Safe Harbor

Vericel cautions you that all statements other than statements of historical fact included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. Although we believe that we have a reasonable basis for the forward-looking statements contained herein, they are based on current expectations about future events affecting us and are subject to risks, assumptions, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Our actual results may differ materially from those expressed or implied by the forward-looking statements in this press release. These statements are often, but are not always, made through the use of words or phrases such as “anticipates,” “intends,” “estimates,” “plans,” “expects,” “continues,” “believes,” “guidance,” “outlook,” “target,” “future,” “potential,” “goals” and similar words or phrases, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may,” or similar expressions.

Among the factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, uncertainties associated with our expectations regarding future revenue, growth in revenue, market penetration for MACI®, Epicel®, and NexoBrid®, growth in profit, gross margins and operating margins, the ability to continue to scale our manufacturing operations to meet the demand for our cell therapy products, including the timely completion of a new headquarters and manufacturing facility in Burlington, Massachusetts, the ability to achieve or sustain profitability, contributions to adjusted EBITDA, the expected target surgeon audience, potential fluctuations in sales and volumes and our results of operations over the course of the year, timing and conduct of clinical trial and product development activities, timing and likelihood of the FDA’s potential approval of the arthroscopic delivery of MACI to the knee or the use of MACI to treat cartilage defects in the ankle, the estimate of the commercial growth potential of our products and product candidates, competitive developments, changes in third-party coverage and reimbursement, physician and burn center adoption of NexoBrid, supply chain disruptions or other events affecting MediWound Ltd.’s ability to manufacture and supply NexoBrid to meet customer demand, including but not limited to the ongoing Israel-Hamas war, negative impacts on the global economy and capital markets resulting from the conflict in Ukraine and the Israel-Hamas war, adverse developments affecting financial institutions, companies in the financial services industry or the financial services industry generally, global geopolitical tensions or record inflation and potential future impacts on our business or the economy generally stemming from a resurgence of COVID-19 or another similar public health emergency.

These and other significant factors are discussed in greater detail in Vericel’s Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission (SEC) on February 23, 2023, and in other filings with the SEC. These forward-looking statements reflect our views as of the date hereof and Vericel does not assume and specifically disclaims any obligation to update any of these forward-looking statements to reflect a change in its views or events or circumstances that occur after the date of this release except as required by law.
Vericel is a Leader in Advanced Therapies for the Sports Medicine and Severe Burn Care Markets

Portfolio of Innovative Cell Therapies and Specialty Biologics with Significant Barriers to Entry

**SPORTS MEDICINE**

- **MACI**
  - The leading restorative cartilage repair product in the sports medicine market

**SEVERE BURNS**

- **Epicel**
  - (cultured epidermal autografts)
  - The leading permanent skin replacement in the severe burn care field

- **NexoBrid**
  - (anacaulase-bcdb)
  - Effective and selective enzymatic agent that removes eschar while preserving viable tissue

Focused on changing the standard of care for patients with cartilage damage and severe burns
Vericel is Well-Positioned to Deliver Sustained Long-Term Growth

1. Strong Financial Profile
   - Strong revenue growth
   - Positive adjusted EBITDA & Operating Cash Flow
   - ~$149M in Cash and Investments

2. Maximizing MACI Growth Drivers
   - High-growth cartilage repair franchise
   - Continued growth in MACI surgeons and biopsies

3. Advancing Pipeline
   - MACI Ankle program advancing
   - MACI Arthro study completed; projected launch in H1 2024

4. Expanding Burn Care Franchise
   - Commercially available in the U.S. in Q3 2023
   - Potentially life-saving product with large market opportunity

1 Includes restricted cash
Strong Track Record of Financial Results

Top-Tier Revenue Growth
- Sports Med
- Burn Care

$164M

20%+ CAGR


Recent MACI Growth Rates
- Q3 2022: 30%
- Q4 2022: 24%
- Q1 2023: 32%
- Q2 2023: 27%
- Q3 2023: 21%

MACI year-to-date growth of 26%

1 Includes restricted cash
Current Portfolio Plus New Product Launches Expected to Drive Strong Revenue and Profit Growth Over the Long Term

Expect to Maintain Strong Revenue Growth Trajectory

- Significantly underpenetrated markets (~$3B-$4B)
- Limited competition with strong barriers to entry
- Strong reimbursement profiles

Expect Continued Long-Term Margin Expansion

- Gross Margin: 70%+
- Adjusted EBITDA: 30%+

- Substantial operating leverage across the business
- Increasing margins and operating cash flow
- Premium-value products with concentrated call points

1 Based on internal and estimated long-term financial projections.
Knee Cartilage Injuries Represent a Significant Unmet Medical Need

Cartilage defects are found in ~60% of knee arthroscopies

❖ Damage is caused by acute or repetitive trauma or degenerative conditions

Cartilage has limited capacity for intrinsic healing and repair

❖ Untreated cartilage defects may lead to debilitating joint pain, dysfunction, and osteoarthritis
❖ Defects can expand and new high-grade lesions can form over time

Harris Poll found that 77% of knee pain sufferers can no longer participate in at least one activity they previously enjoyed because of knee pain

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2 Data collected from a 2019 Harris Poll survey of 1,002 U.S. adults with knee pain 3 or more days a week that had lasted 2 months or more.
Large Addressable Knee Cartilage Repair Market for MACI

Estimated Annual Addressable Patient Population (U.S.)

- ~750,000\(^1\) Cartilage Repair Procedures
- ~315,000\(^2\) Patients Consistent With Label
- ~125,000\(^2\) Patients MD’s Consider Clinically Appropriate For MACI
- ~60,000\(^2\) Patients With Larger Lesions

$3\text{ Billion}$ Addressable Market in the U.S.\(^3\)

Annual Cartilage Repair Revenue

- Mid teens % biopsy penetration
- Mid single-digit % implant penetration


2 Assumes MACI ASP of ~$50,000+.

3 Assumes MACI ASP of ~$50,000+.
MACI is the Leading Restorative Cartilage Repair Product on the Market

- Biopsy taken
- Defect debrided
- Chondrocytes extracted, expanded, & loaded
- Template created
- MACI delivered
- MACI implanted
MACI Product Attributes Driving Strong Growth Since Launch

**Broad Label with Strong Clinical Data**

- **SUMMIT Clinical Study Results – Superiority of MACI Implant Versus Microfracture Treatment**
- **HIGHLIGHTS OF PRESCRIBING INFORMATION**
  - **Proper Use:** Use MACI for the repair of symptomatic, single- or multi-ligament tears with bony defects of the knee with or without bone involvement in adults.
  - **Provider Information:**
    - **MACI** is an analogous collagenized subchondral product indicated for the repair of symptomatic, single- or multiple-ligament tears with bony defects of the knee with or without bone involvement in adults.
    - **Instructions for Use:**
      - **Repackaging:** The reconstituted macromolecular collagen product is reconstituted at the time of use and must be used immediately.
      - **Technique:** MACI is applied to the appropriate area of the knee (medial tibial plateau, lateral tibial plateau, and/or patella) with a sterile, disposable applicator.
      - **Injection:** Cells are injected directly into the bone defect and the reconstituted macromolecular collagen product is applied to the injury site.

**Simpler, Less Invasive Procedure**

- **MACI**
  - Simpler, less invasive AO procedure
  - Eliminates peristeal harvest and sutures
  - Significant reduction in surgical time
  - Uniform distribution of cells
  - Improved post-operative course

**Shorter Rehab Protocols**

- **ACHIEVE ROUTINE**
  - **BUILD STRENGTH**
  - **BE ACTIVE**

- **Published MACI rehabilitation protocols**
  - **Time to Weight-Bearing:**
    - **3 weeks**
    - **10-12 weeks**

**Strong Reimbursement Profile**

- **MACI Insurance Approval Rates:**
  - **89%** of all MACI surgeries were approved by the insurer on initial submission.
  - **5%** Approved on appeal
  - **5%** Not appealed
  - **1%** Denied after appeal

**MACI Billing Codes**

- **CPT CODE:** Autologous Chondrocyte Implantation, Iowa
  - **27843**
- **HCPCS CODE:** Autologous cultured chondrocytes, implant
  - **J2380**
Key MACI Growth Drivers for Continued Long-Term Market Penetration

- **Surgeons Taking Biopsies in 2022**
  - ~2,000
  - Expected to remain a strong growth driver in 2023

- **Biopsy Growth Since MACI Launch**
  - ~20% CAGR
  - Expected to remain a growth driver, with above-market growth in 2023 and over time

- **Biopsy Conversion Rate**
  - 30%+
  - Expected to maintain current levels in 2023 and increase to historical levels+ over time

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# Building a Robust and Innovative Pipeline Through Lifecycle Management and Business Development

## Key Highlights

### MACI Arthroscopic Delivery
- Human factors study completed in Q3 2023, with commercial launch expected in H1 2024

### MACI Ankle Indication
- Program advancing based on feedback from pre-IND interactions with FDA

### NexoBrid
- Commercialized Q3 2023

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<th>INDICATION/STUDY</th>
<th>IN DEVELOPMENT</th>
<th>PHASE I</th>
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<td>Pediatric (CIDS) Study</td>
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<td>Expanded Access (Pediatrics)</td>
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1. Study design pending feedback from FDA discussions.
Arthroscopic MACI is targeting smaller femoral condyle defects, which represents the largest portion of the addressable market.

Estimated Annual Addressable Patient Population (U.S.)

- ~750,000\(^1\) Cartilage Repair Procedures
- ~315,000\(^2\) Patients Consistent With Label
- ~125,000\(^2\) Patients MD’s Consider Clinically Appropriate For MACI
- ~60,000\(^2\) Patients With Larger Lesions

MACI TAM Segmented by Defect Type

- Patella
- 2-4cm\(^2\) Condyle
- Other

3. Assumes MACI ASP of ~$50,000+.
4. Includes defects on tibia, trochlea and other condyle defects.
Overview of MACI Arthroscopic Delivery Development Program

Novel instruments designed and developed to facilitate arthroscopic delivery

Human Factors Validation Study to be initiated in 2023

Planned Launch H1 2024

The arthroscopic delivery of MACI is under development and neither such use, nor the sale of the MACI instruments, has been approved in the United States.
MACI Arthroscopic Delivery Surgical Technique

Click here to view an animation of the MACI arthroscopic delivery surgical technique.
Arthroscopic MACI Provides Potential Opportunity for Additional Growth

High Surgeon Interest in MACI Arthro

~90% % of target surgeons expressed interest in arthro MACI option\(^1\)

Potential for Increased MACI Volume

~90% % of current MACI users would expect to increase MACI volume\(^1\)

Arthroscopic MACI instruments designed to treat the most common defects in the MACI TAM (2-4 cm\(^2\) defects on the femoral condyles)

\(^1\)Based on Health Advances, LLC MACI market assessment report (2018).
Significant Ankle Cartilage Repair Opportunity

MACI for the treatment of cartilage defects in the ankle represents a $1 billion market opportunity

1 SmartTrak Cartilage Repair Procedures; resurfacing includes microfracture, OATs, OCA, etc. and does not include chondroplasty/debridement only.
2 Cello Health MACI Ankle quantitative market research survey (2021).
3 Assumes MACI ASP of $50,000+.

The implantation of MACI is currently approved to be performed via an arthrotomy to the knee joint. The use of MACI in the ankle joint is under development and such use has not been approved in the United States.
Potential MACI Ankle Indication Would Increase MACI Total Addressable Market to $4 Billion

- Current MACI Knee Annual U.S. TAM (est.):
  - ~750,000\(^1\) Cartilage Repair Procedures
  - ~315,000\(^2\) Patients Consistent With Label
  - ~125,000\(^2\) Patients MD’s Consider Clinically Appropriate For MACI
  - ~60,000\(^2\) Patients With Larger Lesions

- MACI Ankle Annual U.S. TAM (est.):
  - ~165,000\(^1\) Ankle Resurfacing Procedures
  - ~66,000\(^2\) Patients MD’s Consider Clinically Appropriate For MACI
  - ~18,000\(^2\) Larger Lesions

$4 Billion Addressable Market in the U.S.

$3 Billion Addressable Market in the U.S.\(^3\)

$1 Billion Addressable Market in the U.S.


The implantation of MACI is currently approved to be performed via an arthrotomy to the knee joint. The use of MACI in the ankle joint is under development and such use has not been approved in the United States.
Burn Injury Size & Depth Determine Treatment Pathway

- Full thickness burn injuries of any size & partial thickness burn injuries >10% total body surface area (TBSA) are most often transferred to specialized burn centers.

- Full thickness & deep partial-thickness burns require eschar removal and grafting to achieve wound closure.
Burn Franchise Addressable Market Opportunity

Estimated U.S. Burn Patients:

- 500,000 Annual Burns (U.S.)
- 40,000 Hospitalized Patients
- 1,500 Epicel-Indicated (>30% TBSA) Patients
- 600 Surviving >40% TBSA Patients

$300 Million Addressable Market in the U.S.

$600 Million Addressable Market in the U.S.

NexoBrid approval significantly expands the total addressable market opportunity for Vericel’s Burn Care franchise.

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2 ~90% of hospitalized patients with thermal burns; ~90% of eligible patients require eschar removal (management estimate).
3 Assumes NexoBrid average price of ~$9,000 per patient.
4 Assumes 600 patients x 120 grafts per patient x ~$4,000+ per graft.
Clear Unmet Need for an Effective and Selective Eschar Removal Agent that Preserves Viable Tissue

❖ Early Eschar Removal and Burn Assessment Are Critical to Patient Healing
  • Early eschar removal can reduce inflammation, stop burn progression, and reduce infections and sepsis\textsuperscript{1,2}
  • Timely assessment and treatment can support improved healing and reduced scarring, reduced need for surgery and/or grafting, and improved morbidity and mortality\textsuperscript{3,4}

❖ Surgical Eschar Removal Can Cause Loss of Healthy Tissue
  • Surgical eschar removal is non-selective and causes considerable pain, blood loss, and unnecessary excision of healthy tissue\textsuperscript{5}

❖ Current Non-Surgical Options Lack Efficacy
  • Current non-surgical options have limited efficacy, have not shown a statistically significant reduction in the need for surgical eschar removal, and require multiple dressing changes\textsuperscript{6,7}

NexoBrid

Indications and Usage:
Contains proteolytic enzymes and is indicated for eschar removal in adults with deep partial-thickness and/or full-thickness thermal burns

NexoBrid can be applied to up to 20% body surface area in two applications

Significant Advancement in Burn Treatment Paradigm
❖ Concentrated mixture of proteolytic enzymes derived from the stem of the pineapple plant (Ananas comosus)
❖ Non-surgical topical agent that may be applied at the patient’s bedside
❖ Selectively degrades eschar in four hours while preserving viable tissue

NexoBrid Treatment Application

Clean Wound

Antibacterial Pre-Soak

NexoBrid Application

Film Dressing (4 Hours)

Remove Eschar

Images are for illustration and demonstration purposes only; patients will experience individualized results from the use of NexoBrid to treat severe thermal burns.
NexoBrid Launch Progress

- NexoBrid commercially available in the U.S. in Q3 2023

- Key commercial activities underway
  - Clinical Application Support
  - P&T Committee Engagement
  - Customer Training
  - Burn Conference Activities

Strong Interest in NexoBrid by Treating Physicians and Burn Centers

Application Demonstrations

NEXOBRID IS NOW COMMERCiALLY AVAILABLE IN THE U.S.

Robust Clinical Efficacy

Multi-Disciplinary Education & Clinical Application Training

NexoBrid is now commercially available in the U.S.
Epicel

- Only **FDA-approved permanent skin replacement** for adult and pediatric patients with full-thickness burns ≥ 30% of total body surface area
- Important treatment option for severe burn patients where little skin is available for autografts

Comparison of Epicel Patient Database to National Burn Repository\(^1\) Data Demonstrates Lower Mortality Rate

**Mortality Rate by TBSA Decile**

- Stratified CMH Chi-square p < 0.0001
- Chi-square for all subgroups ≥ 40%TBSA p < 0.0001

Twenty-five Years’ Experience and Beyond with Cultured Epidermal Autografts (CEA) for Coverage of Large Burn Wounds in Adult and Pediatric Patients, 1989-2015; Hickerson, Journal of Burn Care & Research, iry061, https://doi.org/10.1093/jbcr/iry061.

\(^1\) American Burn Association, National Burn Repository 2016, Version 12.
Vericel Remains Focused on Potential Strategic Transactions to Maximize Long-Term Value

**Advanced Cell Therapy Development & Manufacturing Platform**

- **Sports Medicine Franchise**
- **Severe Burn Care Franchise**
- **New Advanced Cell Therapy Vertical(s)**

Business development activities focused on opportunities having a strategic fit with current franchises or advanced cell therapy platform.
Growth Strategy Leverages Near-Term & Long-Term Opportunities

**Strong Financial Profile**
- Continued strong revenue growth
- Positive adjusted EBITDA & Operating Cash Flow
- ~$149M in cash, investments and restricted cash

**Maximizing MACI Key Growth Drivers**
- 20%+ total revenue CAGR since 2017
- Focused on maximizing key growth drivers
- Large underpenetrated TAMs

**Advancing Pipeline**
- MACI arthroscopic study completed in Q3; launch expected in H1 2024
- MACI Ankle program advancing based on feedback from pre-IND interactions with FDA

**Expanding Burn Care Franchise**
- NexoBrid commercially available in the U.S. in Q3 2023