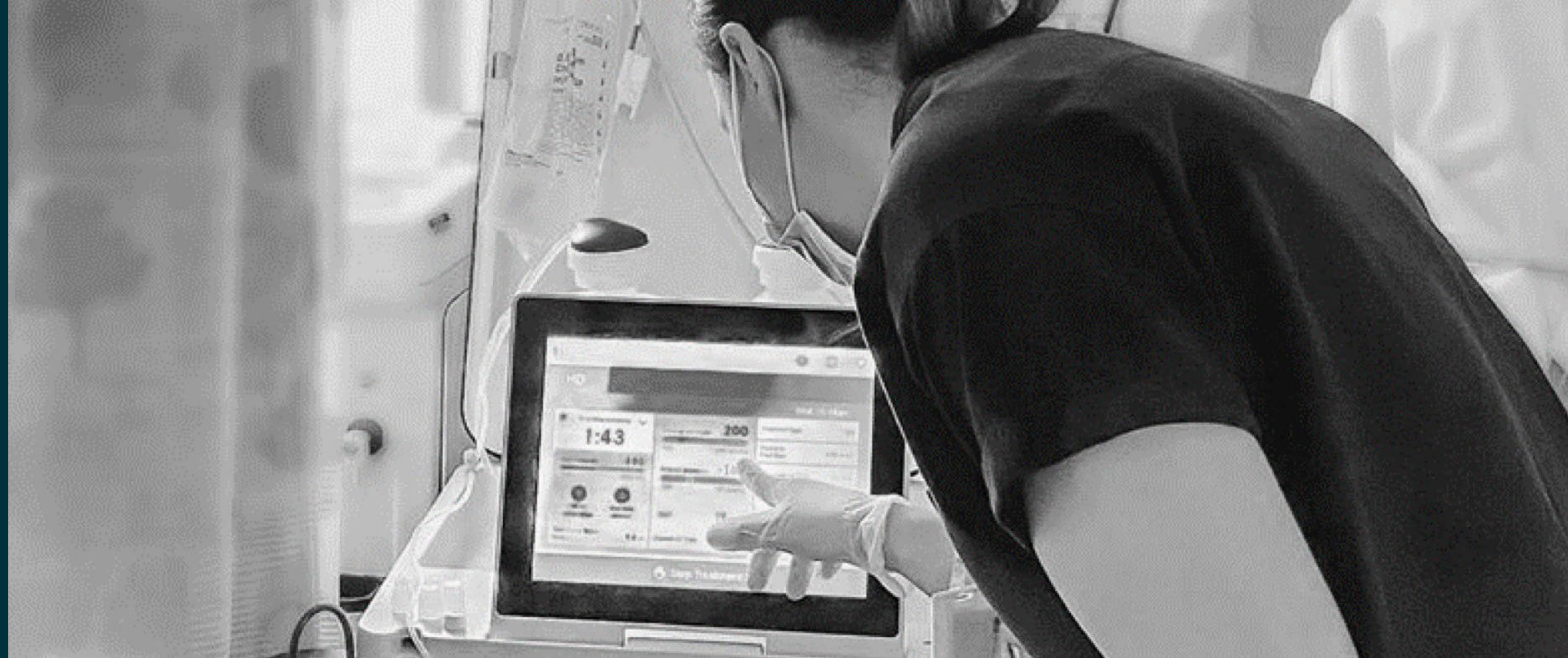
Small and mobile



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



One device, multiple markets



\$11.4B

U.S. TAM

\$2.5B

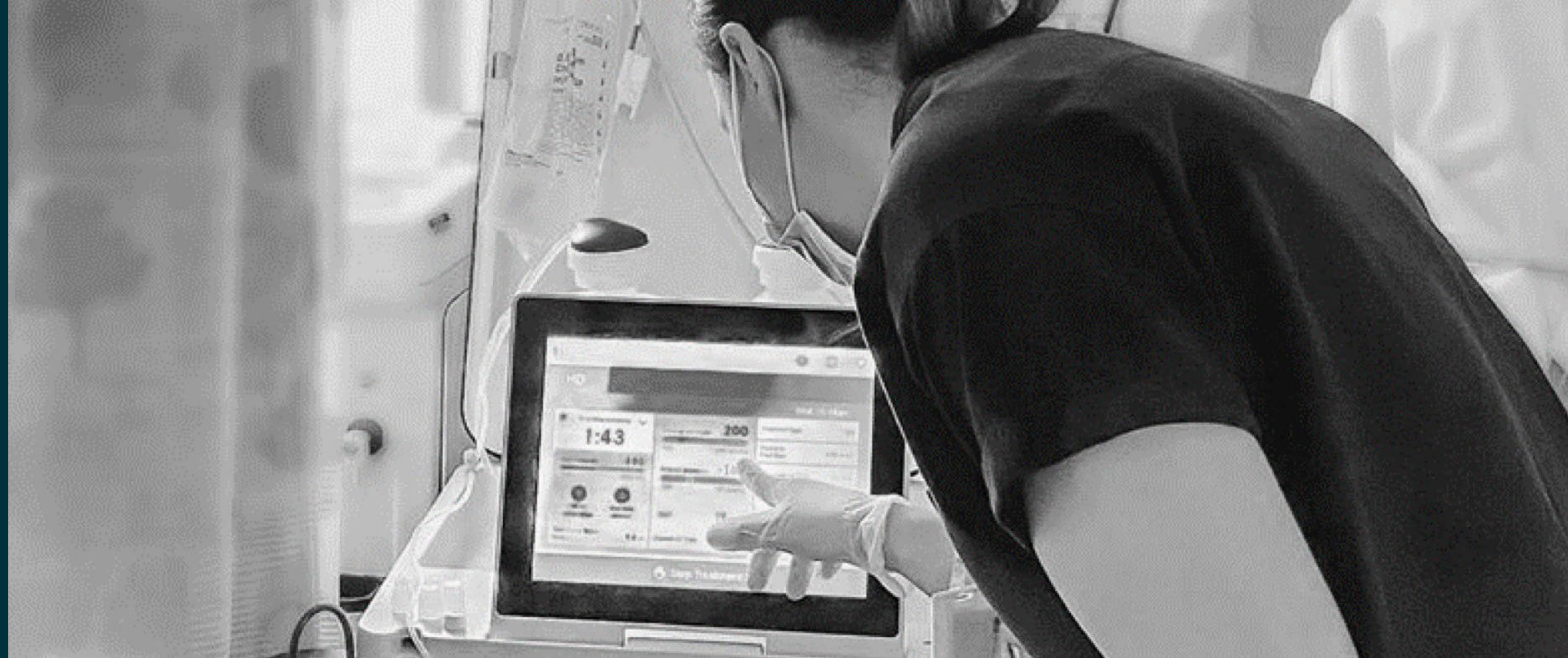
Acute market
Hospital & sub-acute
based dialysis

\$8.9B

Home market
Home hemodialysis
& transitional care

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

One device, multiple markets



\$11.4B

U.S. TAM

\$2.5B

Acute market
Hospital & sub-acute
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\$8.9B

Home market
Home hemodialysis
& transitional care

Tablo reduces the cost and complexity of acute dialysis



Before Tablo

With Tablo

 **Supplies cost reduction**

Existing ICU machines require numerous dialysate bags for each treatment

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

 **Labor cost reduction**

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

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

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

TOTAL POTENTIAL COST SAVINGS

50%–80%¹

Potential payback period <1 year

Tablo can deliver significant savings

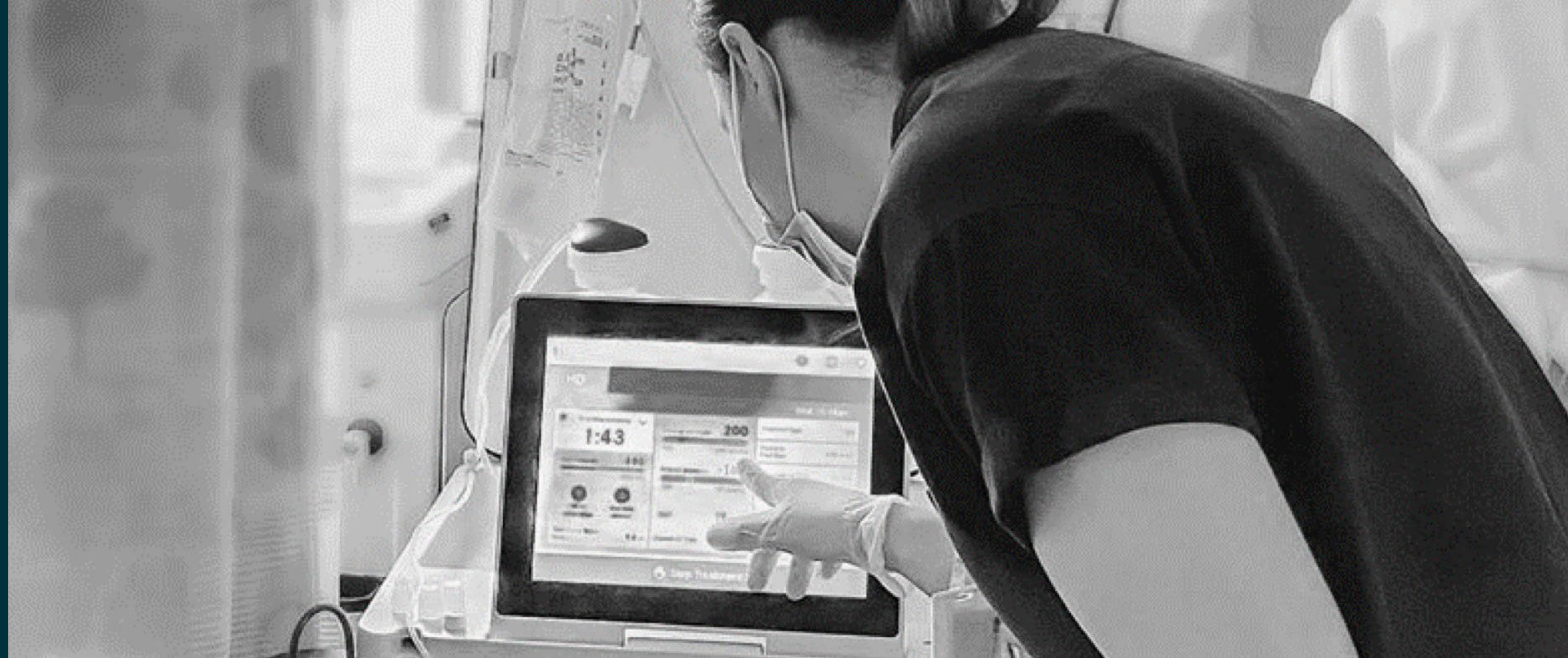


Hospital	St. Mark's Hospital
Location	Salt Lake City, Utah
Beds	300
ICU beds	24

“(We saw) huge cost savings and high ratings on the training experience, treatment setup and starts, and a 96.2% average success rate.”
—Kasi Moore, Nurse Manager

- \$450K**
Annual estimated savings
- \$500**
Savings per Tx
- ~70%**
Cost reduction per Tx
- 50%**
Labor cost reduction

One device, multiple markets



\$11.4B

U.S. TAM

\$2.5B

Acute market
Hospital & sub-acute
based dialysis

\$8.9B

Home market
Home hemodialysis
& transitional care

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

HOME CARE

The home market is significantly underpenetrated



Historical barriers



REIMBURSEMENT

Medicare reimbursement misaligned with treatment frequency



INCENTIVES

Inadequate provider payment incentives



TECHNOLOGY

Cumbersome technology and training

HOME CARE

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

New financial incentives

Medicare Advantage eligibility

Clinic staffing shortages

Patient preferences



HOME CARE

Tablo addresses key barriers to home dialysis adoption and retention



tablo®

3

Treatments per week

<25 hours

Training per patient

0 hours

Dialysate prep time



Historical device

5–6

Treatments per week

100 hours

Training per patient

16–24 hours

Dialysate prep time per week

Tablo changes the home benefit-burden ratio

0%

Dropout during in-home period

99%

Adherence to prescribed home treatment frequency

~10%

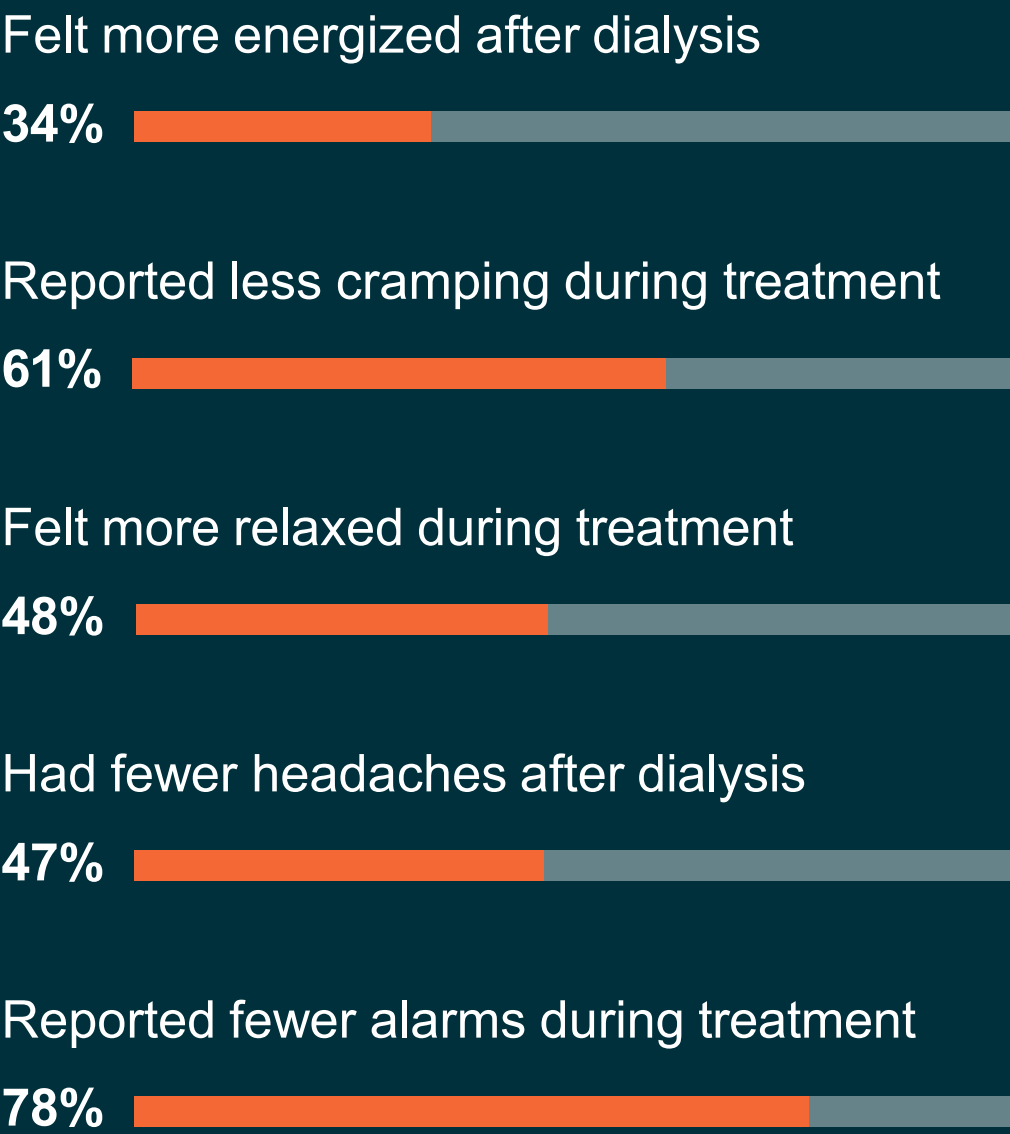
Controllable attrition

Data from Outset 2019 IDE trial; Alvarez L, May Y, Chertow G, .Early Patient Experience with the Tablo Hemodialysis System; Outset Data Registry, 2022.

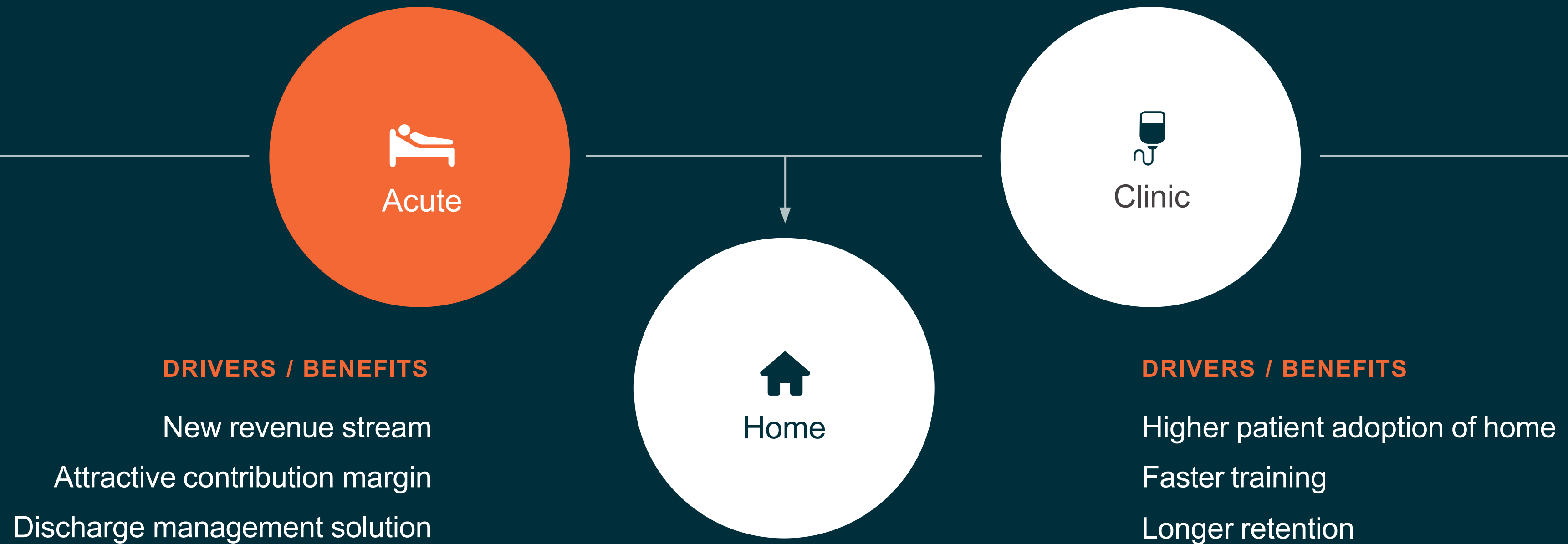
For additional clinical evidence, visit <https://www.outsetmedical.com/clinical-evidence/>

Patients report fewer symptoms on Tablo

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



Commercial strategy



A highly efficient business model

INITIAL CONSOLE PURCHASE



ONGOING REVENUE

Initial console purchase generates recurring and predictable consumable and service revenue

1

SINGLE PLATFORM

\$

RECURRING REVENUE : ACUTE

~\$20K per console per year

\$

RECURRING REVENUE : HOME

~\$15K per console per year

Strong financial position exiting 2022

~\$115M

Revenue

175% CAGR
2018–2022e

4,000

**Consoles deployed
(cumulative installed
base at period end)**

3,200 with acute/
sub-acute providers,
nearly 800 with home
providers

~800 bps

**Expected gross
margin expansion**

Consistent year-over-
year progress toward
50% gross margin
milestone

\$261M

Cash at Sept. 30, 2022

Secured up to additional
\$300M in debt financing

2023 outlook

Revenue guidance

\$140M–\$150M

~22–30%
year-over-year growth

Non-GAAP gross margin

~20% full year

Mid-20% range
exiting Q4

Commercial execution

Land and expand
in the Acutes

High growth, high retention
focus in the Home

Senior Clinical Sales Specialist at Outset Medical
Reshared from Outset Medical

Very proud of our partnership and accomplishments. #betterbeginsnow




A Pioneer of Change: Dialysis Director January Mendoza - Outset Medical
outsetmedical.com • 4 min read

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MBA
Global Director of Sales
Reshared from Kimberly...

terbeginsnow #homewithtablo
patients deserve the opportunity ...see more



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2mo •

Although paralyzed since the 1970s, Sebastian has not let his disability or kidney ...see more

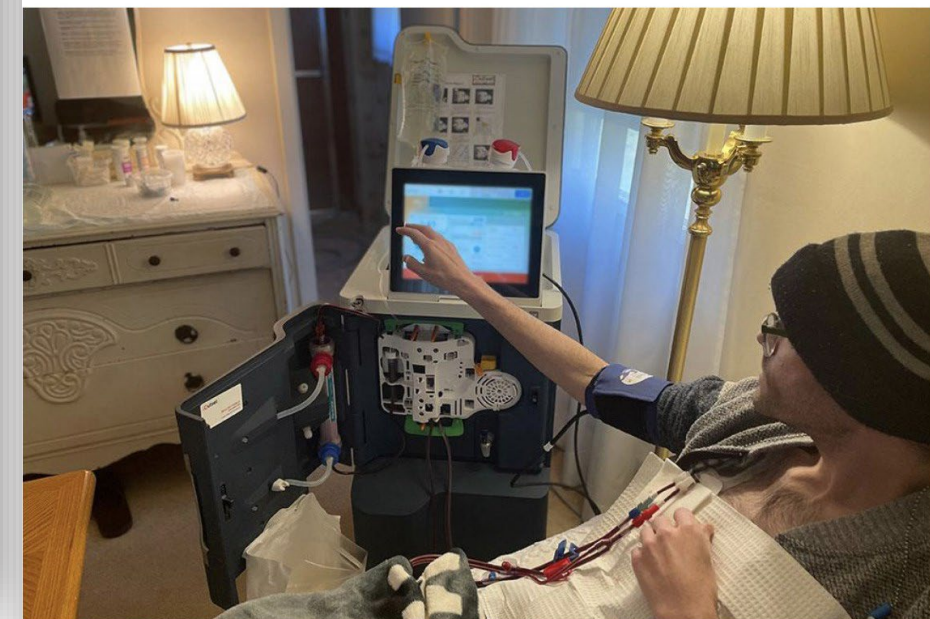


Meet U.S. Army Vet and Wheelchair Athlete Sebastian | Outset Medical
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With a determined spirit and support from his family, Conor, a young kidney ...see more



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How 5 People Felt After 50 Hemodialysis Treatments on Tablo - Outset Medical
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Director, Northeast Market at Outset Medical
Reshared from Rosanne...

Couldn't be more proud of this team and partnership!!!
Valdano De Pina Jason Dent John ...see more



35 6 comments



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