



**Outset Medical Announces \$91 Million in New Funding for  
First-Of-Its-Kind FDA-Cleared Dialysis Technology**  
*Financing To Support Commercial Launch and Ongoing  
Clinical Trials for Expanded Indications*

San Jose, Calif. – June 9, 2015 – Outset Medical, a company focused on reimagining the experience of dialysis care for patients with kidney disease, today announced \$91 million in equity and debt funding. New investor Fidelity Research and Management Company led the \$51 million equity financing, with participation from existing investors Warburg Pincus and The Vertical Group, as well as new investors Partner Fund Management LP, Perceptive Advisors and CRG. In addition, CRG led a \$40 million debt financing.

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

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

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

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

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

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

### **About the Tablo System**

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

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

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

### **About Chronic Kidney Disease and Dialysis**

Chronic kidney disease (CKD) can be caused by diabetes, high blood pressure and other disorders, and affects approximately 26 million Americans. The condition is divided into five stages. The most advanced stage of CKD is known as kidney failure or end-stage renal disease (ESRD). Unless patients receive a kidney transplant, patients with ESRD require dialysis treatments several times each week to eliminate waste products and excess fluid from the blood.

### **About Outset Medical**

Outset Medical is dedicated to reimagining the experience of dialysis care for patients with kidney disease by providing them greater flexibility, independence and control with the potential to dramatically lower costs for providers and the healthcare system. The company is located in San Jose, Calif. and is backed by Warburg Pincus, Fidelity Research and Management Company, Perceptive Advisors, Partner Fund Management LP, The Vertical Group and CRG. For more information visit [www.outsetmedical.com](http://www.outsetmedical.com).

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