VERICEL
Q4 2020 RESULTS

FEBRUARY 24, 2021

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," "believe," "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.

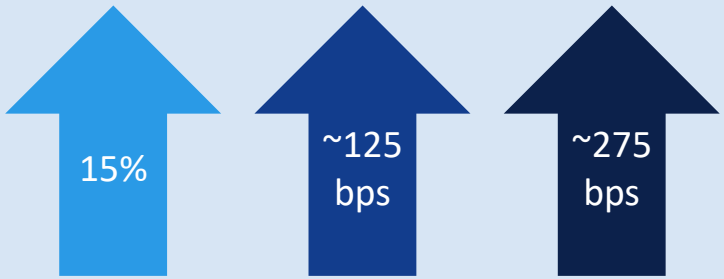
Among the factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to uncertainties associated with our expectations regarding future revenues, growth in revenues, market penetration for MACI® and Epicel®, growth 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 outbreak on our business, financial and operating results. We are also unable to predict how the outbreak will affect the pace with which state and local governments lift restrictions on the performance of elective surgical procedures or whether additional such restrictions may be imposed by states in the future, the availability of physicians and/or their treatment prioritizations, the willingness or ability of patients to seek treatment or 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, 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.

Record Quarter Across Several Financial and Commercial Measures

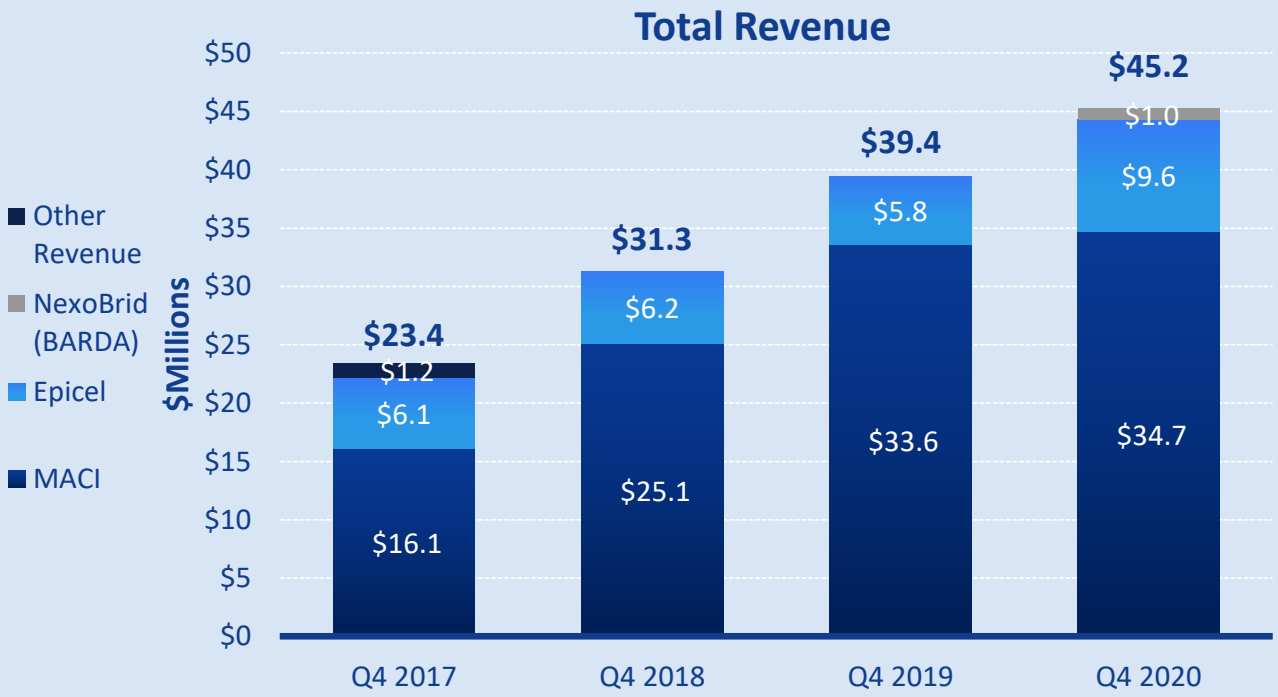
Q4 2020 Financial Performance vs. Q4 2019



Q4 and Full-Year 2020 Business Highlights

- Record quarterly revenue, gross margin, net income, adjusted EBITDA and operating cash flow
- Record quarterly and full-year MACI implants and revenue
- Record fourth quarter and 2nd highest quarterly Epicel grafts and revenue in history
- Received MACI biopsies from ~1,500 surgeons in 2020, up from ~1,400 in 2019
- Record quarterly high in the number of surgeons taking MACI biopsies
- Double-digit MACI biopsy growth in Q4, achieving a record quarterly high and record monthly high in December

Fourth-Quarter 2020 Revenue Details



Total revenue growth of 15%, with record quarterly revenue for both MACI and Epicel

Fourth-Quarter 2020 Financial Results

Unaudited, amounts in thousands except per share amounts	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
Net Revenue	$ 45,229	$ 39,390	$ 124,179	$ 117,850
Gross Profit	33,647	28,805	84,228	80,279
Gross Margin	*74%*	*73%*	*68%*	*68%*
Research and Development	3,118	3,217	13,020	30,391
Selling, General and Administrative	18,240	16,378	68,836	61,139
Total Operating Expenses	21,358	19,595	81,856	91,530
Operating Income (Loss)	12,289	9,210	2,372	(11,251)
Net Income (Loss) Per Share (Diluted)	$ 0.25	$ 0.20	$ 0.06	$ (0.22)
Weighted average number of common shares outstanding (Diluted)	48,101	46,803	47,282	44,180
Adjusted EBITDA	$ 16,042	$ 12,838	$ 18,585	$ 21,152
Adjusted EBITDA Margin	*35%*	*33%*	*15%*	*18%*

- Q4 and full-year 2020 Operating Cash Flow of $11.3 million and $17.6 million, respectively
- Ended 2020 with $100 million in cash and investments, up from $79 million as of 12/31/2019, and no debt

2021 Financial Guidance

Total net revenue growth of **30%-32%** to **~$161-$164 million**

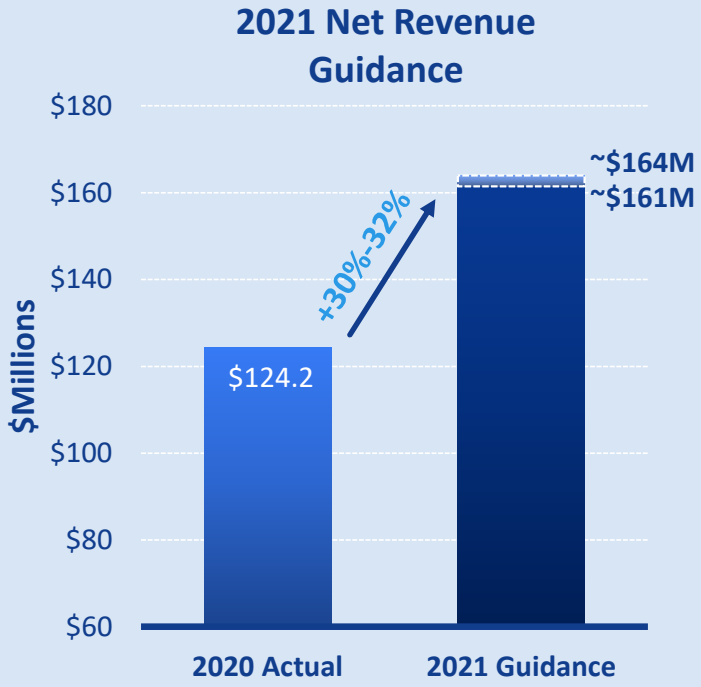
- MACI revenue growth in the low- to mid-30% range
- Epicel revenue growth in the mid-teens %
- Includes $3.8 million of anticipated revenue related to BARDA procurement of NexoBrid

Quarterly Seasonality

- MACI quarterly revenue expected to follow 2019 seasonality

Gross margin expected to be **70% - 71%**

Adjusted EBITDA margin expected to be **21% - 23%**



VERICEL Q4 2020 FINANCIAL RESULTS

APPENDIX

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Reconciliation of Reported GAAP Net Income (Loss) to Adjusted EBITDA (Non-GAAP Measure) – Unaudited

Quarterly Adjusted EBITDA	Three Months Ended December 31, 2020	2019
Net Income (GAAP)	**$12,220**	**$9,501**
Stock compensation expense	3,024	3,083
Depreciation and amortization	734	573
Net interest expense (income)	(116)	(319)
Income tax expense	180	-
Adjusted EBITDA (Non-GAAP) (unaudited)	**$16,042**	**$12,838**

Year-to-Date Adjusted EBITDA	Twelve Months Ended December 31, 2020	2019
Net Loss (GAAP)	**$2,864**	**($9,665)**
Non-recurring license agreement purchase	-0-	17,500
Stock compensation expense	13,843	13,179
Depreciation and amortization	2,383	1,744
Net interest expense (income)	(685)	(1,606)
Income tax expense	180	-
Adjusted EBITDA (Non-GAAP) (unaudited)	**$18,585**	**$21,152**

Vericel Capitalization Table

Capitalization (as of December 31, 2020)	Shares
Common Stock	45,803,462
Options Outstanding	5,236,044
Unvested Restricted Stock Units	270,639
Fully Diluted Shares Outstanding	**51,310,145**