SILKROAD MEDICAL®

Bank of America Healthcare Conference Investor Presentation

# Forward Looking Statement

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**Commercial-stage company** that has established an **entirely new,** minimally invasive **procedure** with potential to become the **standard of care** in a multi-billion $ market

# TCAR for Stroke Prevention

| >1,700<br>Q1 US Procedures<br>(<5% market penetration[1]) | >10,000<br>WW Procedures | $59-61M<br>2019 Exp. Revenue<br>(71-77% YoY growth) |
|---|---|---|

Figures as of 05/08/2019

[1] Represents Q1 annualized figure relative to total carotid procedures in 2018 of 168k

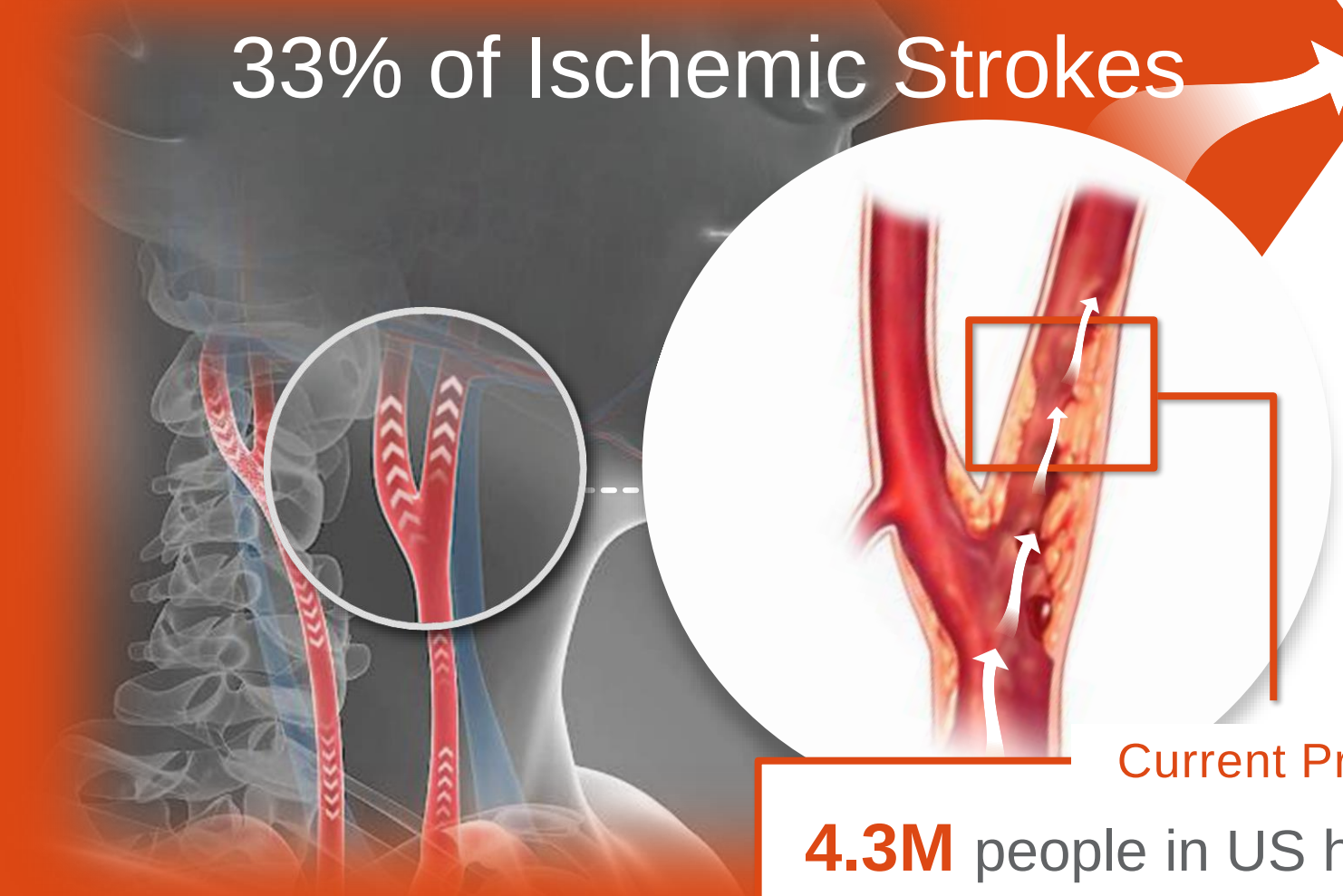
# Relentless Focus on Patient Outcomes

Every patient.

Every day.

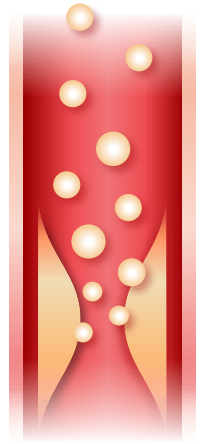
# Carotid Artery Disease –

## 33% of Ischemic Strokes





## Cause of stroke:



Plaque fragments
break off and move to brain

**Current Prevalence**

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

Source: Weerd M Stroke 2010; Modus Health Group 2018, Vascularweb.org



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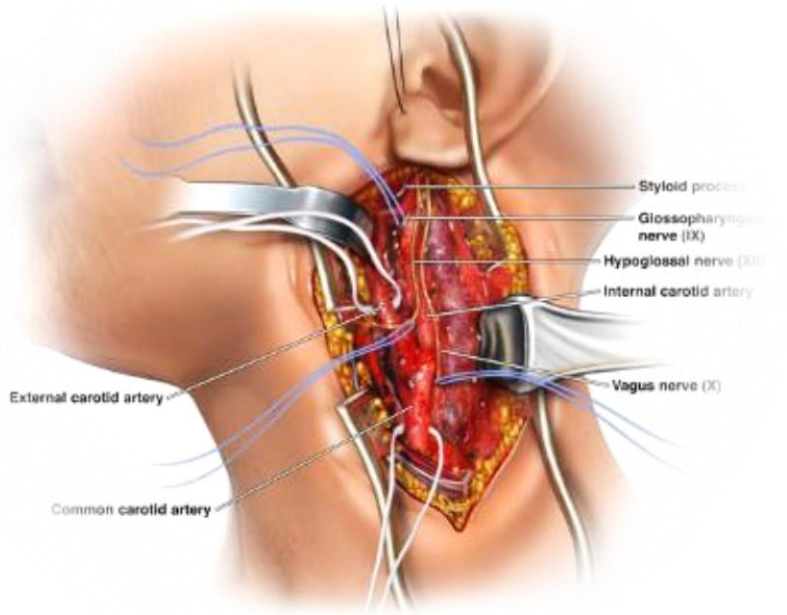
# A Dated Standard of Care

## Carotid Endarterectomy

**65 years**




Major Adverse Events

Collateral Damage

⬇ Hospital Economics

⬇ Accountable Care



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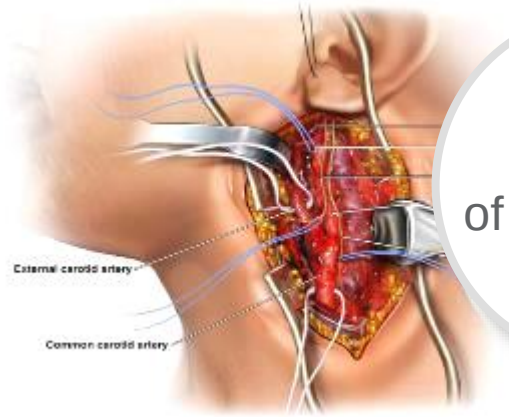
# “CAS: An Unacceptable Tradeoff”

## SURGICAL:
### Carotid Endarterectomy (CEA)
***65 years***



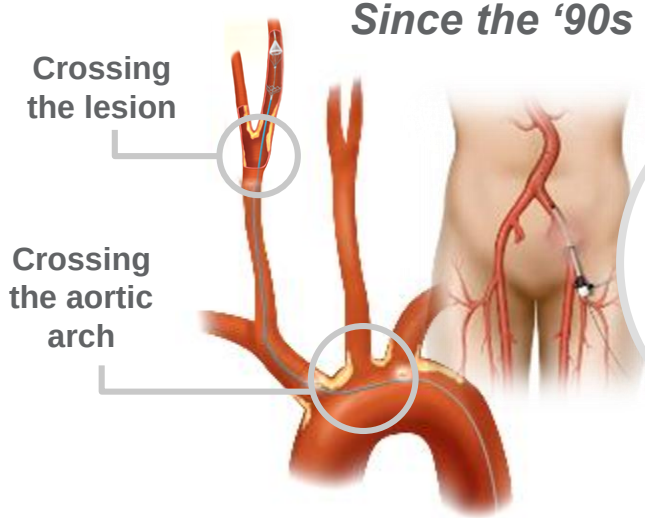

~83%
of procedures

SIGNIFICANT adverse events

**LOW** 30-day stroke risk

A Dated Standard of Care

## ENDOVASCULAR:
### Transfemoral Carotid Artery Stenting (CAS)
***Since the ‘90s***




~14%
of procedures[1]

LOWER adverse events

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

A Niche Procedure

Source: Modus Health Group 2018
[1] Excludes 2018 TCAR procedures



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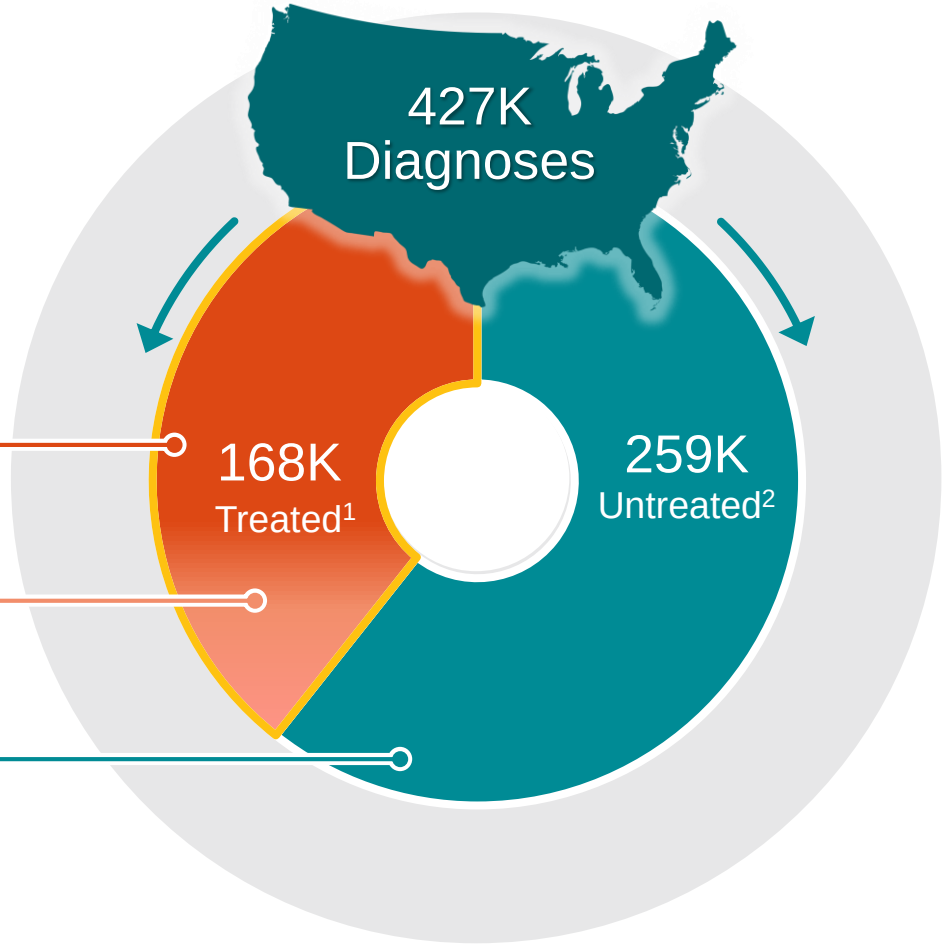
# A ~$2.6B Annual US Treatment Opportunity in 2018

## Greenfield opportunity

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

- **$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




**A New, Minimally Invasive Procedure with Clinical Advantages**

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)
[1] Treated with CEA, CAS, or TCAR; does not include patients who undergo medical management alone; Includes both standard and high surgical risk
[2] Includes patients who receive no treatment or are treated with medical management alone



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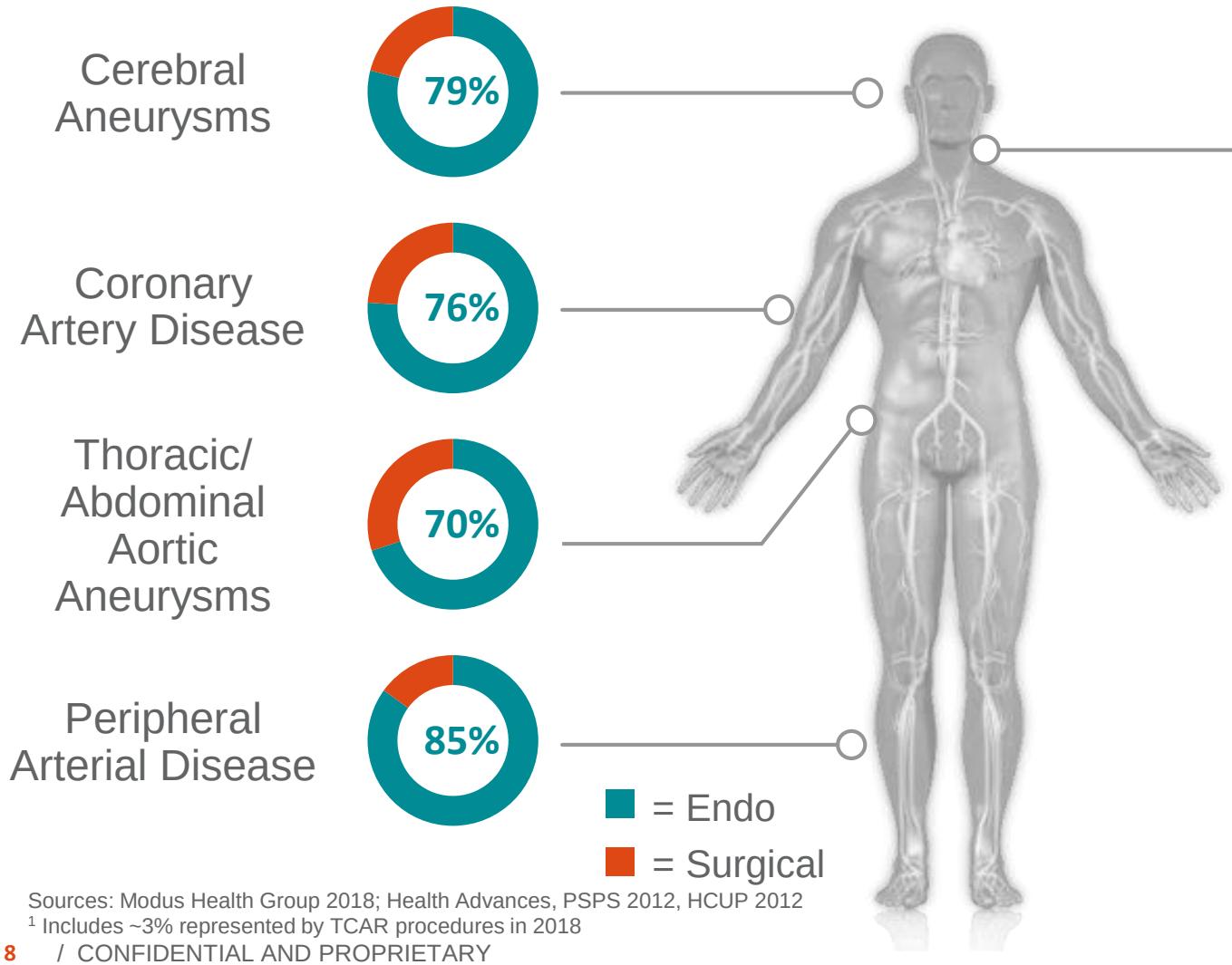
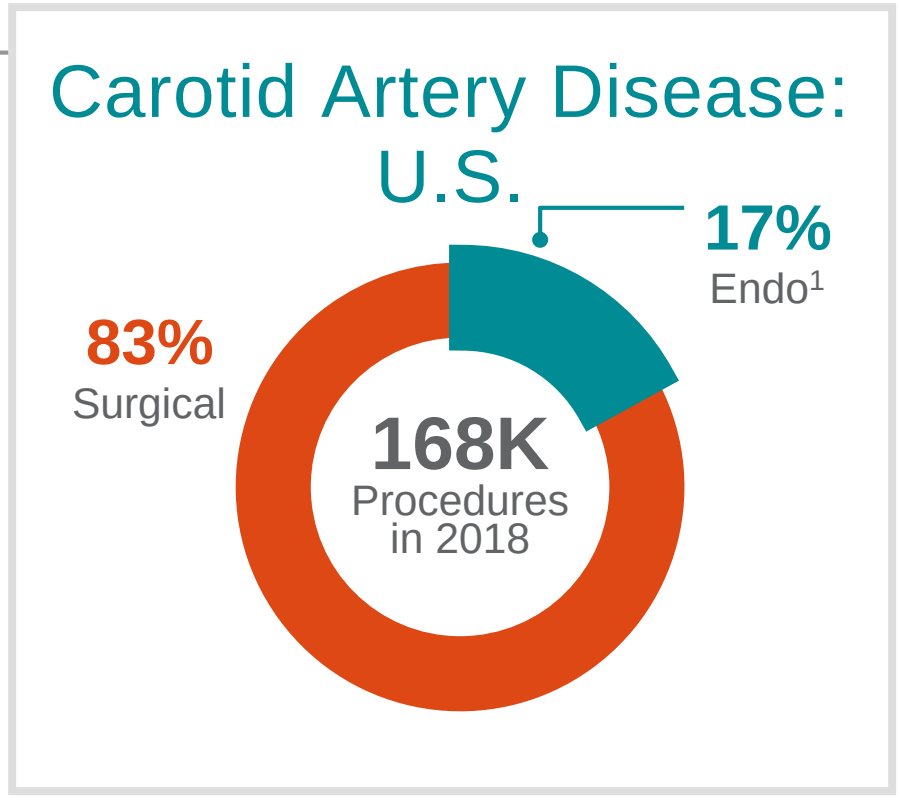
The New Normal:

# Endovascular Procedures




## THE LAST FRONTIER:

Open to Endo Conversion




Sources: Modus Health Group 2018; Health Advances, PSPS 2012, HCUP 2012

[1] Includes ~3% represented by TCAR procedures in 2018



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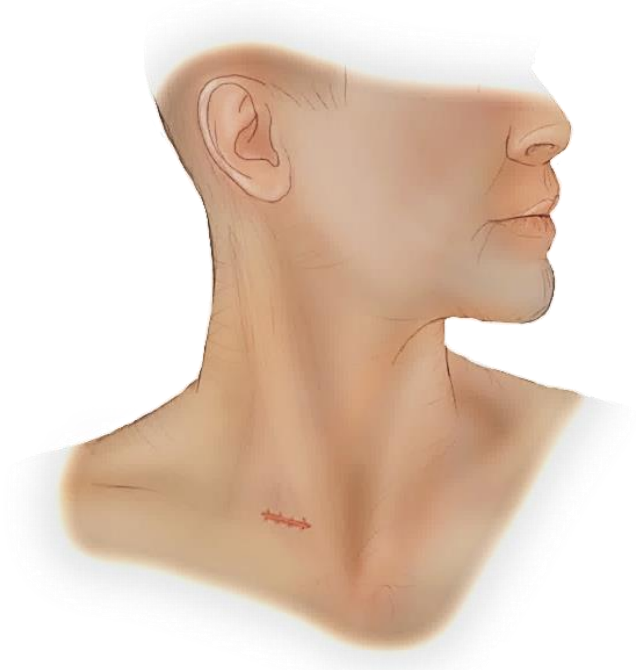
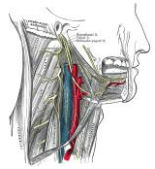
# TCAR is the Solution

## TCAR Paradigm Shift: Transcarotid



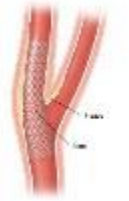
Minimally Invasive

Avoids Aortic Arch



Avoids Cranial Nerve Plexus

High Rate Flow Reversal Neuroprotection



Easy, accurate stenting

TCAR combines advantages from both worlds: **surgical principles** of neuroprotection and game changing **endovascular technology**



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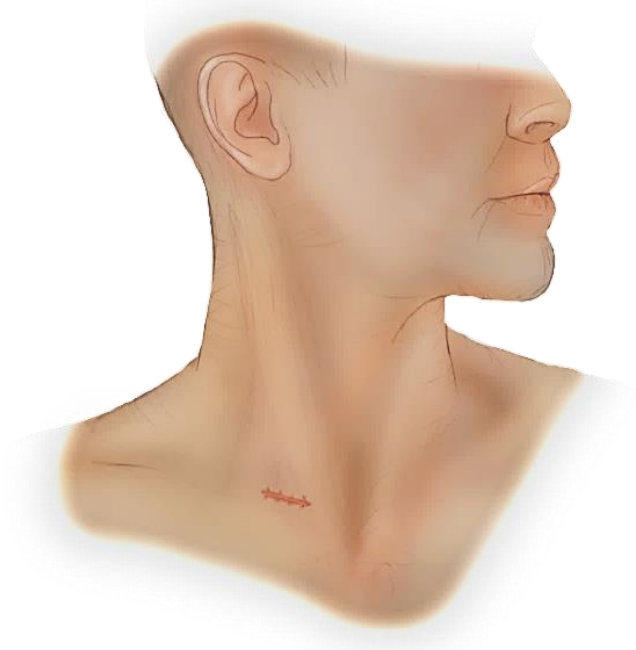
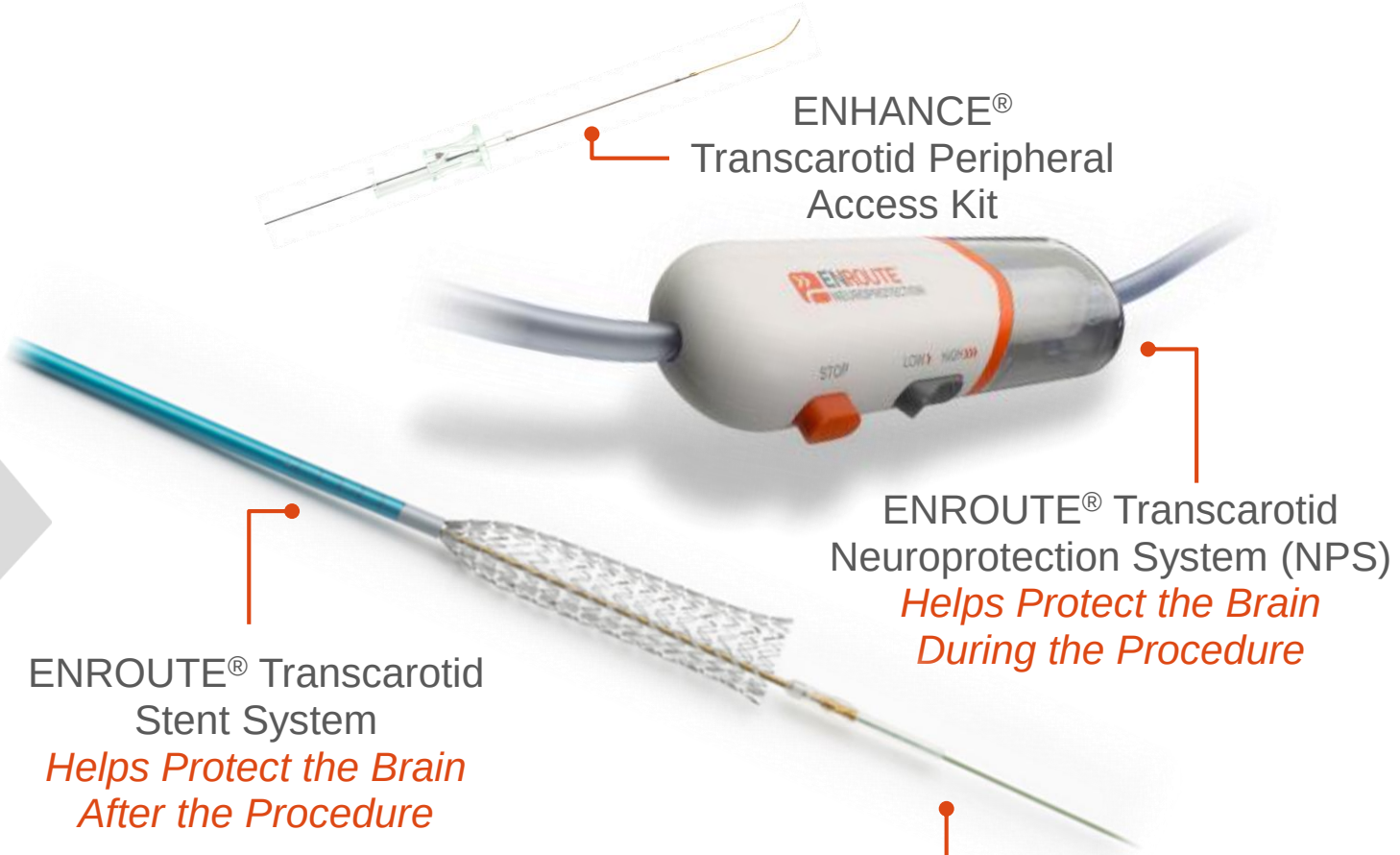
# TCAR

## Carotid-Specific Design, Dedicated Portfolio





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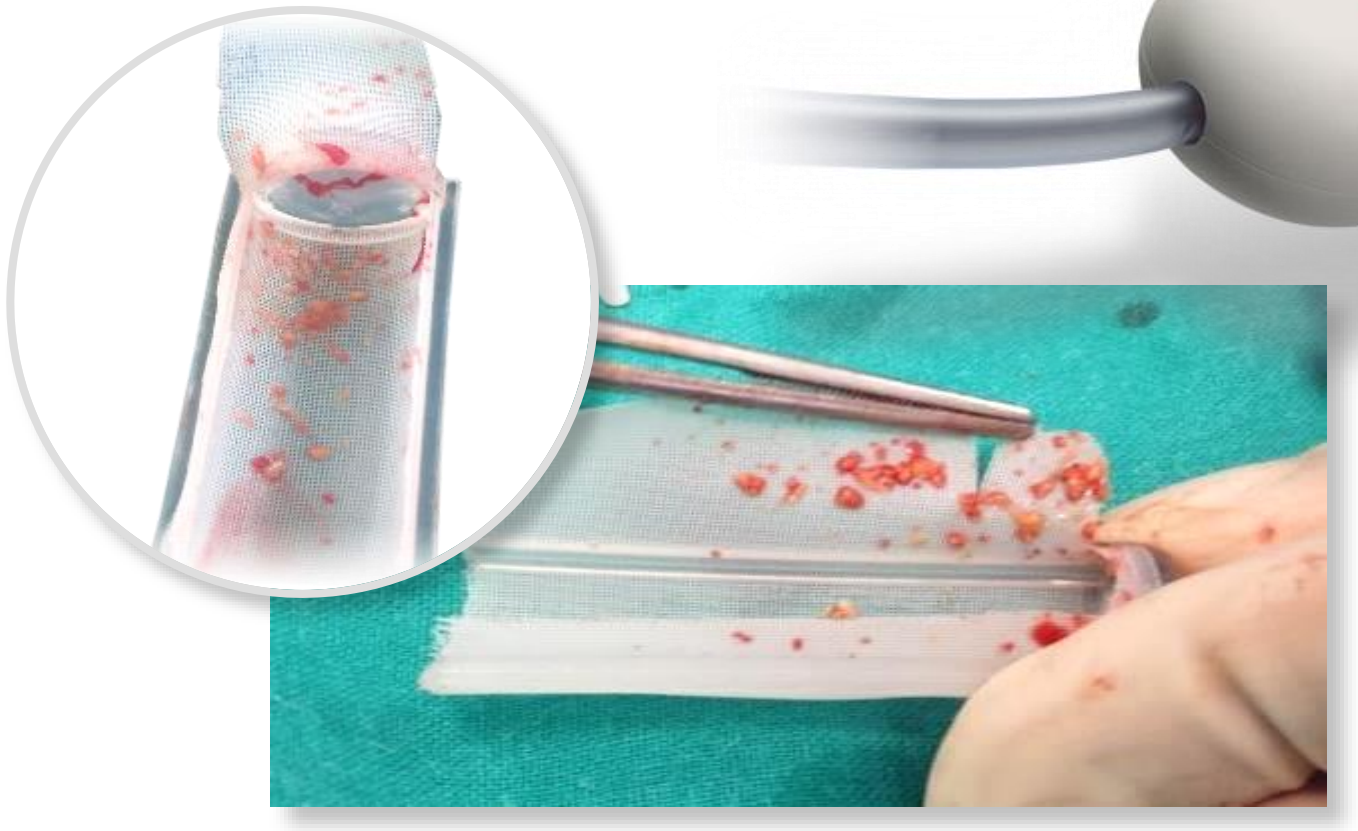
# The proof
# is in the filter




**>10,000**
TCAR procedures worldwide[1]

[1] As of 05/08/2019



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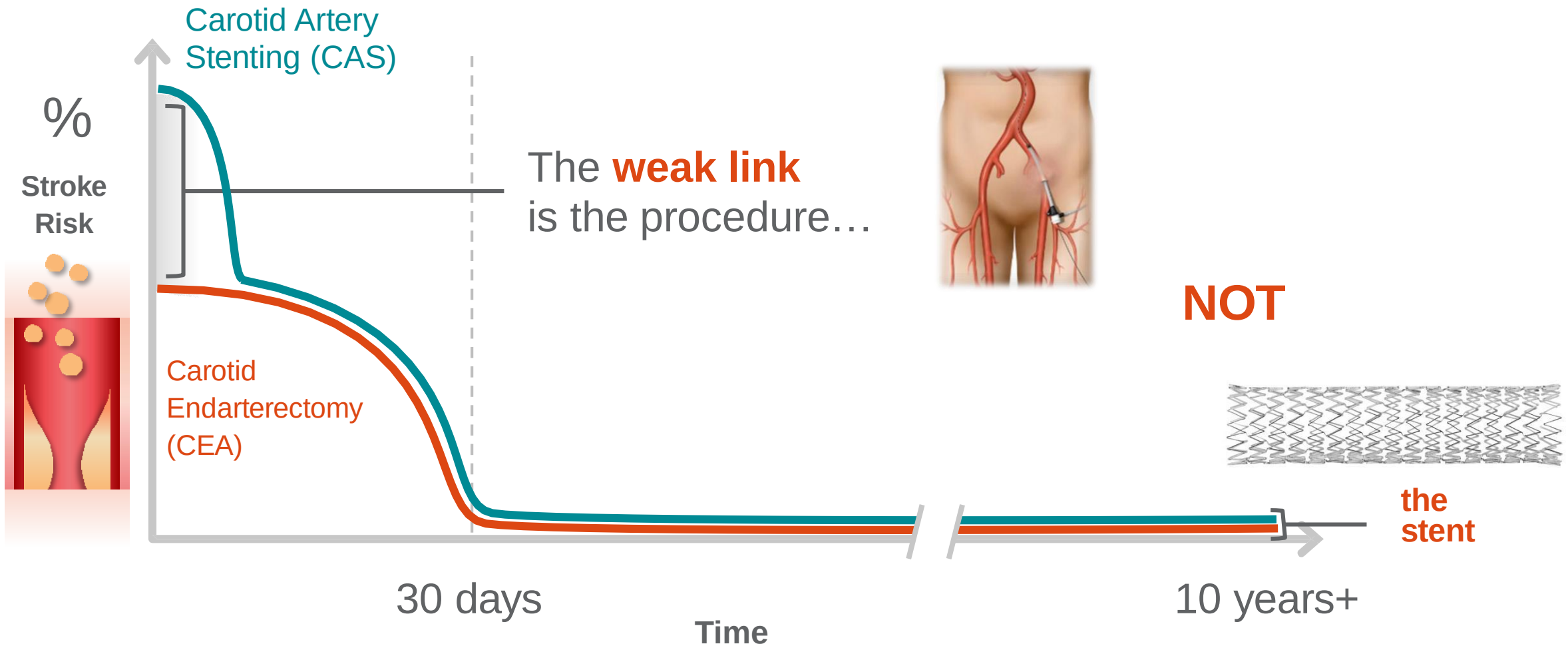
# Proven Stent Durability




Source: CREST 10-year follow-up, N Engl J Med 2016; 374:1021 1031.

# Why Vascular Surgeons **Have Adopted** TCAR

## and are marching towards the standard of care

Growing clinical evidence base

P2P influence & inter/intra specialty competition

Quality initiatives and economic incentives

Better patient and physician experience



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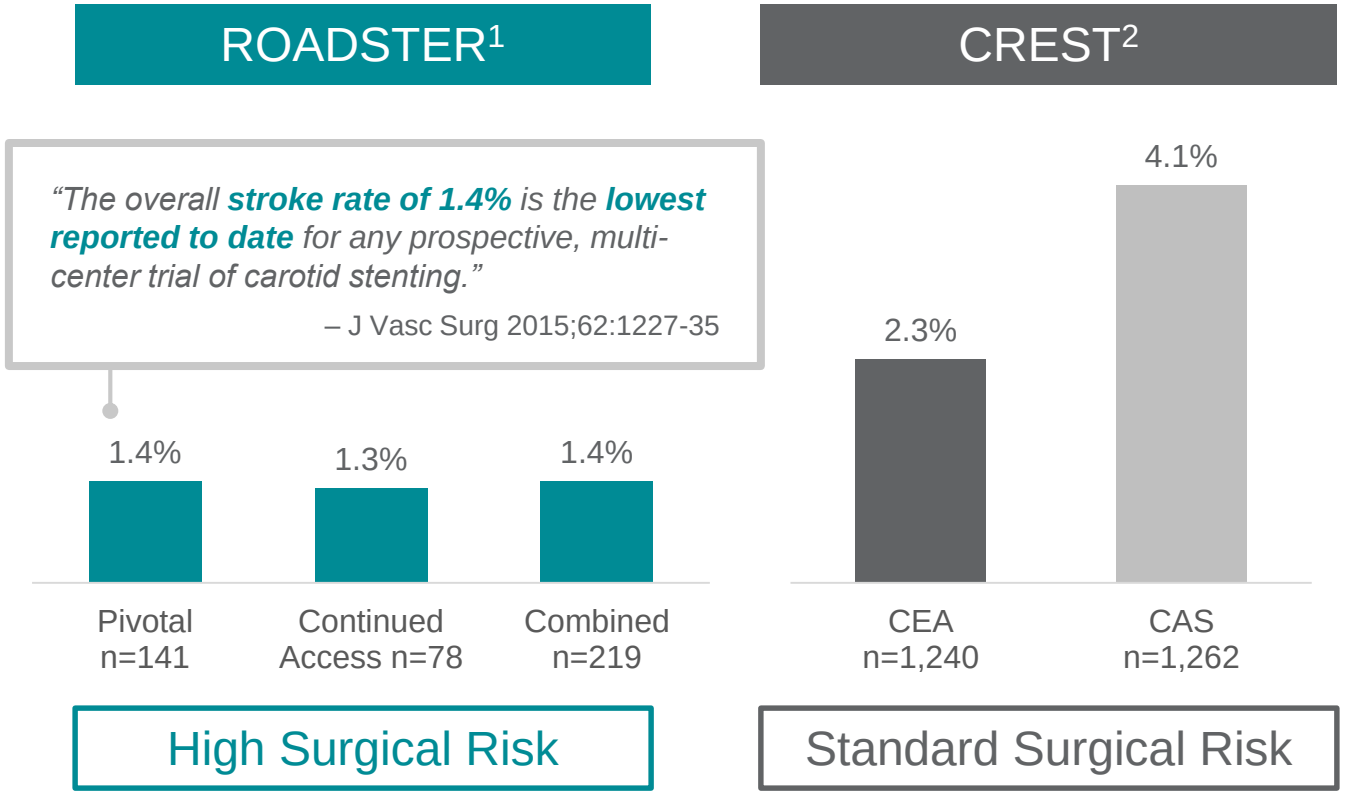
# Clinical Trials: 30 Day Stroke

## ROADSTER Trial Design and Purpose

- 1st time TCAR in the US
- 1st generation NPS
- Supported 510(k) clearance of NPS
- Supported PMA for ENROUTE Stent




[1] J Vasc Surg 2015;62:1227-35; ROADSTER outcomes presented on an "intention to treat" basis
[2] N Engl J Med 2010; 363:11-23



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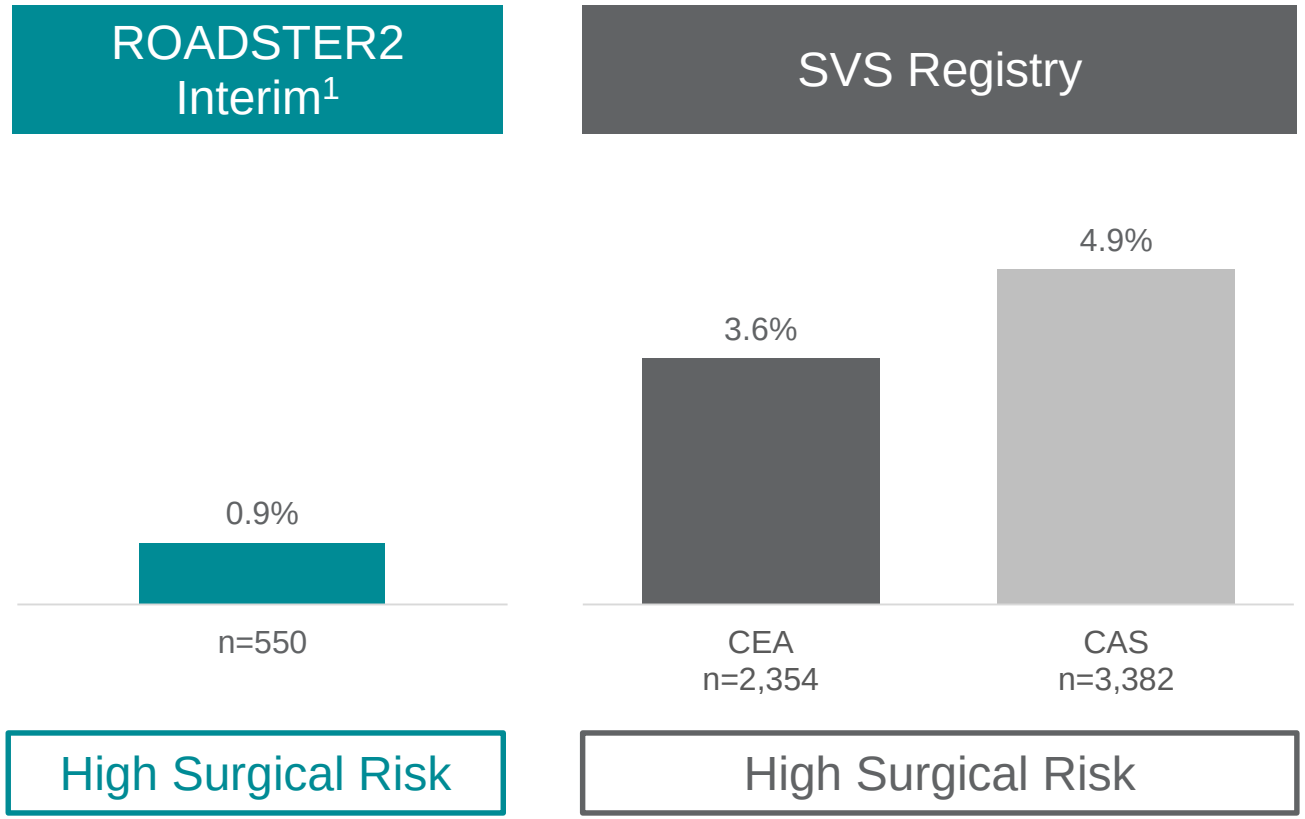
# Real World Registries: 30 Day Stroke

## ROADSTER2 Trial Design and Purpose

- FDA condition of PMA stent approval
- Evaluate real world usage
- 600+ patient enrollment completed




Silk Road Medical, J Vasc Surg 2013;57:1318-24
SVS: Society for Vascular Surgery
[1]Based on most recent report to the FDA in November 2018; ROADSTER2 outcomes presented on a "per protocol" basis

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Unprecedented alignment

# TCAR

CODING ✓ | COVERAGE ✓ | PAYMENT ✓

September 2016

SVS VQI VASCULAR QUALITY INITIATIVE

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES

FDA

✓

***High Surgical Risk: Symptomatic and Asymptomatic***

# TCAR Surveillance Project (TSP)

## TSP Trial Design and Purpose

- Evaluate safety and effectiveness of TCAR vs CEA
- High Surgical Risk patients
- Open-ended
- Funded by SVS and participating VQI hospitals

VASCULAR ANNUAL MEETING

***"In-hospital Outcomes of TransCarotid Artery Revascularization and Carotid Endarterectomy in the SVS Vascular Quality Initiative"***

*Presented by Dr. Mark Schermerhorn at VAM June 2018 (n=1,182 TCAR and 10,797 CEA)*

VEITH SYMPOSIUM®
Connecting The Vascular Community

***"Outcomes of TCAR (TransCarotid Artery Revascularization) Compare Favorably with Those of Carotid Endarterectomy (CEA) in Symptomatic and Asymptomatic Patients Despite the Higher Medical Risk of the TCAR Patients: From the SVS/VQI Registry"***

*Presented by Dr. Mark Schermerhorn at VEITH November 2018 (n=2,545 TCAR and 43,114 CEA)*



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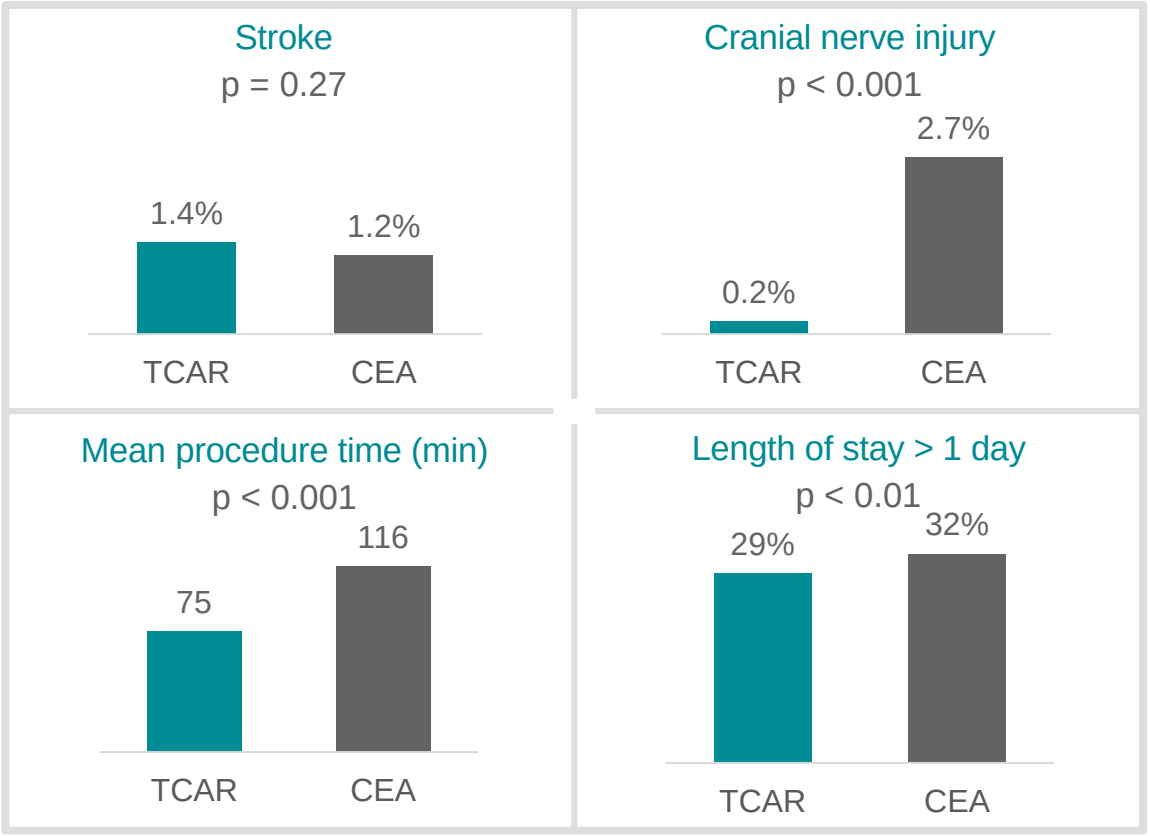
# In-Hospital Outcomes of the SVS TCAR Surveillance Project

## Key outcomes[1]

- *TCAR showed comparable stroke rates versus CEA* ***despite older, sicker patients***
- *TCAR displayed 10x lower rates of in-hospital cranial nerve injury*
- *TCAR showed a significant reduction in mean procedure time versus CEA*
- *TCAR reduced the likelihood of a prolonged hospital stay[2]*
- *Simple, efficient procedure improves hospital workflow resulting in economic benefits*




Marc Schermerhorn, MD; Patric Liang, MD; Hanaa Dakour Aridi, MD; Vikram Kashyap, MD; Grace Wang, MD; Brian Nolan, MD; Jack Cronenwett, MD; Jens Eldrup-Jorgensen, MD; Mahmoud Malas, MD, MHS - **VEITHsymposium, Nov 2018**

[1] Outcomes data represent unadjusted, in-hospital outcomes
[2] Prolonged hospital stay denotes stay of greater than 1 day



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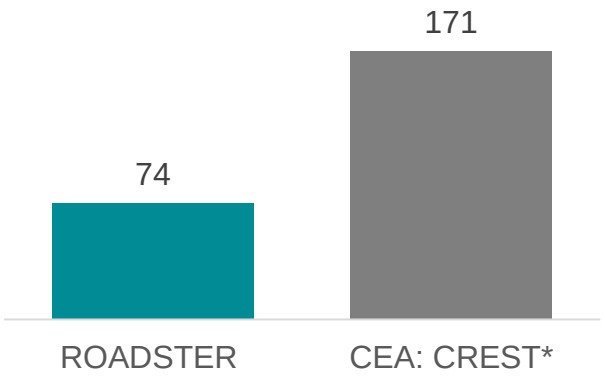
# TCAR: Established Codes and Payment

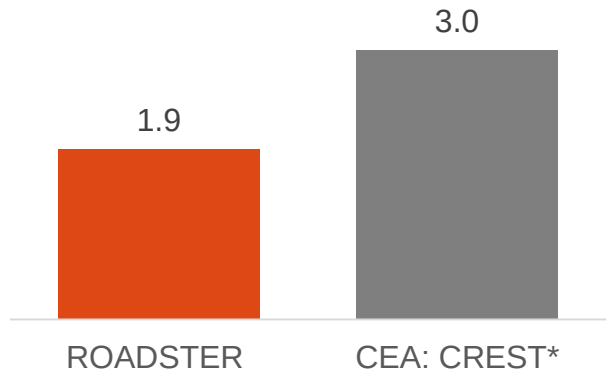
## Economic value proposition easily understood by Value Analysis Committees

| **Physician:** CPT Code | | |
|---|---|---|
| **TCAR** | 37215 | **$1,050** |
| CEA | 35301 | **$1,187** |

| **Hospital:** ICD-10 Codes | | |
|---|---|---|
| **TCAR** | DRGs 034-36 | **$13,132** |
| CEA | DRGs 037-39 | **$9,048** |




**Procedure Time (minutes)**




**Length of Stay (days)**

Medicare national average payment levels for CPT and DRG figures in 2019
*Standard Surgical Risk patients (ROADSTER High Surgical Risk)



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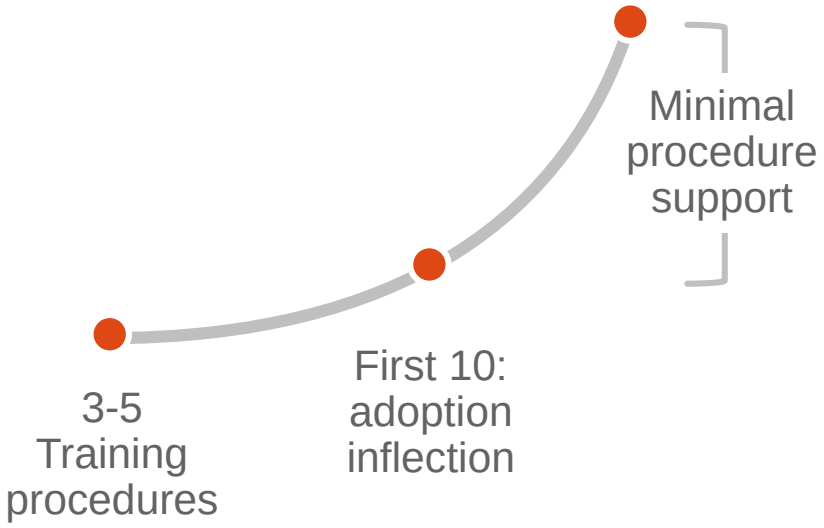
# Easy-to-Learn Procedure

## with Many Physicians Trained

### Indicative Short Learning Curve



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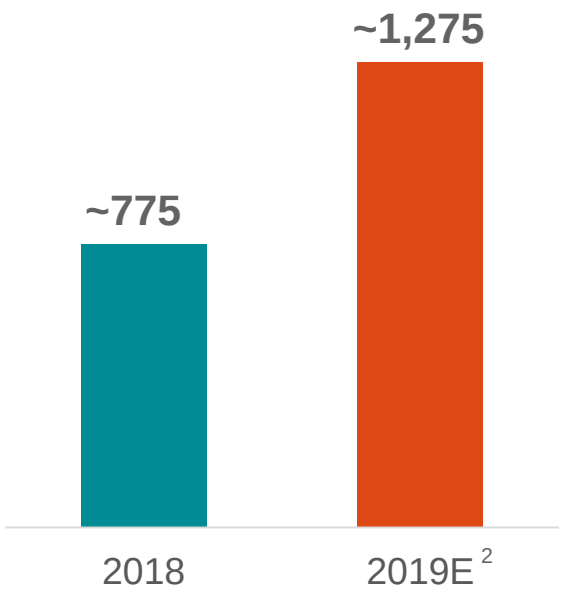
# Commercial Strategy: Efficient Go-to-Market

## Concentrated Market

**~2,750** physicians perform
~**80%** of procedures[1]

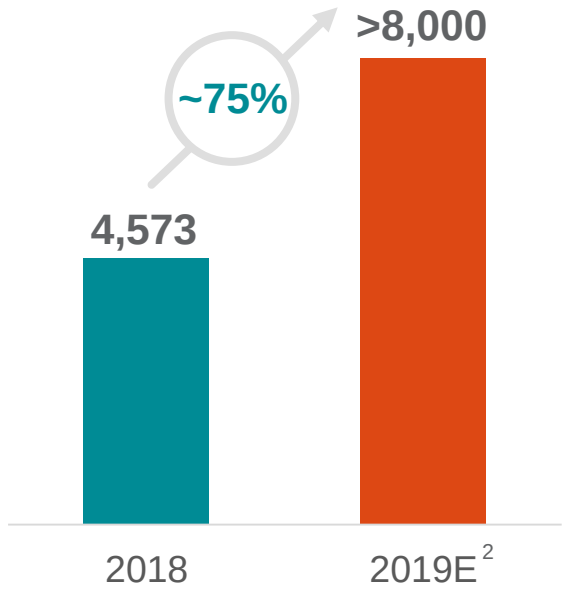



**PHYSICIANS TRAINED**

## Clinically-Focused Direct Sales Force

**Concentrated** hospital base and procedure volume drives **efficient** coverage model

## Growing Adoption




**U.S. PROCEDURES**

[1] Data as of 12/31/18 (Source: Independent 3rd Party Market Data)
[2] Outlook as of 5/8/2019



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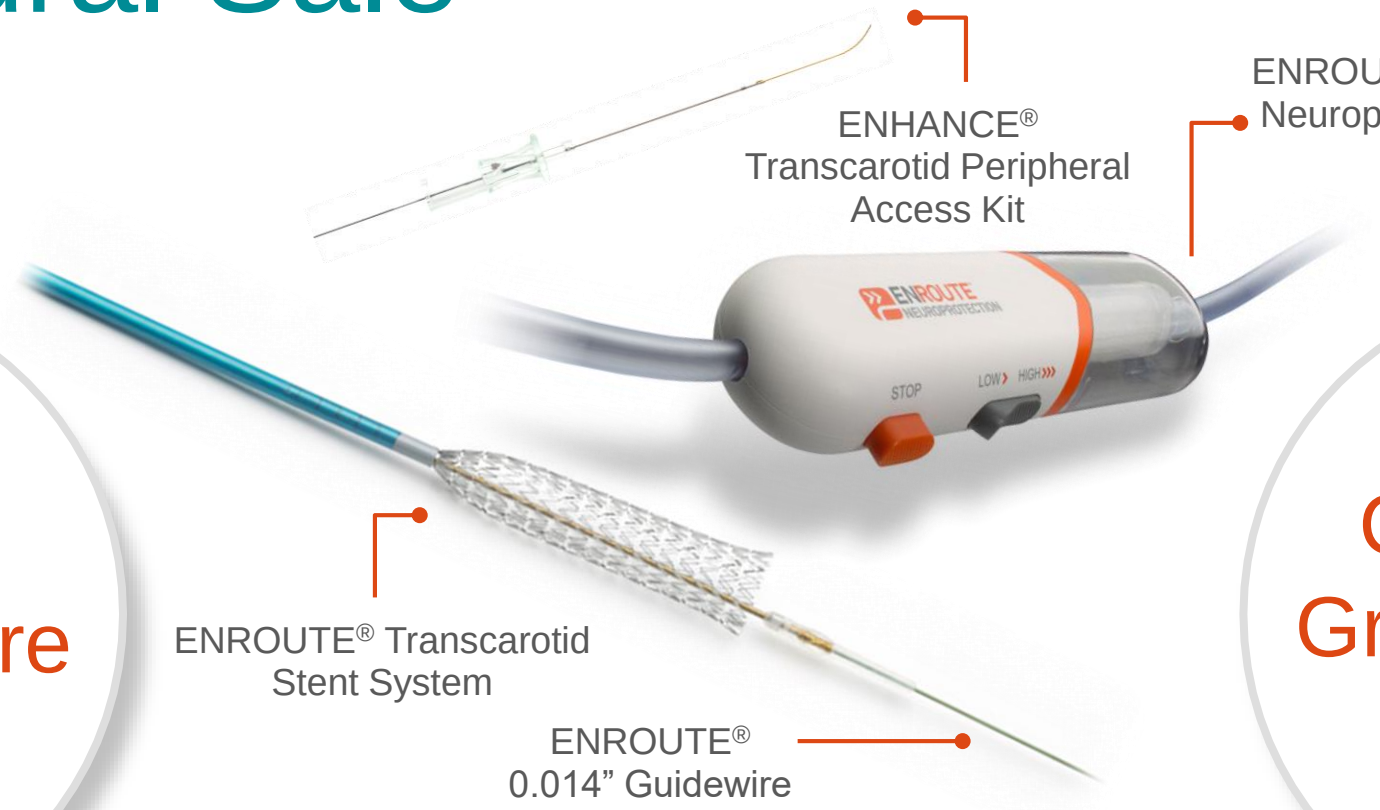
## Attractive Business Model

# Procedural Sale




4 Products
1 Procedure
**Full Procedure ASP**

**Compelling Gross Margins**
**>70%[1]**

[1] As of 03/31/2019



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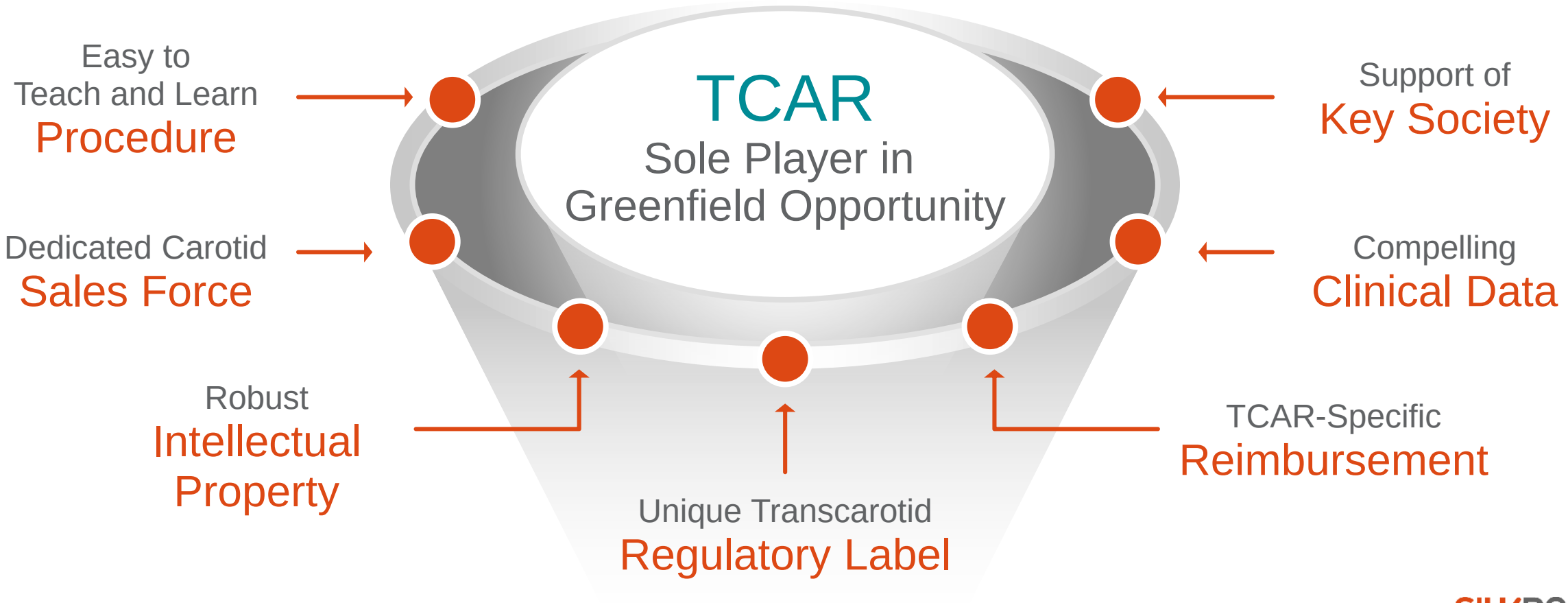
# Building and Maintaining
## a Sustainable Competitive Advantage



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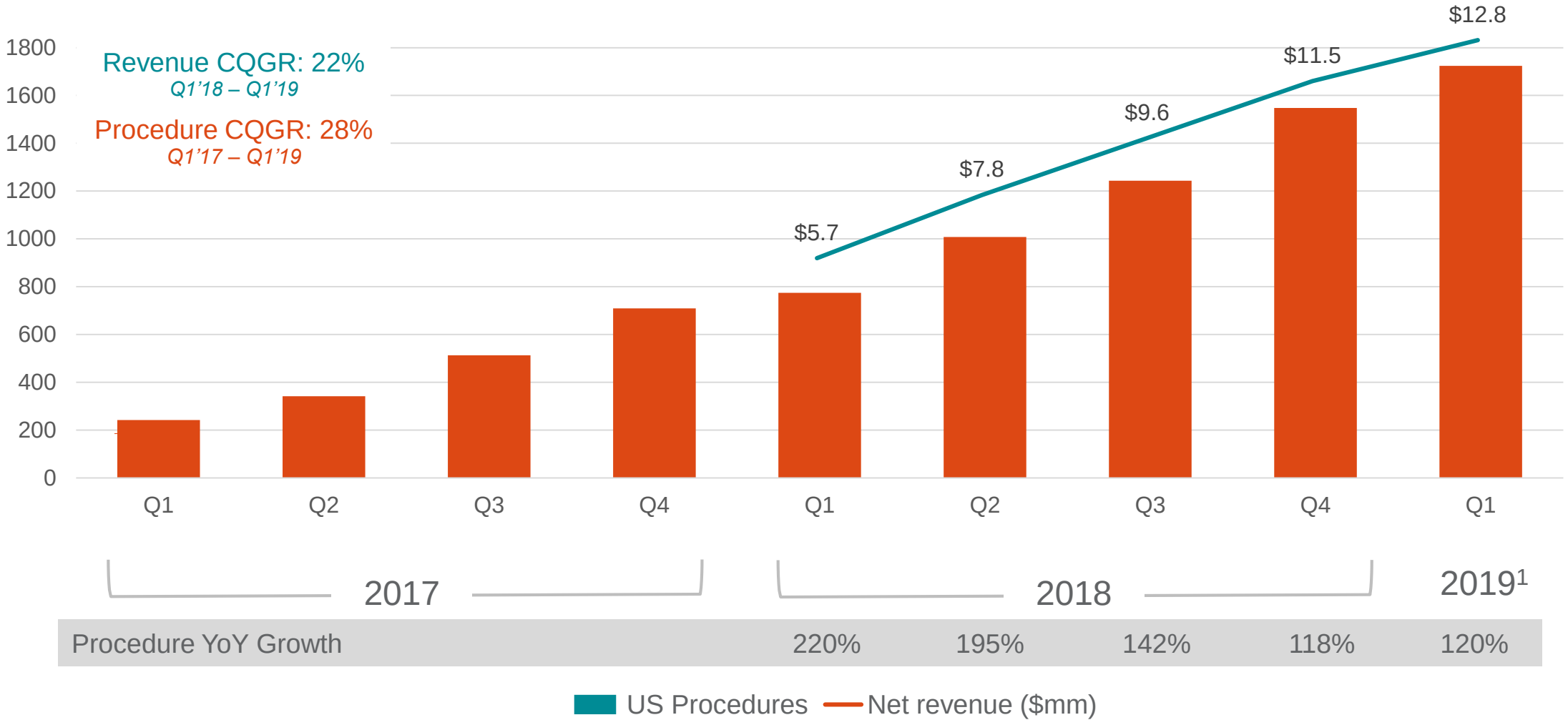
# Procedure-Driven Ramp



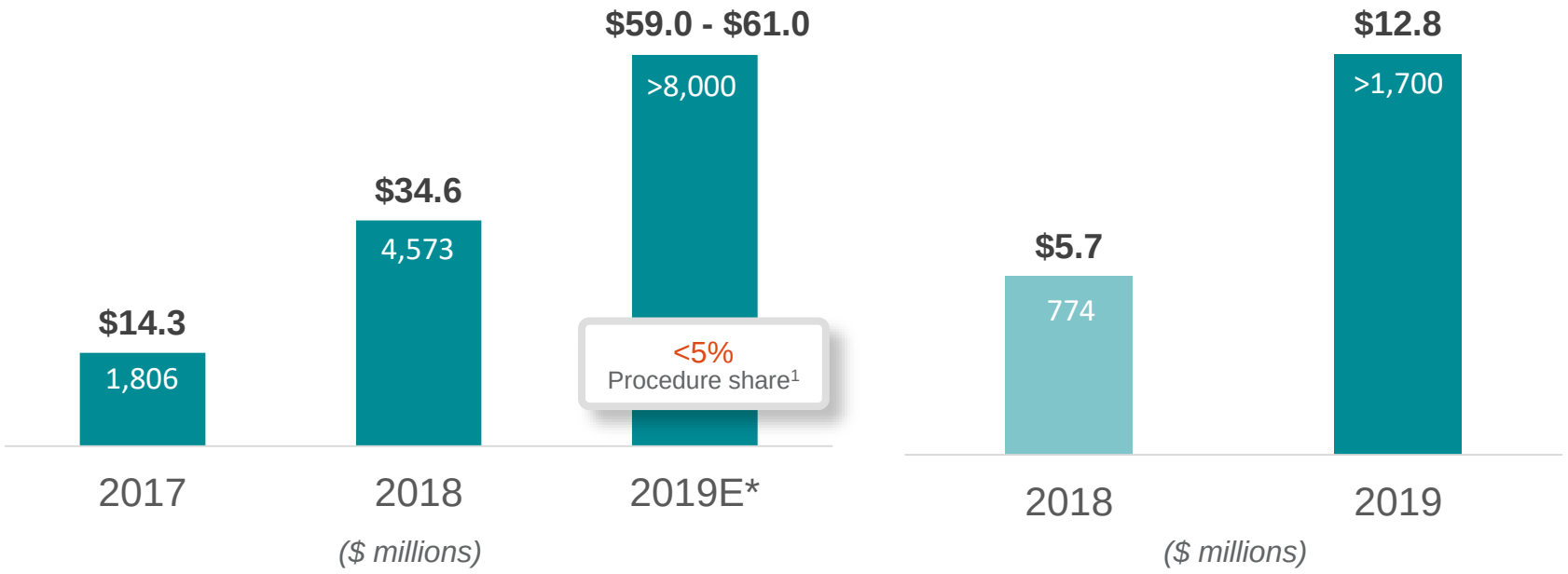

2017 and 2018 procedure metrics and 2018 audited financials

[1] Q1 2019 procedures and revenue as of 03/31/2019

# Strong Financial Profile

## Annual Results

Revenue CAGR: 105%




## First Quarter Results[2]

Revenue Growth: 124%




### Q1 2019 Performance

- 1Q 2019 revenue growth of 124% year over year
- Increase in gross margin to 74% in 1Q 2019

### 2019 Expectations

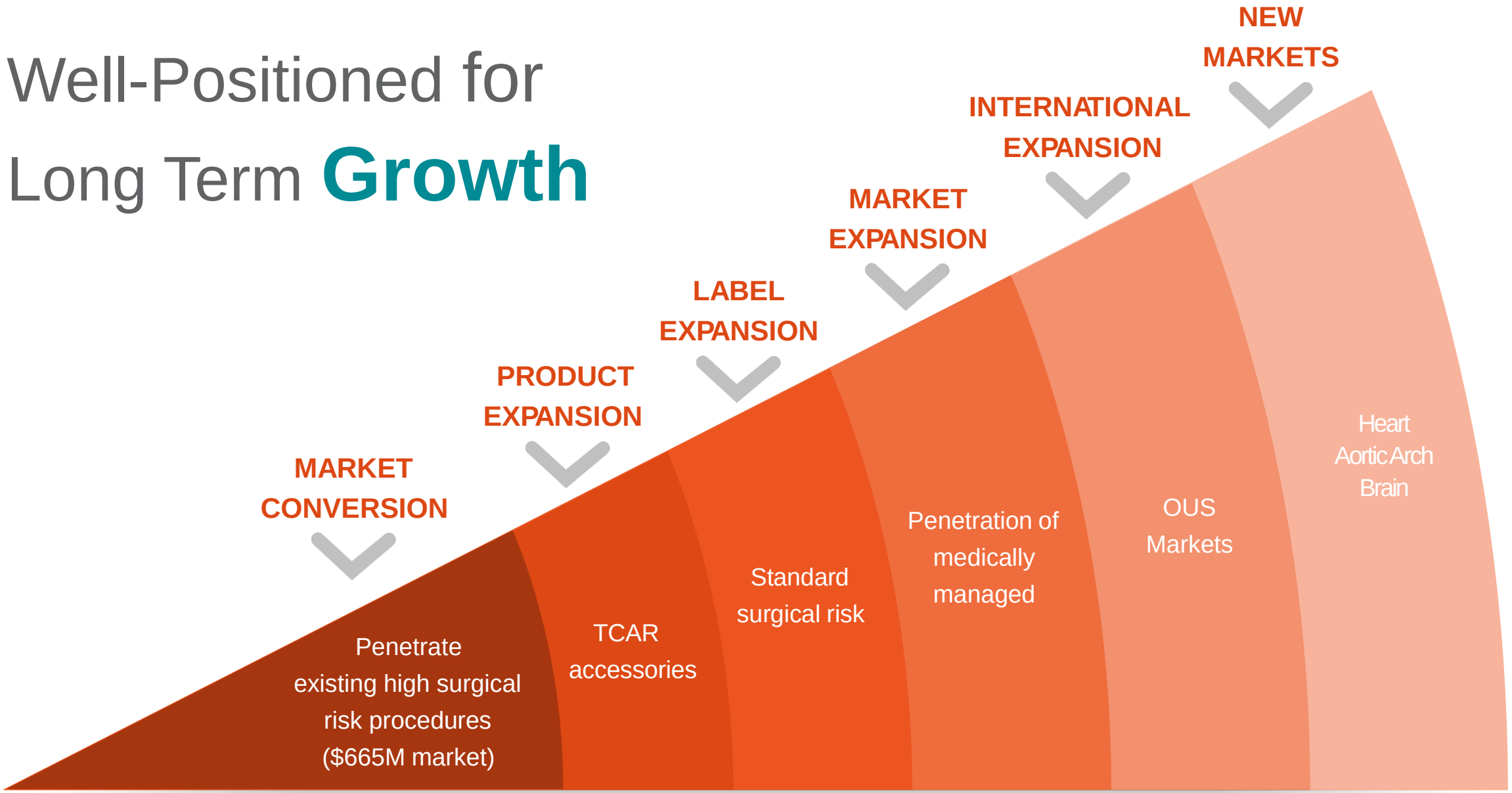
- 2019 annual revenue guidance $59M - $61M
- Procedures >8,000
- Physicians trained ~500
- Sales territories to reach ~35

*As of 05/08/2019

[1] Represents annualized figure relative to total carotid procedures in 2018 of 168k

[2] Three-months ended March 31, 2019 compared to three-months ended March 31, 2018

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



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# Built For Size and Scale

## Proven Management Team

**Erica Rogers**

President & CEO

Med360, Visiogen, Boston Sci, Target

**Lucas Buchanan**

Chief Financial Officer

The Vertical Group, Medtronic, E&Y

| | | |
|---|---|---|
| Andrew Davis | EVP Global Sales & Marketing | Medtronic, Acelity, Boston Scientific |
| Richard Ruedy | EVP Clinical, Reg, Quality | Abbott, Nevro, Cardica, Acta |
| Alison Highlander | VP Human Resources | Roche, SRI, Atomic Tangerine |
| Bob Nicholas | VP Operations | Cardiokinetix, Stryker, Concentric, Heartport |
| Tammy Leitsinger | VP Med Affairs & Prof Education | Cordis, J&J |
| Mark Page | VP Marketing | Arstasis, Flowcardia, Boston Sci |
| Frances Versprille | VP Commercial Ops & Analytics | Cordis, Biocompatibles |
| Shari Rideout | VP Quality | Vital Connect, Cordis, Carbylan, Depuy/J&J |

## Investors

WARBURG PINCUS

The Vertical Group

NORWEST VENTURE PARTNERS

Janus Henderson INVESTORS

CRG

# A New Era, A New Vascular Category

| | |
|---|---|
| **~$2.6B US MARKET OPPORTUNITY** | Carotid artery disease is a **multi-billion dollar category** with **one TCAR player** with the potential to become the **standard of care** for the last endovascular frontier |
| **COMPELLING CLINICAL DATA** | **Safety, effectiveness and clinical advantages** of TCAR have been observed in **multiple clinical trials and post-market studies** |
| **TCAR-SPECIFIC REIMBURSEMENT** | TCAR is **reimbursed under established codes and payment levels** and we are the **only company with transcarotid FDA labeling** |
| **EFFICIENT COMMERCIAL MODEL** | **Concentrated hospital base** and procedure volume combined with **easy-to-learn procedure** drives **efficient coverage model** |
| **STRONG FINANCIAL PROFILE** | **Robust commercial ramp**, compelling gross margins and significant operating leverage potential |

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APPENDIX

# Silk Road: Robust IP with Long Runway

| | United States | OUS |
|---|---|---|
| Issued Patents | 34 | 13 |
| Pending Applications | 20 | 20 |

**47 Issued Patents**

**High-Quality IP Claims Include:**

**Transcarotid devices and methods related to:**

- Transcarotid-specific devices and methods for percutaneous and mini-open exposures
- Flow reversal
- Flow control and filtration
- Short interventional devices
- Access and vessel closure devices
- Transcarotid TAVR and aortic arch procedures
- Transcarotid neurovascular procedures



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# TCAR Surveillance Project (TSP)

## TSP Trial Design and Purpose

- Evaluate safety and effectiveness of TCAR vs CEA
- High Surgical Risk patients
- Open-ended
- Funded by SVS and participating VQI hospitals

## Key patient demographics

| Baseline characteristics | TCAR N=2,545 | CEA N=43,114 | *P-value* |
|---|---|---|---|
| Coronary Artery Disease | 51% | 27% | **<0.001** |
| Prior CHF | 19% | 11% | **<0.001** |
| Prior PCI | 28% | 22% | **<0.001** |
| COPD | 29% | 23% | **<0.001** |

Marc Schermerhorn, MD; Patric Liang, MD; Hanaa Dakour Aridi, MD; Vikram Kashyap, MD; Grace Wang, MD; Brian Nolan, MD; Jack Cronenwett, MD; Jens Eldrup-Jorgensen, MD; Mahmoud Malas, MD, MHS - **VEITHsymposium, Nov 2018**