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 presentation. 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 market penetration for MACI® and Epicel®, growth in profit, gross margins and operating margins, 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 or likelihood of approval by the U.S. Food & Drug Administration of the NexoBrid® Biologics License Application for treatment of severe burns in the United States or other North American markets, the estimate of the commercial growth potential of our products and product candidates, availability of funding from the U.S. Biomedical Research and Development Authority under its agreement with MediWound Ltd. for use in connection with NexoBrid development activities, competitive developments, changes in third-party coverage and reimbursement, our ability to supply or meet customer demand for our products, and the wide-ranging impacts of the COVID-19 pandemic on our business or the economy generally.

With respect to COVID-19, we are currently unable to reasonably estimate the specific extent, or duration of the impact of the COVID-19 pandemic on our business, financial and operating results. We are also unable to predict whether a resurgence of COVID-19 infections or the spread of COVID-19 variants that may limit the effectiveness of approved vaccines will result in future restrictions on the performance of elective surgical procedures or affect the availability of physicians and/or their treatment prioritizations, the willingness or ability of patients to seek treatment, or heighten the impact of the outbreak on the overall healthcare infrastructure. Other disruptions or potential disruptions include restrictions on the ability of Company personnel to travel and access customers for training, promotion and case support, delays in product development efforts, and additional government-imposed quarantines and requirements to “shelter at home” or other incremental mitigation efforts or initiatives that may impact our ability to source supplies for our operations or our ability or capacity to manufacture, sell and support the use of our products. With respect to FDA’s review of the pending NexoBrid Biologics License Application, the COVID-19 pandemic may impact the FDA’s response times to regulatory submissions, its ability to monitor our clinical trials, and/or conduct necessary reviews or inspections of manufacturing facilities involved in the production of NexoBrid, any or all of which may result in timelines being materially delayed, which could affect the development and ultimate commercialization of NexoBrid. The total impact of these disruptions could have a material impact on the Company’s financial condition, cash flows and results of operations.

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, 2020, filed with the Securities and Exchange Commission (“SEC”) on February 24, 2021, Vericel’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, filed with the SEC on May 5, 2021, 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.
Portfolio of Innovative Cell Therapies and Specialty Biologics with Significant Barriers to Entry

Innovation HIGHLIGHTS

SPORTS MEDICINE

MACI® and Epicel® – Combination Products (biologic/device) with no established biosimilar or 510(k) pathways

SEVERE BURNS

Epicel® (cultured epidermal autografts)

The leading restorative cartilage repair product in the sports medicine market

NexoBrid®

North American commercial rights to the next generation eschar removal product

The leading permanent skin replacement in the severe burn care field

NexoBrid® – Patent protection; biologic and orphan exclusivities in the U.S. upon FDA approval
Sustainable Top-Tier Revenue Growth in Large Addressable Markets

**Full Year Revenue Growth for MACI and Epicel in 2020**

- Total net revenue of $124.2 million in 2020

**$2B+ Current Addressable Markets**

- Underpenetrated and growing

**Investment Highlights**

- ~25% revenue CAGR since the launch of MACI in 2017
- Sustainable multi-year revenue growth potential given large, underpenetrated addressable markets
Significant Revenue Growth Since the Launch of MACI in 2017

Record MACI implants and Epicel grafts drove full-year revenue growth for both products, despite impact of COVID-19.
Accelerating Revenue Growth To Start 2021

Total revenue growth of 30%, with second highest Epicel quarter in history and accelerating MACI growth.
Attractive Business Model with Robust Profitability Profile

Continuing volume growth drives gross margin expansion

High-value products and concentrated call points create substantial operating margin leverage

**VOLUME GROWTH DRIVING GROSS MARGIN EXPANSION**
Marginal COGS ~20% for MACI and Epicel

**SUBSTANTIAL OPERATING MARGIN LEVERAGE**
Premium products with concentrated call points
Strong Balance Sheet and Institutional Shareholder Base

**Balance Sheet**
- Cash and investments of ~$110 million and no debt

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

Substantial cash on hand and no debt
- ~90% of outstanding shares held by institutional investors

* As of March 31, 2021.
Articular Cartilage Structure and Function

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

<table>
<thead>
<tr>
<th>Palliative</th>
<th>Reparative</th>
<th>Restorative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Techniques intended to relieve or prevent pain with little repair of underlying defect</td>
<td>Marrow-stimulation techniques that result in formation of fibrocartilage</td>
<td>Techniques designed to recreate hyaline-like cartilage at the site of the defect</td>
</tr>
<tr>
<td>Lavage and debridement</td>
<td>Microfracture/microdrilling</td>
<td>Autologous chondrocyte implant</td>
</tr>
<tr>
<td>Thermal chondroplasty</td>
<td>Augmented microfracture</td>
<td>Autograft or allograft</td>
</tr>
</tbody>
</table>

Articular cartilage injury is a cause of significant musculoskeletal morbidity.
MACI Production and Administration

1. Biopsy Taken
2. Defect Debrided
3. Chondrocytes Extracted, Expanded, & Loaded
4. Template Created
5. MACI Delivered
6. MACI Implanted
MACI Label – Indications and Usage

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><strong>DEFECT LOCATION</strong></td>
</tr>
<tr>
<td><strong>DEFECT SIZE</strong></td>
</tr>
<tr>
<td><strong>NUMBER OF DEFECTS</strong></td>
</tr>
<tr>
<td><strong>BONE INVOLVEMENT</strong></td>
</tr>
</tbody>
</table>
Significant MACI Administration Advantages

Simpler, less invasive MACI procedure appeals to broader surgeon and patient populations

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

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

P < 0.001

P < 0.016

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

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

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Large Addressable 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

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

Annual Cartilage Repair Revenue


\(^2\) Health Advances LLC MACI market assessment report (2018)
Marketing Investments Focused on Key Stakeholders

**Targeting New Surgeons**
- Developing content and campaigns on platforms utilized by orthopedic surgeons
- Peer-to-peer training programs with emphasis on new fellows

**Ensuring Broad Access**
- 30 largest payers provide access to MACI, representing >85% of commercial lives
- ~91% of all MACI cases approved; 85% upon initial submission

**Connecting With Patients**

---

**VuMedi**

**Vericel**
Burn Injury Size and Depth Determine Treatment Pathway

- Full thickness burn injuries of any size and partial thickness burn injuries >10% are most often transferred to specialized burn centers.

- Full thickness and deep partial-thickness burns require debridement and grafting.

**TREATMENT PATHWAY**

- Emergency Admit
  - Patient admission to hospital
  - Patient stabilization & wound assessment

- Initial Assessment
  - Epidermis
  - Dermis
  - Subcutaneous fat
  - Muscle
  - Bone

  - Superficial (1st Degree)
  - Superficial Partial-Thickness (2nd Degree)
  - Deep Partial-Thickness (2nd Degree)
  - Full Thickness (3rd Degree)
  - Fourth Degree

- Debridement
  - Surgical or enzymatic debridement

- Evaluation
  - Post debridement evaluation

- Treatment/Healing
  - Spontaneous healing
  - Skin grafting (if necessary)
  - Skin grafting (permanent skin coverage)
Early Eschar Removal is a Critical 1st Step in Burn Treatment

Eschar Removal

Before...

- Eschar

...After

- Dermis
- Subcutaneous Fat

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

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 eschar removal agent for severe burns
NexoBrid

Approved in EU & other OUS markets

Orphan biologic designation in the U.S.

Pivotal U.S. Phase 3 clinical study met primary and all secondary endpoints

BLA accepted for filing by the FDA, with a PDUFA goal date of June 29, 2021

Orphan and biologic exclusivities in the U.S.; patent protection until 2029

BARDA funding supports U.S. development, expanded access and medical countermeasure procurement

Effectively and selectively removes nonviable burn tissue (eschar) in patients with deep partial- and full-thickness burns

- Bromelain-based biological product containing a sterile mixture of proteolytic enzymes
- Easy-to-use, single, non-surgical topical application at the patient’s bedside
- Four-hour treatment enables 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

NexoBrid is an investigational product in the U.S. and is not approved for commercial use or sale in the U.S. at this time.
**Epicel Overview**

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

![Mortality Rate by TBSA Decile](chart)

- Mortality Rate (%)
- Percent TBSA Burned

<table>
<thead>
<tr>
<th>TBSA Decile</th>
<th>Epicel, N=937</th>
<th>National Burn Repository N=177,498</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1 - 9.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 - 19.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 - 29.9</td>
<td></td>
<td></td>
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<tr>
<td>30 - 39.9</td>
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</tr>
<tr>
<td>40 - 49.9</td>
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<tr>
<td>50 - 59.9</td>
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<td></td>
</tr>
<tr>
<td>60 - 69.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>70 - 79.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80 - 89.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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](https://doi.org/10.1093/jbcr/iry061).

\(^1\) American Burn Association, National Burn Repository 2016, Version 12.
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

**NexoBrid**

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

**Epicel**

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

NexoBrid significantly expands the total addressable market opportunity for Vericel’s burn franchise.

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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.
Vericel is Positioned For Long-Term Success

- **Innovative portfolio with significant barriers to entry**
- **Sustainable top-tier revenue growth**
- **Robust profitability profile**
- **Strong Balance Sheet**

2014
- Acquisition of Sanofi’s Cell Therapy & Regenerative Medicine Business

2015
- MACI launched

2016
- MACI approved
- Epicel pediatric label expansion

2017
- 30% revenue growth
- Positive operating cash flow and adjusted net income*

2018
- 45% revenue growth
- 1st profitable quarter
- Positive adjusted EBITDA

2019
- Planned NexoBrid launch
- Long-term revenue growth
- Marginal revenue contribution of ~80% to gross profit and ~50% to non-GAAP adjusted EBITDA

2020
- Completed MACI sales force expansion
- NexoBrid BLA accepted for review
- First NexoBrid BARDA revenue
- Full-year 2020 revenue growth despite impact of COVID-19

2021+
- Full-year 2020 revenue growth despite impact of COVID-19
- Planned NexoBrid launch

*Excluding $17.5 million NexoBrid license payment.
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.
Vericel is a leader in advanced therapies for the sports medicine and severe burn care markets.
## Balance Sheet and Capital Structure

### Balance Sheet Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Cash Equivalents and Investments</td>
<td>~$110 million</td>
</tr>
<tr>
<td>Debt</td>
<td>$0</td>
</tr>
</tbody>
</table>

### Capitalization (as of March 31, 2021)

<table>
<thead>
<tr>
<th>Category</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>46,225,099</td>
</tr>
<tr>
<td>Options Outstanding</td>
<td>6,182,850</td>
</tr>
<tr>
<td>Unvested Restricted Stock Units</td>
<td>405,674</td>
</tr>
<tr>
<td><strong>Fully Diluted Shares Outstanding</strong></td>
<td><strong>52,813,623</strong></td>
</tr>
</tbody>
</table>