Safe Harbor

This presentation contains forward-looking statements, including, without limitation, statements concerning anticipated progress, objectives and expectations regarding growth in revenue, the commercial potential of our products and product candidates, profitability, and objectives of the company, all of which involve certain risks and uncertainties. These statements are often, but are not always, made through the use of words or phrases such as “anticipates,” “estimates,” “plans,” “expects,” “continues,” “we believe,” “target,” “potential,” “goals” and similar words or phrases, or future or conditional verbs or similar expressions. Actual results may differ significantly from the expectations contained in the forward-looking statements.

Among the factors that may result in differences are the inherent risks and uncertainties associated with growth in revenues for MACI and Epitel, growth in profit and margins, contributions to adjusted EBITDA, timing and conduct of clinical trial and product development activities, timing or likelihood of regulatory submissions and approvals, increasing market penetration for Epitel, cost savings and patent protection for NexoBrid, product performance, competitive developments, ability to achieve or sustain profitability, potential fluctuations in sales volumes and our results of operations, estimating the commercial potential of our products and product candidates, estimating improvement in costs and market demand for our products, changes in third party coverage and reimbursement for our products, our ability to maintain and expand our network of direct sales employees and productivity per sales representative, our long-term plans and our ability to supply or meet customer demand for our products. 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, 2018, filed with the Securities and Exchange Commission (“SEC”) on February 26, 2019, Quarterly Reports on Form 10-Q and other documents filed by the Company with the SEC from time to time.

These forward-looking statements reflect management’s current views and Vericel does not undertake 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 presentation except as required by law.
Vericel is a leader in advanced therapies for the sports medicine and severe burn care markets.

SPORTS MEDICINE

The leading restorative cartilage repair product in the sports medicine market

SEVERE BURNS

Epigel™ (cultured epidermal autografts)

The leading permanent skin replacement in the severe burn care field

NexoBrid™

North American commercial rights to the next generation burn debridement product

Highly Innovative Advanced Cell Therapy Platform

Commercial franchises built around cell therapy products
Vericel is a leader in advanced therapies for the sports medicine and severe burn care markets.

**33% Trailing Twelve Month Product Revenue Growth**
- Total TTM product revenues of $94.6 million*

**$2B+ Current Addressable Markets**
- Underpenetrated and growing

**Top-Tier Revenue Growth**
- Driven by momentum of MACI launch uptake and expanded Epicel utilization

* As of March 31, 2019.
Vericel is a leader in advanced therapies for the sports medicine and severe burn care markets.

**Investment Highlights**

**Volume Growth Driving Gross Margin Expansion**
- Significant incremental manufacturing capacity
- Marginal COGS ~20% for MACI and Epicel

**Substantial Operating Margin Leverage**
- Premium products with concentrated call points
- ~50% of marginal revenue contributes to adjusted EBITDA

**Significant Gross Margin and Operating Margin Expansion**
Vericel is a leader in advanced therapies for the sports medicine and severe burn care markets.

**Investment Highlights**

- **Cash on Hand**
  Cash and short-term investments of ~$84 million* and no debt

- **Shareholder Base**
  Strong institutional healthcare shareholder base

**Strong Balance Sheet**

* As of March 31, 2019.
Articular Cartilage Structure and Function

**Articular Cartilage is a Highly Specialized Connective Tissue of Synovial Joints**

**Articular cartilage function**
- Provide a smooth, lubricated surface allowing for nearly frictionless movement
- Facilitate transmission of loads to underlying subchondral bone
- Protect joints from compressive, tensile and shearing forces

**Chondrocytes are the resident cells responsible for the production, maintenance and repair of cartilage**
Knee Cartilage Defects and Treatment Options

ARTICULAR CARTILAGE INJURY IS A CAUSE OF SIGNIFICANT MUSCULOSKELETAL MORBIDITY

- Cartilage defects are found in ~60% of knee arthroscopies
- Damage is caused by acute and repetitive trauma, degenerative and inflammatory conditions
- Limited capacity for intrinsic healing and repair
  - devoid of blood vessels, nerves, or lymphatics
  - Mature chondrocytes have limited potential for replication
- Untreated lesions may lead to debilitating joint pain, dysfunction, and osteoarthritis

TREATMENT GOALS

- Reduce symptoms
- Improve function
- Prevent degeneration

## PALLIATIVE

<table>
<thead>
<tr>
<th>Techniques intended to relieve or prevent pain with little repair of underlying defect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lavage and debridement</td>
</tr>
<tr>
<td>Thermal chondroplasty</td>
</tr>
</tbody>
</table>

## REPARATIVE

<table>
<thead>
<tr>
<th>Marrow-stimulation techniques that result in formation of fibrocartilage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microfracture/microdrilling</td>
</tr>
<tr>
<td>Augmented microfracture</td>
</tr>
</tbody>
</table>

## RESTORATIVE

<table>
<thead>
<tr>
<th>Techniques designed to recreate hyaline-like cartilage at the site of the defect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autologous chondrocyte implant</td>
</tr>
<tr>
<td>Autograft or allograft</td>
</tr>
</tbody>
</table>
MACI – 3rd Generation Autologous Chondrocyte Implant for the Treatment of Knee Cartilage Defects

Cross section of ACI-Maix™ membrane at 75X magnification

High magnification SEM shows chondrocyte attachment to collagen fibers

MACI is the first tissue-engineered autologous cellularized scaffold product approved by the FDA
MACI Production and Administration

MACI creates a repair tissue that allows patients to resume an active lifestyle.
MACI Label – Indications and Usage

1. Indications and Usage
MACI® (autologous cultured chondrocytes on porcine collagen membrane) is an autologous cellularized scaffold product indicated for the repair of single or multiple symptomatic, full-thickness cartilage defects of the knee with or without bone involvement in adults.

Limitations of Use
▷ Effectiveness of MACI in joints other than the knee has not been established.
▷ Safety and effectiveness of MACI in patients over the age of 55 years have not been established.

<table>
<thead>
<tr>
<th>MACI Label Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDICATED USE</strong></td>
</tr>
<tr>
<td>First-line treatment</td>
</tr>
<tr>
<td><strong>DEFECT LOCATION</strong></td>
</tr>
<tr>
<td>Cartilage defects of the knee, including patella</td>
</tr>
<tr>
<td><strong>DEFECT SIZE</strong></td>
</tr>
<tr>
<td>No limitation</td>
</tr>
<tr>
<td><strong>NUMBER OF DEFECTS</strong></td>
</tr>
<tr>
<td>Single or multiple</td>
</tr>
<tr>
<td><strong>BONE INVOLVEMENT</strong></td>
</tr>
<tr>
<td>With or without bone involvement</td>
</tr>
</tbody>
</table>
Significant MACI Administration Advantages

**Carticel**
- Technically exacting procedure
- Required arthrotomy, periosteal patch harvest and sutures
- Extended surgical time

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

Simpler, less invasive MACI procedure appeals to broader surgeon and patient populations
SUMMIT Clinical Study Results – Superiority of MACI Implant Versus Microfracture Treatment

MACI demonstrated statistically significantly greater improvement in the co-primary endpoint of KOOS pain and function (SRA) scores compared to microfracture at year 2.

KOOS Pain and Function Co-Primary Endpoint at Year 2

<table>
<thead>
<tr>
<th>Subscale</th>
<th>MACI (n=72)</th>
<th>Microfracture (n=69)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pain</td>
<td>45.5</td>
<td>35.4</td>
</tr>
<tr>
<td>Function</td>
<td>46</td>
<td>36.1</td>
</tr>
</tbody>
</table>

P = 0.001

The proportion of patients responding to treatment was statistically significantly greater with MACI compared to microfracture at year 2.

*Response defined as ≥10-point improvement in both pain and function subscores. The American Journal of Sports Medicine (2014) 42(6), 1384-1394.
A significant improvement for MACI over microfracture was observed for the KOOS pain and function subscales as early as 36 weeks, and was maintained at 52 and 104 weeks.
SUMMIT Extension Study – Improvement in KOOS Pain and Function Scores With MACI Over Microfracture Was Maintained to 5 Years

Overall efficacy data support a long-term clinical benefit from the use of MACI in patients with cartilage defects of the knee

MACI Rehabilitation Protocol

Rehabilitation Timelines for ACI procedures: Time to Weight-Bearing

Published MACI rehabilitation protocols achieve full weight-bearing in 6-8 weeks compared to 10-12 weeks for published Carticel rehabilitation protocols.

Large Addressable Cartilage Repair Market for MACI

Estimated Annual Addressable Patient Population (U.S.)

- ~750,000¹ Cartilage Repair Procedures
- ~315,000² Patients Consistent With Label
- ~125,000² Patients MD’s Consider Clinically Appropriate For MACI
- ~60,000² Patients With Larger Lesions

$2+ Billion Addressable Market in the U.S.

Annual Cartilage Revenue ($M)


MACI Sales Force Expansion Supported by Additional Investments

**Surgeon Training**
- Maintaining investment on par with launch year
- More than 900 surgeons trained to date

**Payer Access**
- Achieved payer access for MACI consistent with Carticel within nine months of launch
- Continued focus on enhancing Medical Policies and reimbursement pathways

**Case Management**
- Expanded to meet increased physician, patient and sales force demand

**Patient Engagement**
- Initiatives targeted to increase biopsy conversion rate
- Secure patient contact consent
- Patient Ambassador testimonials and advocacy
- Rehabilitation experience

---

**MACI Revenue per Rep ($M)**

- **2012-2016 Carticel** (21 Representatives)
  - Coverage of Surgeon Targets (%): 60%
- **2017 MACI Launch** (28 Representatives)
  - Coverage of Surgeon Targets (%): 75%
- **2018 MACI** (40 Representatives)
  - Coverage of Surgeon Targets (%): 90%
- **2019 MACI** (48 Representatives)
  - Coverage of Surgeon Targets (%): 90% +

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**MACI Revenue**

- **2012-2016 Carticel**
  - Revenue: $1.7
- **2017 MACI Launch**
  - Revenue: $1.8
- **2018 MACI**
  - Revenue: $1.9
Patient Engagement Initiatives

Knee cartilage repair that uses your own cells

MAKE YOUR COMEBACK LIKE A CHAMPION

It's your MOVE

DARA TORRES

Important Safety Information

Indication: MACI™ (autologous cultured chondrocytes on porous collagen membrane) is made up of your own (autologous) cells that are expanded and placed onto a film that is implanted into the area of the cartilage damage and absorbed back into your own tissues.

Please see Important Safety Information on back cover and accompanying Full Prescribing Information.

MACI.COM
Epicel is a permanent skin replacement for full thickness burns ≥ 30% of total body surface area.

- Only FDA-approved permanent skin replacement for adult and pediatric patients with full-thickness burns.
- Important treatment option for severe burn patients where little skin is available for autografts.
Epicel Production and Administration

1. **Biopsy Harvest**
2. **Grafts Applied**
3. **Takedown Procedure**
4. **New Skin Exposed**
5. **Administration**
6. **Production**
7. **Epigel Graft**
8. **Keratinocyte Expansion**

---

*Epicel (cultured epidermal autograft)*

*Vericel*
Comparison of Epicel Patient Database to National Burn Repository\textsuperscript{1}

Data Demonstrates Lower Mortality Rate

\begin{figure}
\centering
\includegraphics[width=\textwidth]{mortality_rate_graph.png}
\caption{Mortality Rate by TBSA Decile}
\end{figure}

\begin{itemize}
\item Stratified CMH Chi-square \( p < 0.0001 \)
\item Chi-square for all subgroups \( \geq 40\% \text{TBSA} \) \( p < 0.0001 \)
\end{itemize}

\textsuperscript{1} American Burn Association, National Burn Repository 2016, Version 12.
NexoBrid Overview

Biological orphan product that enzymatically removes nonviable burn tissue (eschar) in patients with deep partial- and full-thickness burns within 4 hours without harming viable tissue

- Approved in the EU and other international markets
- Designated as an orphan biologic in the United States
- Pivotal U.S. Phase 3 clinical study met primary and all secondary endpoints
- BLA filing targeted for 1H 2020
- Orphan and biologic exclusivities in the U.S.; patent protection until 2029
- BARDA contract provides funding support for development costs to obtain U.S. approval, expanded access program and medical countermeasure procurement
Early Eschar Removal is a Critical 1st Step in Burn Treatment

Eschar Removal
Before...
- Prevents local infection and sepsis
- Avoids further deterioration and scarring
- Early debridement enables faster initiation of wound healing
- Allows direct visual assessment of wound bed, enabling an informed treatment plan

...After
- Dermis
- Subcutaneous Fat

Current Standard of Care

Non-Surgical Eschar Removal
- Autolysis
- Topical medications
- Enzymes, chemicals, biologicals

Surgical Eschar Removal
- Tangential excision
- Dermabrasion
- Hydro-jet surgery

Significant Limitations
- Limited debriding efficacy; surgery often needed
- Protracted; increased eschar-related morbidities
- Less useful for deep and extensive burns
- Multiple dressing changes/wound handlings

Clear unmet need for selective and effective debridement treatment for severe burns

Santyl® is a registered trademark of Smith and Nephew, Inc.
Effectively and selectively removes burn eschar within four hours without harming surrounding viable tissue

- Bromelain-based biological product containing a sterile mixture of proteolytic enzymes
- Easy-to-use, single, non-surgical topical application at the patient’s bedside
- Allows for early visual assessment of the wound, enabling development of an informed treatment plan
- European pharmacoeconomic studies suggest that NexoBrid can lead to cost savings of up to 30% compared to standard of care
Positive Top-Line Results From Pivotal U.S Phase 3 Clinical Study (DETECT)

DETECT study met its primary endpoint with a significantly higher incidence of complete eschar removal.

- **Incidence Rate of Complete Eschar Removal**
  - **NexoBrid**: 93.3%
  - **Gel Vehicle**: 4.0%

**P value < 0.0001**

DETECT study met all secondary endpoints and a key safety endpoint compared to standard of care:

- Statistically significantly lower incidence of surgical eschar removal
- Statistically significantly lower blood loss compared to standard of care
- Statistically significantly shorter time to achieve complete eschar removal
- Non-inferior time to complete wound closure

**% Incidence of Surgical Eschar Removal**

- **NexoBrid**: 4%
- **SOC**: 72%

**P value < 0.0001**

**Mean Blood Loss (ml)**

- **NexoBrid**: 14.17 ml
- **SOC**: 814.51 ml

**P value < 0.0001**

Source: MediWound
**Burn Franchise Addressable Market Opportunity**

*Estimated U.S. Burn Patients*¹

- **500,000**
  Annual Burns (U.S.)

- **40,000**
  Hospitalized Patients

- **1,500**
  Epicel-Indicated (>30% TBSA) Patients

- **600 Surviving**
  >40% TBSA Patients

**NexoBrid**

- **$200+ Million**
  Addressable Market in the U.S.²

**Epicel**

- **$100+ Million**
  Addressable Market in the U.S.³

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² ~90% of hospitalized patients with thermal burns; ~90% of eligible patients are debrided (management estimate); ~10% TBSA for average patient with pricing analysis ongoing; ~85% of TAM in burn centers based on 75% of all hospitalized patients admitted into burn centers (http://ameriburn.org/who-we-are/media/burn-incidence-fact-sheet/) and burn centers having a higher rate of debridement.
³ Assumes 600 patients x 1.25 (25% re-order rate) x ~70 grafts per order x ~$3,000 per graft.

NexoBrid significantly expands the total addressable market opportunity for Vericel’s burn franchise.
Strong and Accelerating Total Revenue Growth Since Acquisition

Trailing 12 Month Revenue = $94.6 million
18% CAGR since the acquisition of Carticel/MACI and Epicel, with trailing twelve month revenue growth of 33%
Revenue Growth Translating into Significant Enhancement in Profitability

*See slide 30 for EBITDA to GAAP reconciliation

>80% of marginal revenue contributes to gross profit

~50% of marginal revenue contributes to adjusted EBITDA*

*See slide 30 for EBITDA to GAAP reconciliation
Strategic Transactions to Maximize Long-Term Value

ADVANCED CELL THERAPY DEVELOPMENT AND 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.
## Balance Sheet and Capital Structure

### Balance Sheet Highlights

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Cash Equivalents and Short Term Investments</td>
<td>$84.1 million</td>
</tr>
<tr>
<td>Debt</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Capitalization (as of March 31, 2019)

<table>
<thead>
<tr>
<th>Description</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>43,824,730</td>
</tr>
<tr>
<td>December 2017 Warrants (strike price=$4.27; expire December 6, 2023)</td>
<td>26,951</td>
</tr>
<tr>
<td>Options Outstanding</td>
<td>6,021,742</td>
</tr>
<tr>
<td>Unvested Restricted Stock Units</td>
<td>176,062</td>
</tr>
<tr>
<td><strong>Fully Diluted Shares Outstanding</strong></td>
<td>50,049,485</td>
</tr>
</tbody>
</table>
Vericel is a leader in advanced therapies for the sports medicine and severe burn care markets.

INVESTMENT HIGHLIGHTS

- Innovative Advanced Therapy Portfolio
- Top-Tier Revenue Growth
- Significant Margin Expansion Potential
- Strong Balance Sheet
### RECONCILIATION OF REPORTED NET LOSS (GAAP) TO ADJUSTED EBITDA (NON-GAAP MEASURE) – UNAUDITED

<table>
<thead>
<tr>
<th>Annual Adjusted EBITDA (In Thousands)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Loss (GAAP)</td>
<td>($16,340)</td>
<td>($19,566)</td>
<td>($17,286)</td>
<td>($8,137)</td>
</tr>
<tr>
<td>Change in fair value of warrants</td>
<td>(324)</td>
<td>-</td>
<td>257</td>
<td>2,524</td>
</tr>
<tr>
<td>Revenue reserve related to a dispute between pharmacy provider and payer</td>
<td>-</td>
<td>-</td>
<td>1,418</td>
<td>-</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td></td>
<td></td>
<td>860</td>
<td>838</td>
</tr>
<tr>
<td>Stock compensation expense</td>
<td>2,747</td>
<td>2,499</td>
<td>2,680</td>
<td>7,223</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>1,592</td>
<td>1,886</td>
<td>1,612</td>
<td>1,426</td>
</tr>
<tr>
<td>Net interest (income) expense</td>
<td>(16)</td>
<td>306</td>
<td>1,093</td>
<td>835</td>
</tr>
<tr>
<td>Asset impairment</td>
<td>-</td>
<td>2,638</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBITDA (Non-GAAP)</td>
<td>($12,341)</td>
<td>($12,237)</td>
<td>($9,366)</td>
<td>$4,709</td>
</tr>
</tbody>
</table>