



MAY 2020

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By attending or receiving this presentation you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.



Establishing an **entirely new**  
minimally invasive procedure

Moving toward **standard of care**  
with growing clinical evidence base



**TCAR**  
for  
**Stroke  
Prevention**

Relentless Focus on Patient Outcomes  
Every patient.  
Every day.

# 2020 Strategic Priorities

1



## **U.S. TCAR Commercial Execution**

Broaden adoption and deepen penetration while maintaining outcomes

2



## **TCAR Label Expansion**

Establish regulatory and reimbursement strategy for Standard Surgical Risk

3



## **Pipeline Development**

Outline pipeline products and clinical strategies

# Recent Commentary on COVID-19 Pandemic Impact

## Q1 2020 Commentary

- **Mid-March:**

*ACS/CMS guidance to defer procedures (but not Sx)<sup>1</sup>*

- **2<sup>nd</sup> half of March:**

*average daily procedures decreased considerably*

## Q2 2020 Commentary

- **1<sup>st</sup> half of April:**

*decline in average daily procedures persisted*

- **2<sup>nd</sup> half of April:**

*stabilization in average daily procedures*

## Long Term Commentary

- We believe many of the deferred procedures will be performed
- Carotid artery disease is a chronic, progressive disease that steadily gets worse over time
- Certain physicians are implementing TCAR as their preferred treatment given its efficiencies

Source: Silk Road Medical First Quarter 2020 Earnings Call on April 30, 2020

<sup>1</sup> In its COVID-19 Guidelines for Triage of Vascular Surgery Patients published on March 24, 2020, the American College of Surgeons indicated Tier Class 3 ("Do not postpone") for "Symptomatic Carotid Stenosis: CEA and TCAR" and Tier Class 1 ("Postpone") for "Asymptomatic Carotid Stenosis"

Sx=symptomatic procedures

# COVID-19 Pandemic Response

## Supporting Customers & Business Continuity



- “Essential business”
- Sufficient finished goods inventory on hand
- Maintaining valuable and talented workforce
- Field team remains available in-person and virtually
- Continuing with planned investments to drive growth

## Preserving Financial Flexibility

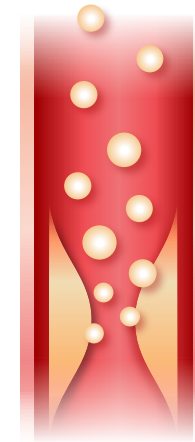


- Reduced travel and meeting expenses due to pandemic
- Reduced nonessential SG&A and slowed hiring initiatives
- Some expenses are being deferred to later periods

# Carotid Artery Disease –

33% of Ischemic Strokes

Cause of stroke:



Plaque fragments  
break off and move to brain



2018 Prevalence

**4.3M** people in US have carotid stenosis



# A ~\$2.6B Annual US Treatment Opportunity in 2018

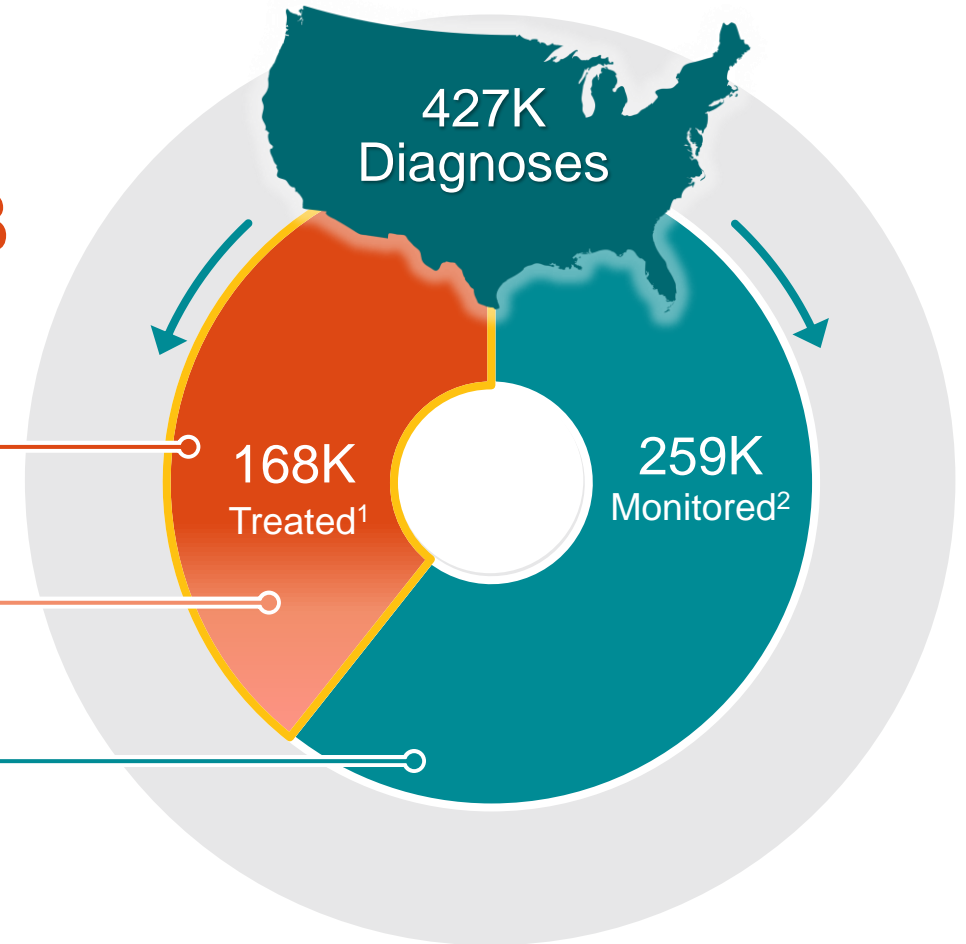
## Greenfield opportunity

1 **Convert** current procedures  
Established market with suboptimal treatments **\$1.0B**

✓ **\$665M High Surgical Risk, ~2/3 or 111K procedures**

○ **\$340M Standard Surgical Risk, ~1/3 or 57k procedures**

2 Treat today's **untreated** **\$1.6B**  
TCAR changes risk / reward



Source: Modus Health Group data for 2017 and 2018; note: US opportunity calculated as procedure volume multiplied by average sales price of each TCAR product (1 unit each)

<sup>1</sup> Treated with CEA, CAS, or TCAR; does not include patients who undergo medical management alone; Includes both standard and high surgical risk

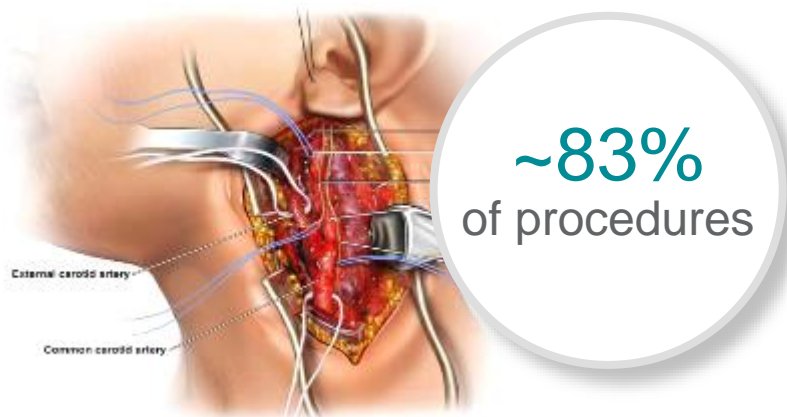
<sup>2</sup> Includes patients who did not undergo a surgical or endovascular procedure in 2018 and were instead monitored and treated with medical management alone

# Unacceptable Treatment Options

## SURGICAL:

### Carotid Endarterectomy (CEA)

65 years



**HIGHER RATE** of procedural complications



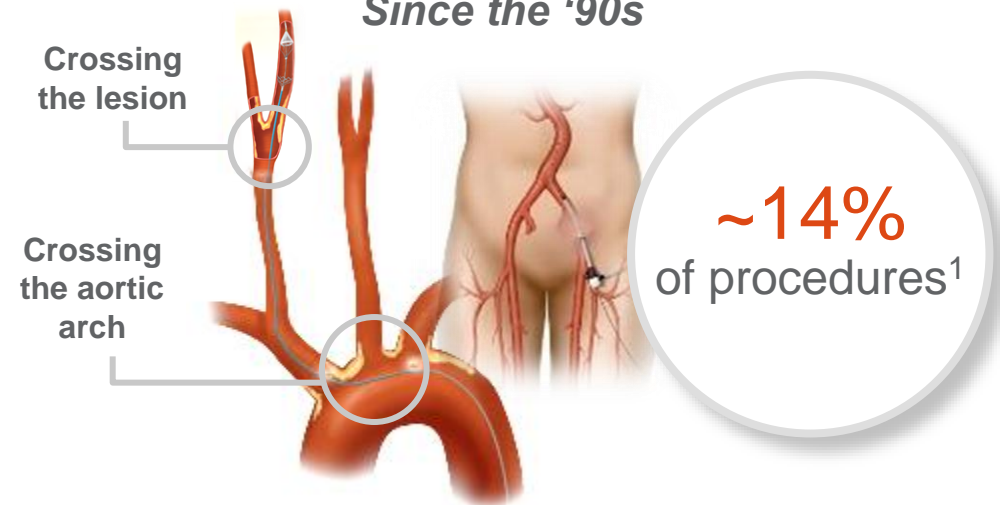
**LOW** 30-day stroke risk

A Dated Standard of Care

## ENDOVASCULAR:

### Transfemoral Carotid Artery Stenting (CAS)

Since the '90s



**LOWER** adverse events



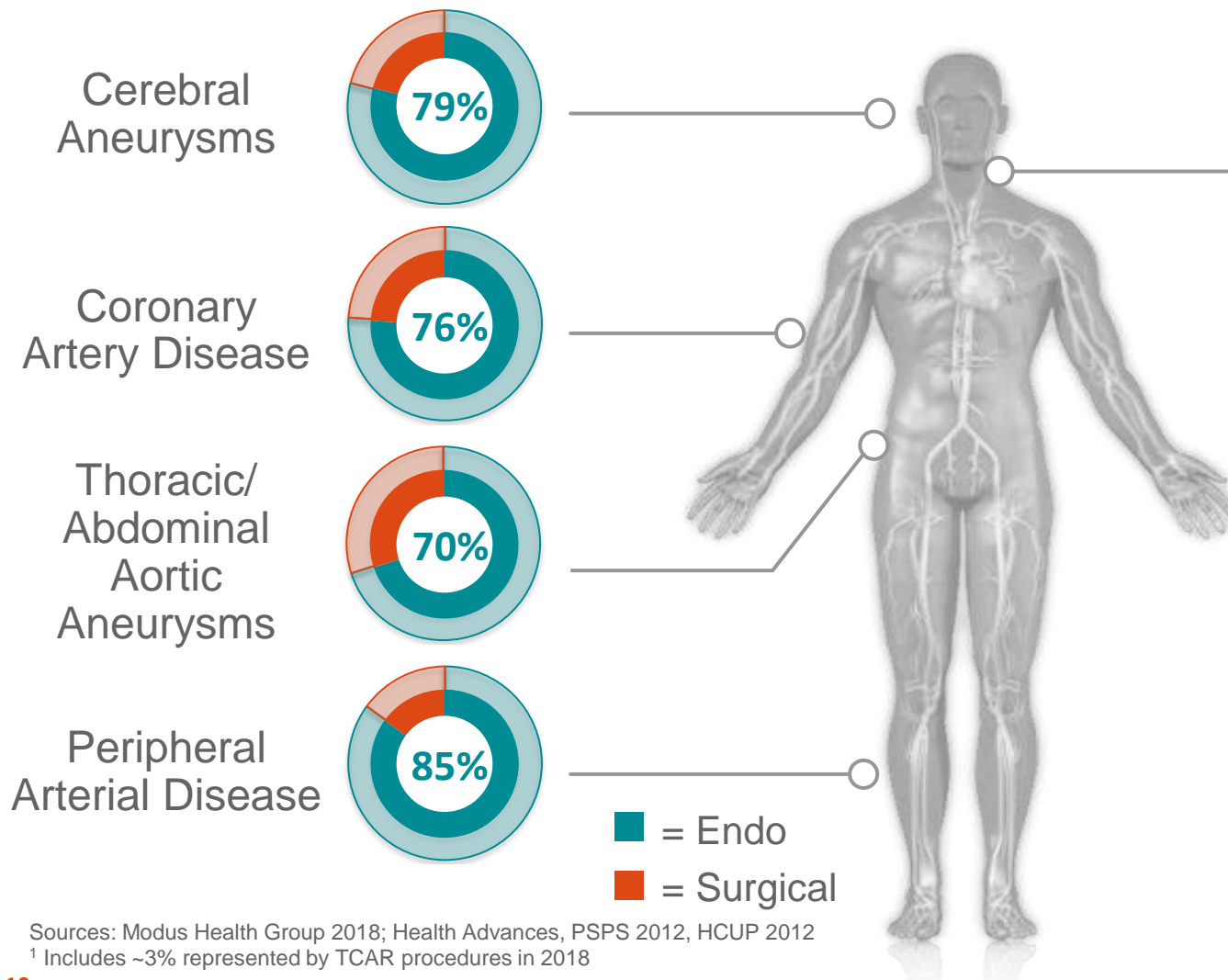
**HIGHER** (~2x) 30-day stroke risk

A Niche Procedure

Source: Modus Health Group 2018

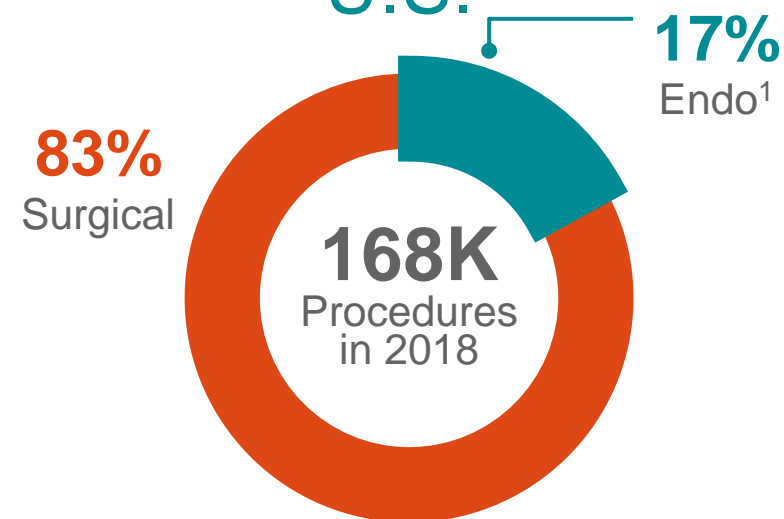
The New Normal:

# Endovascular Procedures



**THE LAST FRONTIER:**  
Open to Endo Conversion

## Carotid Artery Disease: U.S.



# TCAR is the Solution

## Paradigm Shift to Transcarotid

**Direct Carotid Access**



**Robust Flow Reversal**



### Procedural Advantages

- Minimally Invasive
- Exquisite Neuroprotection
- Short Learning Curve

### Meaningful Benefits

- Low In-Hospital and 30-Day Stroke/Death Rates
- Reduction in Complications<sup>1</sup>
- Shorter Length of Stay<sup>2</sup>
- Reduction in Procedure Time<sup>2</sup>

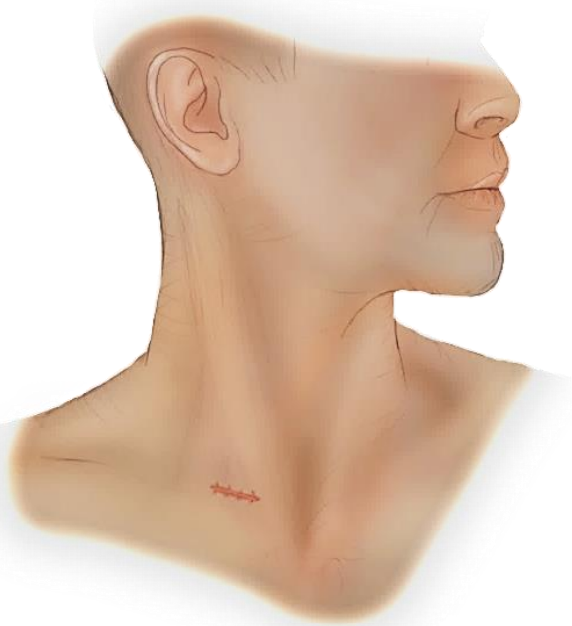
Ground-breaking **innovations** driving favorable **patient outcomes**  
and improved **provider quality and economics**

<sup>1</sup> Reduction in In-Hospital and 30-Day Adverse Events

<sup>2</sup> As compared to CEA

# TCAR

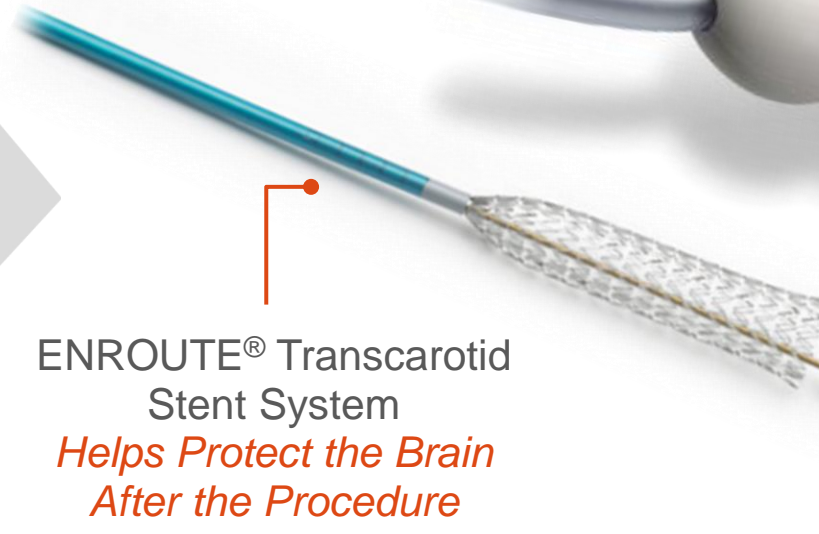
## Carotid-Specific Design, Dedicated Portfolio



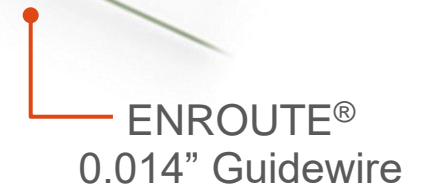
ENHANCE®  
Transcarotid Peripheral  
Access Kit



ENROUTE® Transcarotid  
Neuroprotection System (NPS)  
*Helps Protect the Brain  
During the Procedure*

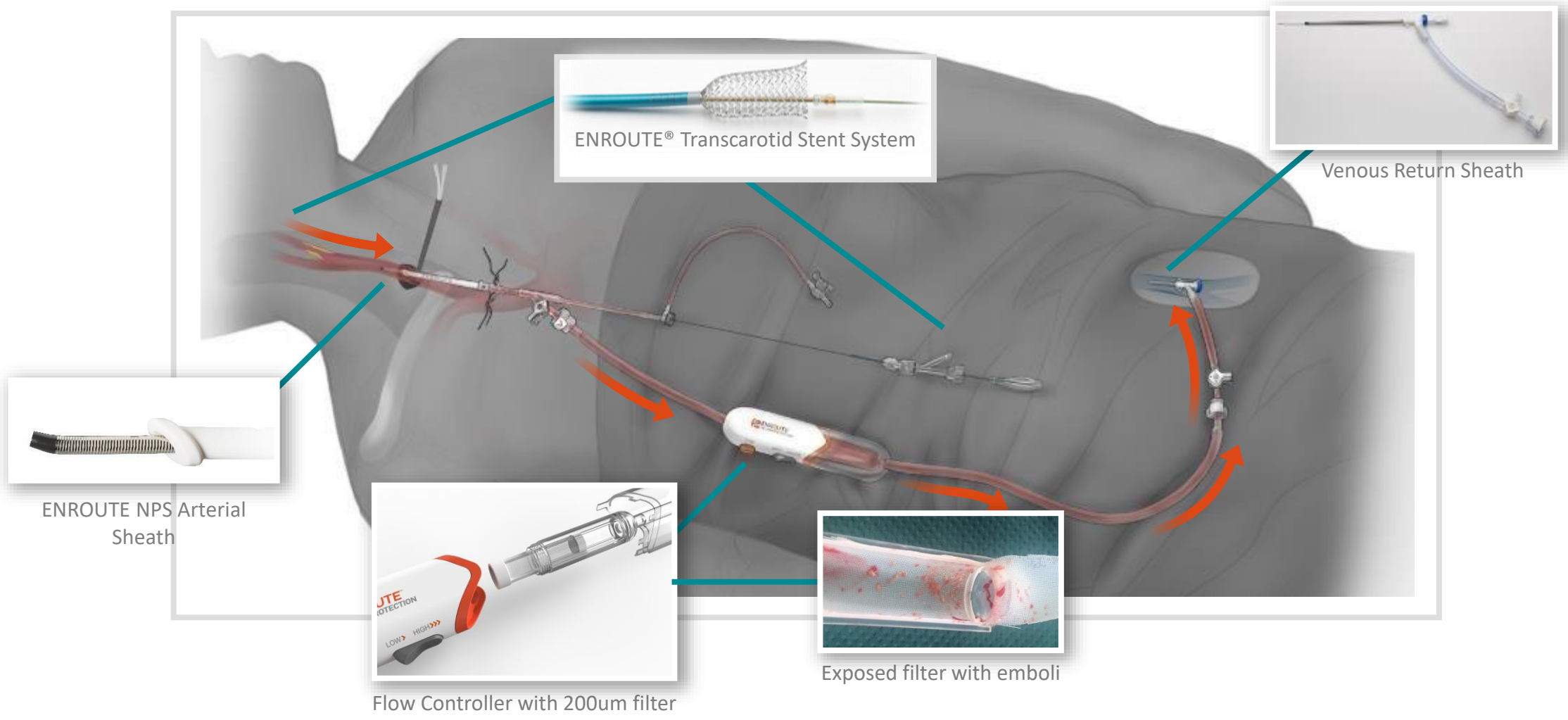


ENROUTE® Transcarotid  
Stent System  
*Helps Protect the Brain  
After the Procedure*



ENROUTE®  
0.014" Guidewire

# ENROUTE® Stent & Transcarotid Neuroprotection System in Action





The proof  
is in the filter

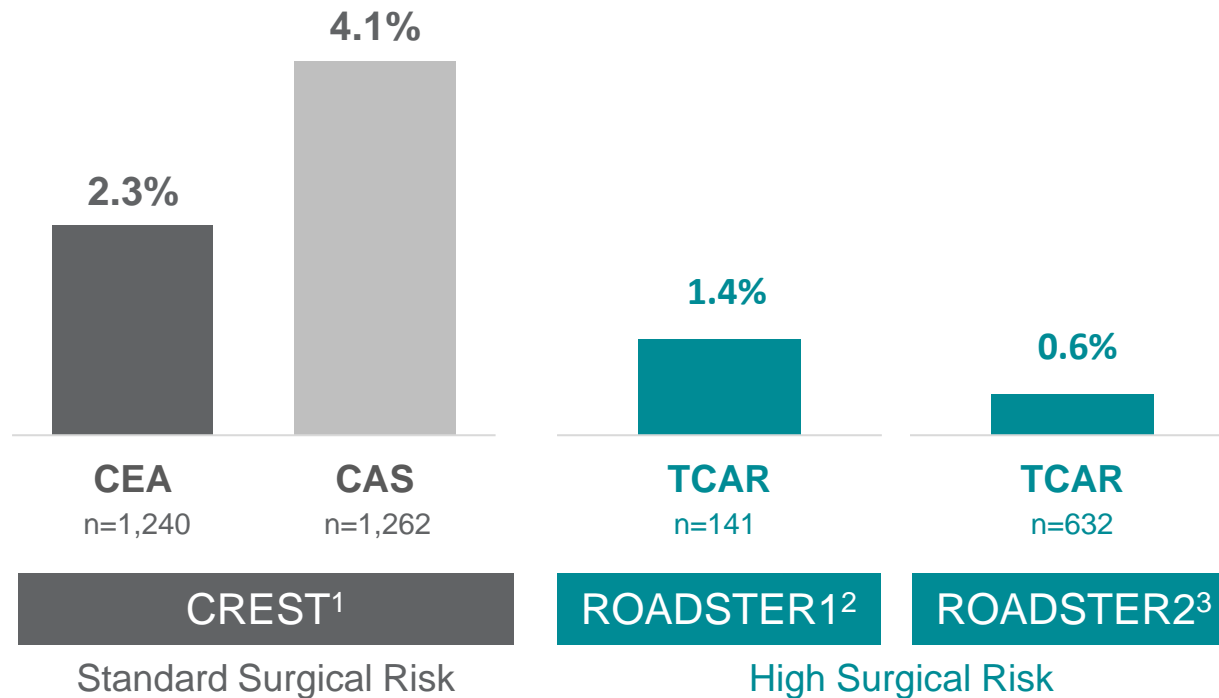


~19,000  
TCAR procedures  
worldwide<sup>1</sup>

<sup>1</sup> As of March 31, 2020.

# Growing Clinical Evidence

## 30 Day Stroke



### Confirms Short Learning Curve

80% of enrolled physicians new to TCAR

### Low Rates of 30-Day MAEs

Stroke/Death/MI (1.7%), Stroke/Death (0.8%), acute CNI (1.3%) and permanent CNI (0.5%)

### Low 30-Day Stroke Rate in Vulnerable Sub-Groups

Symptomatic (0.6%), Female (0.5%) and Age $\geq$ 75 (1.1%)

<sup>1</sup> N Engl J Med 2010; 363:11-23

<sup>2</sup> J Vasc Surg 2015;62:1227-35; ROADSTER outcomes presented on an "intention to treat" basis

<sup>3</sup> Kashyap, Vikram. "Analysis of the Early Outcomes in the ROADSTER-2 Clinical Trial of Transcarotid Artery Revascularization in Patients with Significant Carotid Artery Disease". Presentation, Society for Vascular Surgery 2019 Vascular Annual Meeting, National Harbor, MD, June 15, 2019.

Note: ROADSTER2 data per FDA Analysis (Per Protocol)

Note: Major adverse events (MAEs); myocardial infarction (MI); cranial nerve injury (CNI)



# TCAR Surveillance Project (TSP)

## Trial Design and Purpose

- Ongoing, open-ended real-world surveillance
- High Surgical Risk patients
- Evaluate safety and effectiveness of TCAR vs. CEA (and CAS)
- Societal effort managed by SVS\* and participating VQI\* hospitals
- CMS coverage within the parameters of the existing NCD

## Outcome Measures



In-hospital stroke, death, and stroke/death



Myocardial infarction and cranial nerve injury



One-year ipsilateral stroke or death



Procedure time; length of stay

\*SVS: Society for Vascular Surgery; VQI: Vascular Quality Initiative

# TCAR Continues to Show Benefits over CEA

Results for 5,160 patients in each group<sup>1</sup> presented at VAM

*In a matched population, TCAR shows...*

**53%**

**Lower odds of 30-day stroke, death and MI<sup>2</sup>**

**p<.01**

**87%**

**Lower odds in-hospital cranial nerve injury<sup>3</sup>**

**p<.001**

**26%**

**Lower odds of hospital stay >1 day<sup>3</sup>**

**p<.001**

*...compared to CEA*

<sup>1</sup> Malas, Mahmoud. "Outcomes of TransCarotid Artery Revascularization (TCAR) versus Carotid Endarterectomy (CEA) in the TCAR Surveillance Project." Presentation, Society for Vascular Surgery 2019 Vascular Annual Meeting, National Harbor, MD, June 13, 2019

<sup>2</sup> 30-day outcomes data based on a separate risk adjusted analysis

<sup>3</sup> Outcomes data represent propensity score, in-hospital outcomes

# Benefits of TCAR over CAS

Results for 3,286 TSP patients in each group<sup>1</sup> published in JAMA

*In a matched population, TCAR shows...*

**49%**

**Less likely in-hospital  
stroke or death<sup>1</sup>**

**p<.001**

**63%**

**Less likely technical  
failure<sup>1,2</sup>**

**p<.001**

**27%**

**Less likely prolonged  
length of stay<sup>1</sup>**

**p<.001**

*...compared to CAS*

<sup>1</sup> Marc L. Schermerhorn, MD, Patric Liang, MD, Jens Eldrup-Jorgensen, MD, et al. Revascularization vs Transfemoral Carotid Artery Stenting with Stroke or Death among Patients with Carotid Artery Stenosis. The Journal of the American Medical Association. 2019; 322(23):2313-2322. DOI: 10.1001/jama.2019.18441. Outcomes data represent propensity score outcomes.

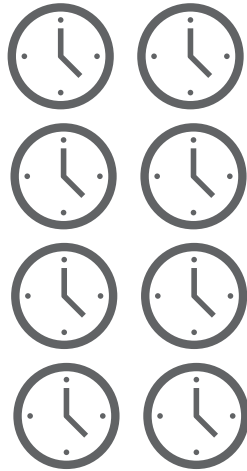
<sup>2</sup> Technical failure defined as unable to access CCA, unable to cross carotid lesion, and unable to deploy stent

# Easy-to-Learn Procedure

with Many Physicians Trained

Decreasing **operative time** with experience...

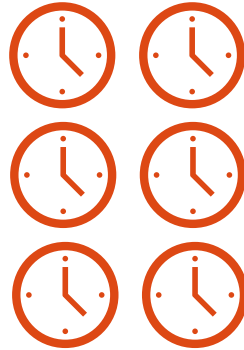
82 minutes



**<5 cases**

Novice

60 minutes



**>30 cases**

Expert



**No significant differences<sup>1</sup>** in major in-hospital outcomes were found regardless of experience level...



**Stroke**



**Death**



**Composite stroke/death/MI**

Source: Kashyap, V.S., A.H. King et al. "Learning Curve for Surgeons Adopting Transcatheter Aortic Valve Replacement Based on the Vascular Quality Initiative-Transcatheter Aortic Valve Replacement Surveillance Project." *Journal of American College of Surgeons* (2019), doi: <https://doi.org/10.1016/j.jamcollsurg.2019.09.020>.

<sup>1</sup> Expert physicians were more likely to treat patients with moderate or severe congestive heart failure, novice and intermediate physicians were more likely to treat patients with prior CEA or CAS, and advanced and expert physicians were more likely to treat patients with CMS medical high-risk criteria.

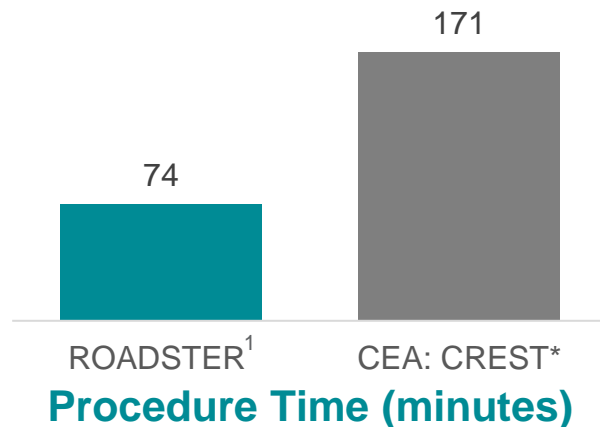
# TCAR: Established Codes and Payment

## Physician: CPT Code

TCAR	37215	\$1,050
CEA	35301	\$1,187

## Hospital: ICD-10 Codes

TCAR	DRGs 034-36	\$13,850
CEA	DRGs 037-39	\$9,360



**26%**

Lower odds of  
hospital stay  
>1 day<sup>2</sup>

Medicare national average payment levels for CPT and DRG figures in 2020

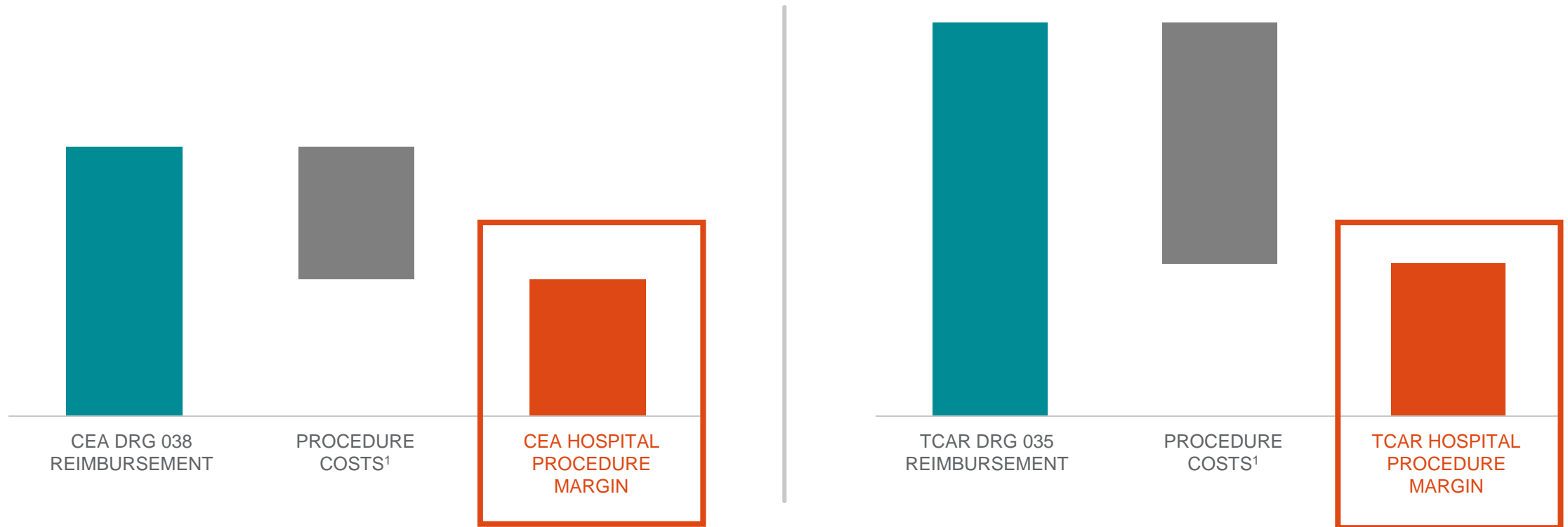
\*Standard Surgical Risk patients (ROADSTER High Surgical Risk)

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# Procedure Margin

Economic value proposition easily understood by Value Analysis Committees



Hospital stay margin: TCAR furthers the economic advantage by reducing in-hospital complications and length of stay

Source: Health Advances and company analysis

¹ Procedure costs include OR time, devices, medication, overhead, etc.

# Commercial Strategy: Efficient Go-to-Market

## Concentrated Market<sup>1</sup>

*Efficient Coverage Model*

~750  
hospitals

~2,750  
physicians

**80%** of carotid procedure  
volume in the U.S.

**40-50**

Long Term Target  
Number of Territories

**~1:2 ratio**

Area Managers to  
Therapy Development  
Specialists

## 2019 Results

**33** Territories

**~640** Accounts

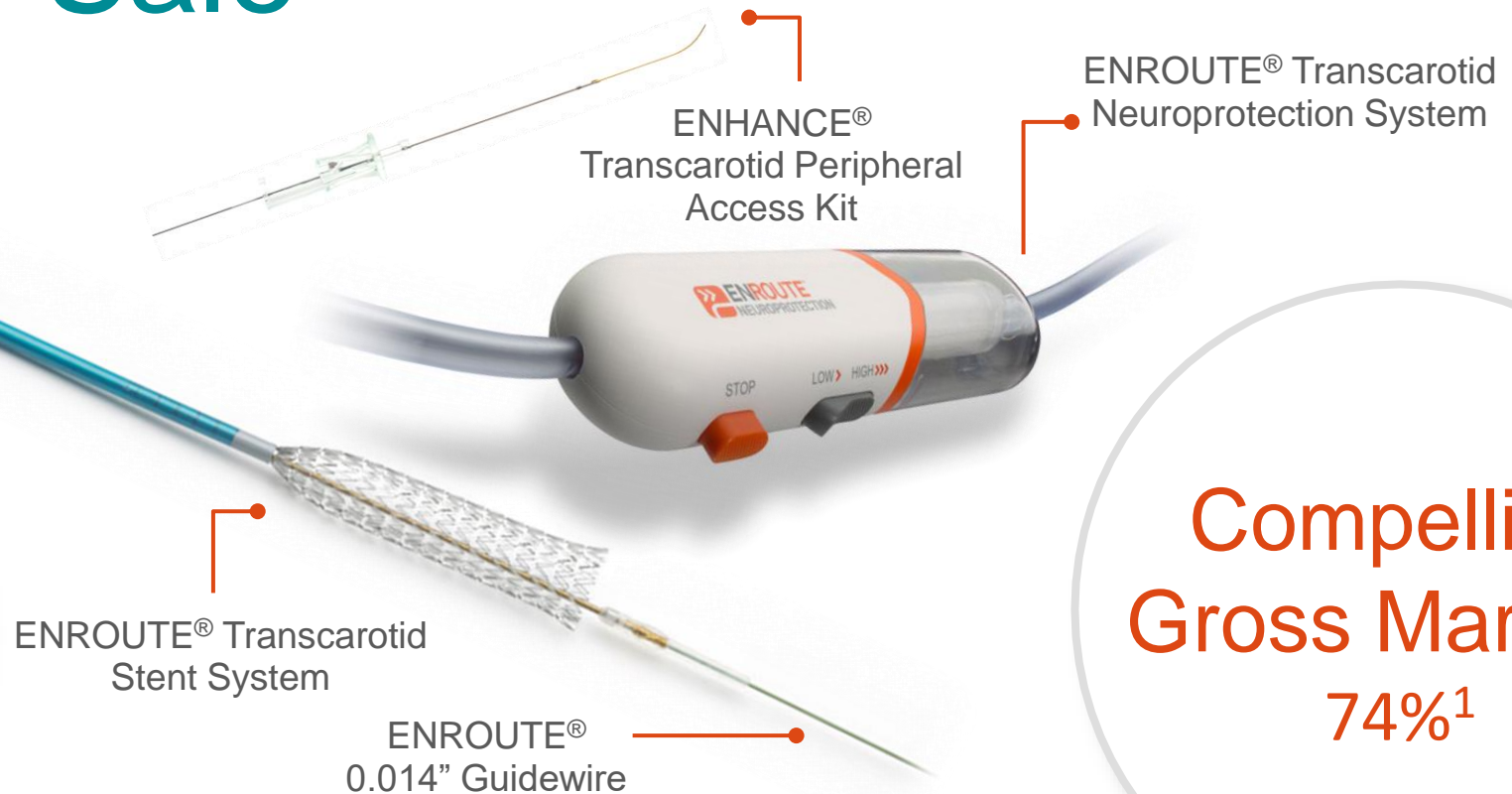
**~1,440** Physicians trained

**>8,400** Procedures performed  
in the U.S.

<sup>1</sup> Data as of 12/31/18 (Source: Independent 3rd Party Market Data)

# Attractive Business Model

## Procedural Sale



4 Products  
1 Procedure  
**Full Procedure  
ASP**

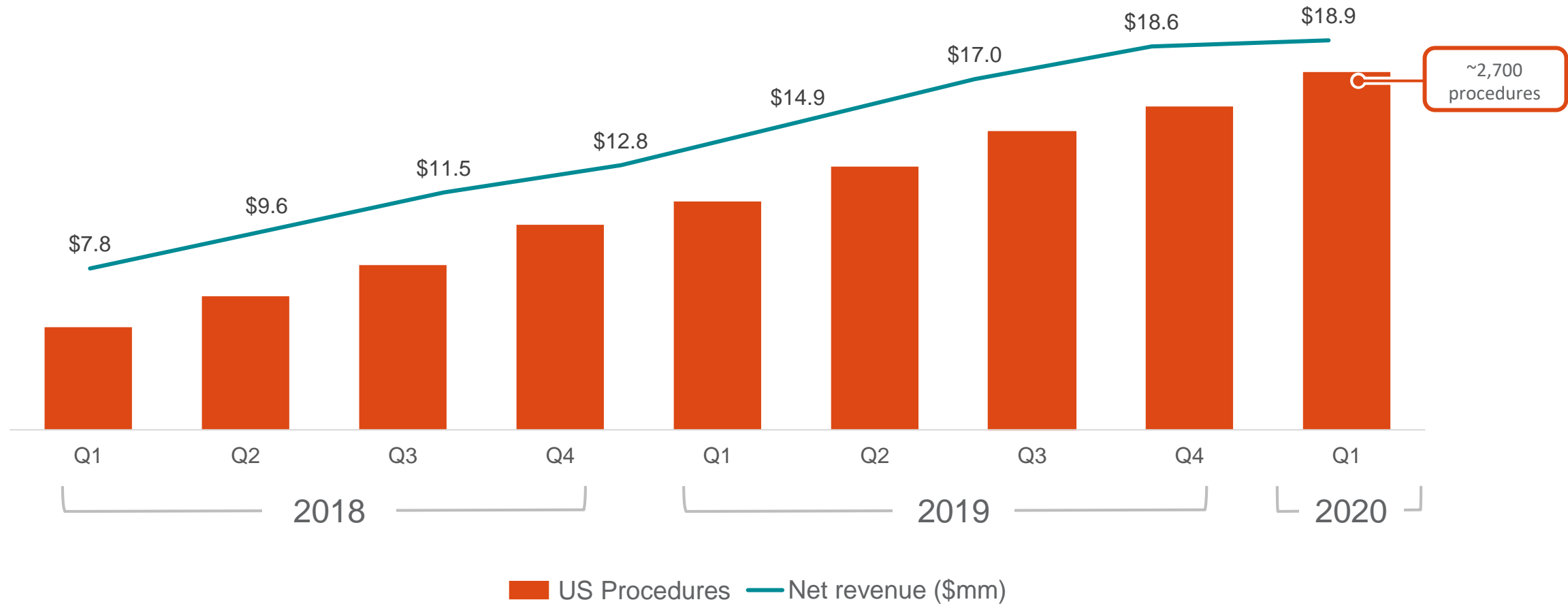
**Compelling  
Gross Margins  
74%<sup>1</sup>**

<sup>1</sup> Trailing twelve months ended March 31, 2020



# Growing TCAR Adoption

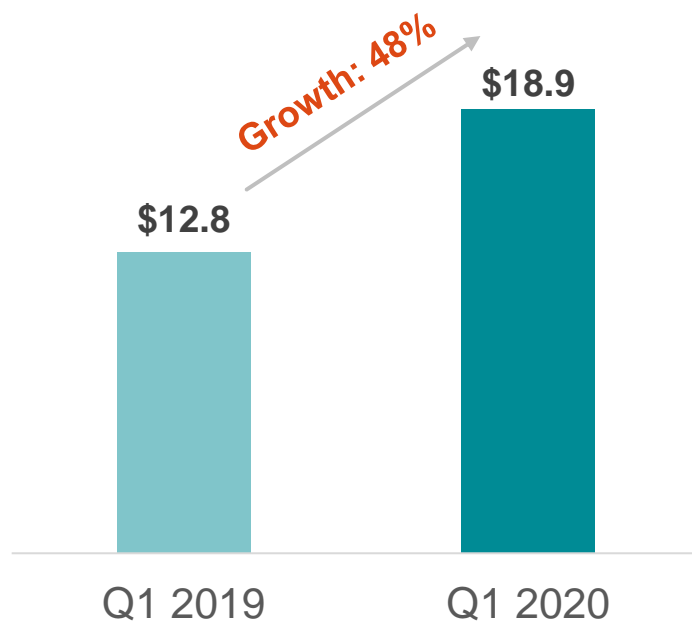
## Utilization-Driven Revenue



# Solid Financial Profile

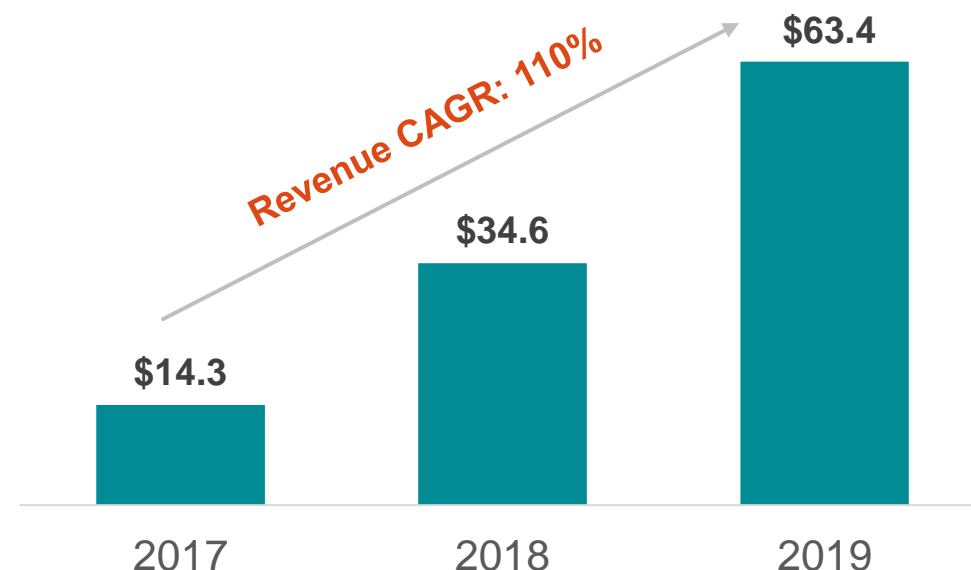
## Quarterly Revenue<sup>1</sup>

(\$ millions)



## Annual Revenue and Procedures<sup>2</sup>

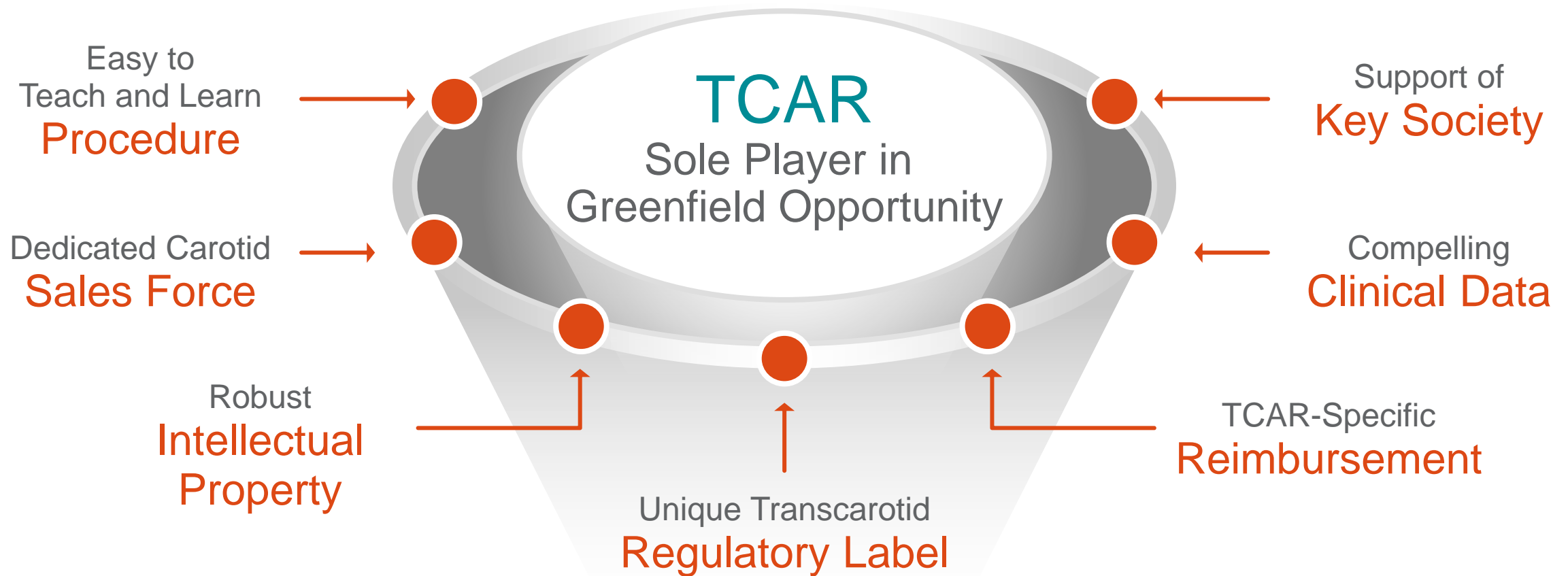
(\$ millions)



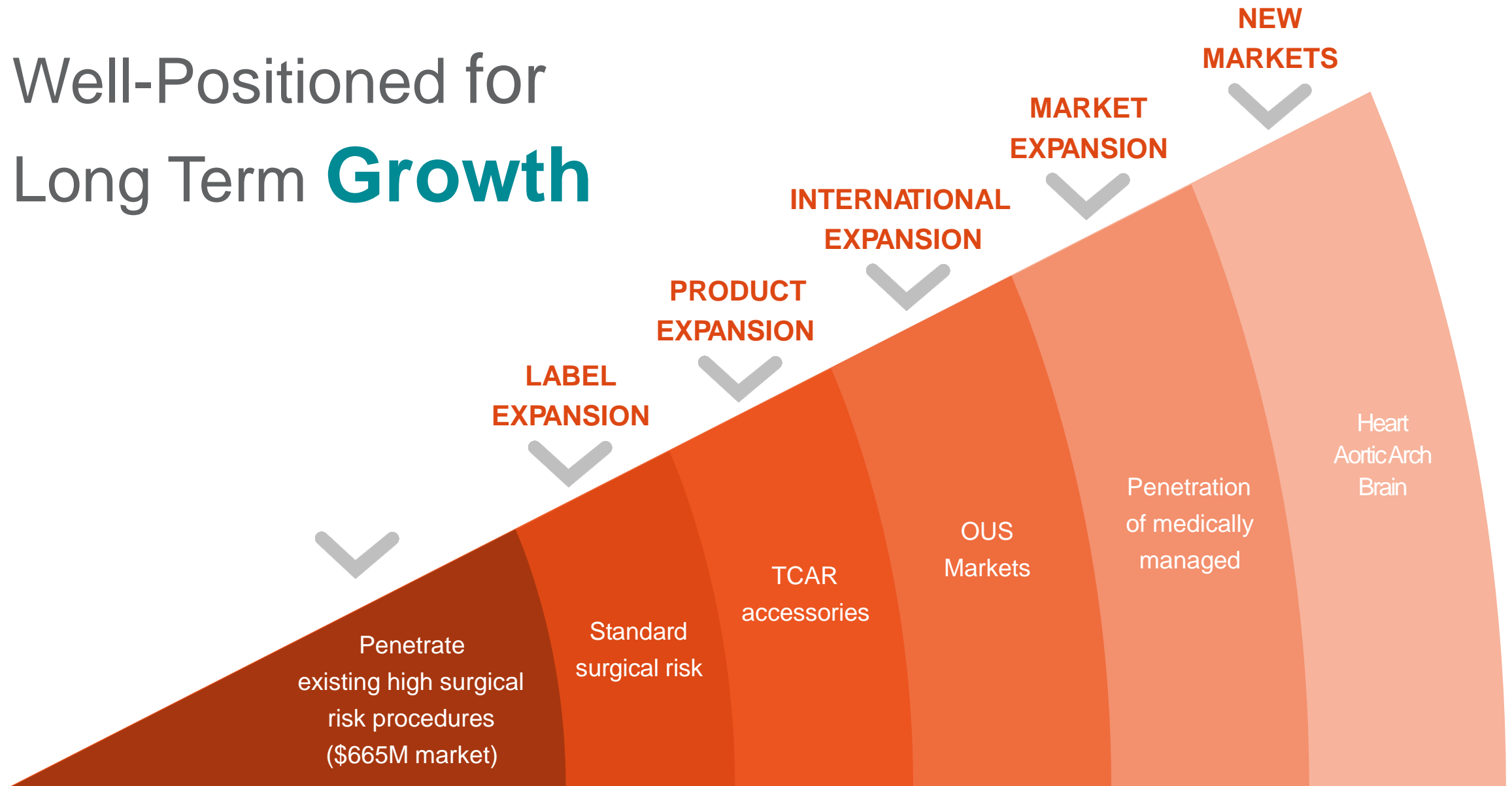
<sup>1</sup> Represents three-months ended March 31, 2020 compared to three-months ended March 31, 2019

<sup>2</sup> Represents compound annual growth rate from twelve-months ended December 30, 2017 through December 30, 2019

# Building and Maintaining a Sustainable Competitive Advantage



# Well-Positioned for Long Term **Growth**



# Built For Size and Scale

## Proven Management Team



Med360, Visiogen, Boston Sci, Target



The Vertical Group, Medtronic, E&Y

Andrew Davis	EVP Global Sales & Marketing	Medtronic, Acclivity, Boston Scientific
Richard Ruedy	EVP Clinical, Reg, Quality	Abbott, Nevro, Edwards, Medtronic, Cardica, Acta
Alison Highlander	VP Human Resources	Roche, SRI, Atomic Tangerine
Bob Nicholas	VP Operations and Engineering	Cardiokinetix, Stryker, Concentric, Heartport
Tammy Leitsinger	VP Med Affairs & Prof Education	Cordis, J&J

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