



VERICEL

Q2 2023 RESULTS

AUGUST 2, 2023

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,” “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

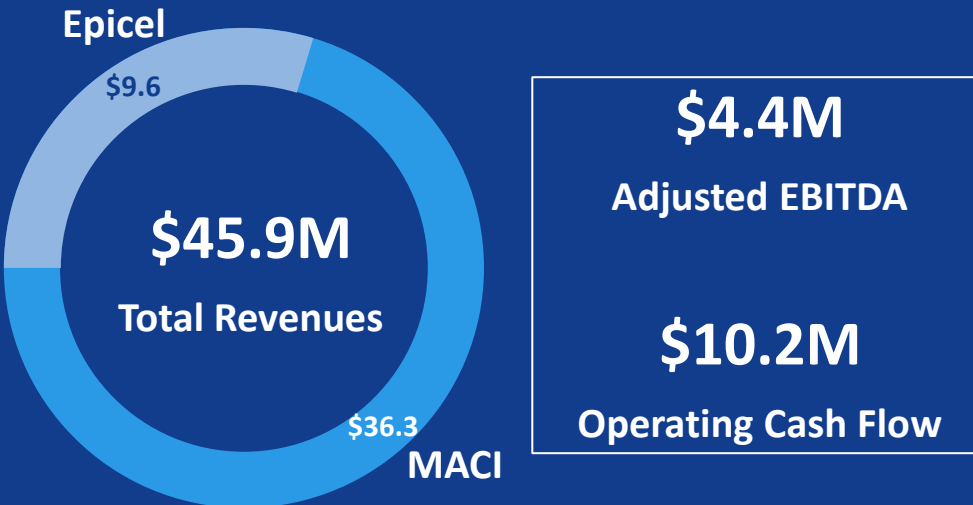
revenue, growth in revenue, market penetration for MACI[®], Epicel[®], and NexoBrid[®], growth in profit, gross margins and operating margins, the ability to continue to scale our manufacturing operations to meet the demand for our cell therapy products, including the timely completion of a new headquarters 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, the ultimate timing of the commercial launch of NexoBrid in the United States, 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, negative impacts on the global economy and capital markets resulting from the conflict in Ukraine, global geopolitical tensions or record inflation

and potential future impacts of the COVID-19 pandemic on our business or the economy generally.

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, Vericel’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, filed with the SEC on August 2, 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.

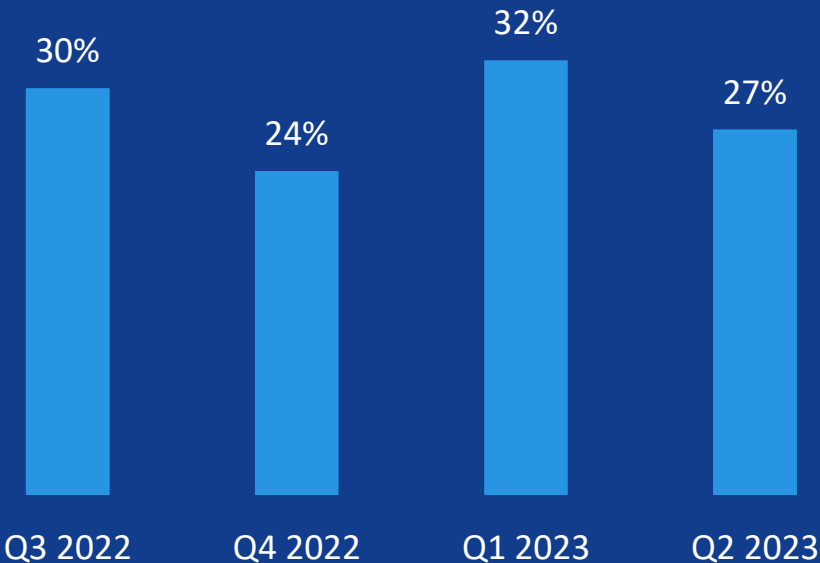
Q2 2023 Financial Highlights

Q2 Financial Highlights



Total revenue growth of 24% and 60% growth in adjusted EBITDA

Recent MACI Growth Rates



MACI trailing four-quarter growth of 28%

Key Brand and Business Updates

MACI

- ▶ Second-quarter revenue growth of 27%, representing the fourth straight quarter of 20%+ growth
- ▶ Revenue growth of 29% in the first half of 2023 versus the prior year
- ▶ Record number of surgeons taking MACI biopsies in a quarter and second highest number of MACI biopsies in a quarter
- ▶ Human factors validation study for MACI arthroscopic delivery program planned for Q3 and program remains on track for an anticipated 2024 commercial launch; market research confirms significant opportunity with high level of surgeon interest

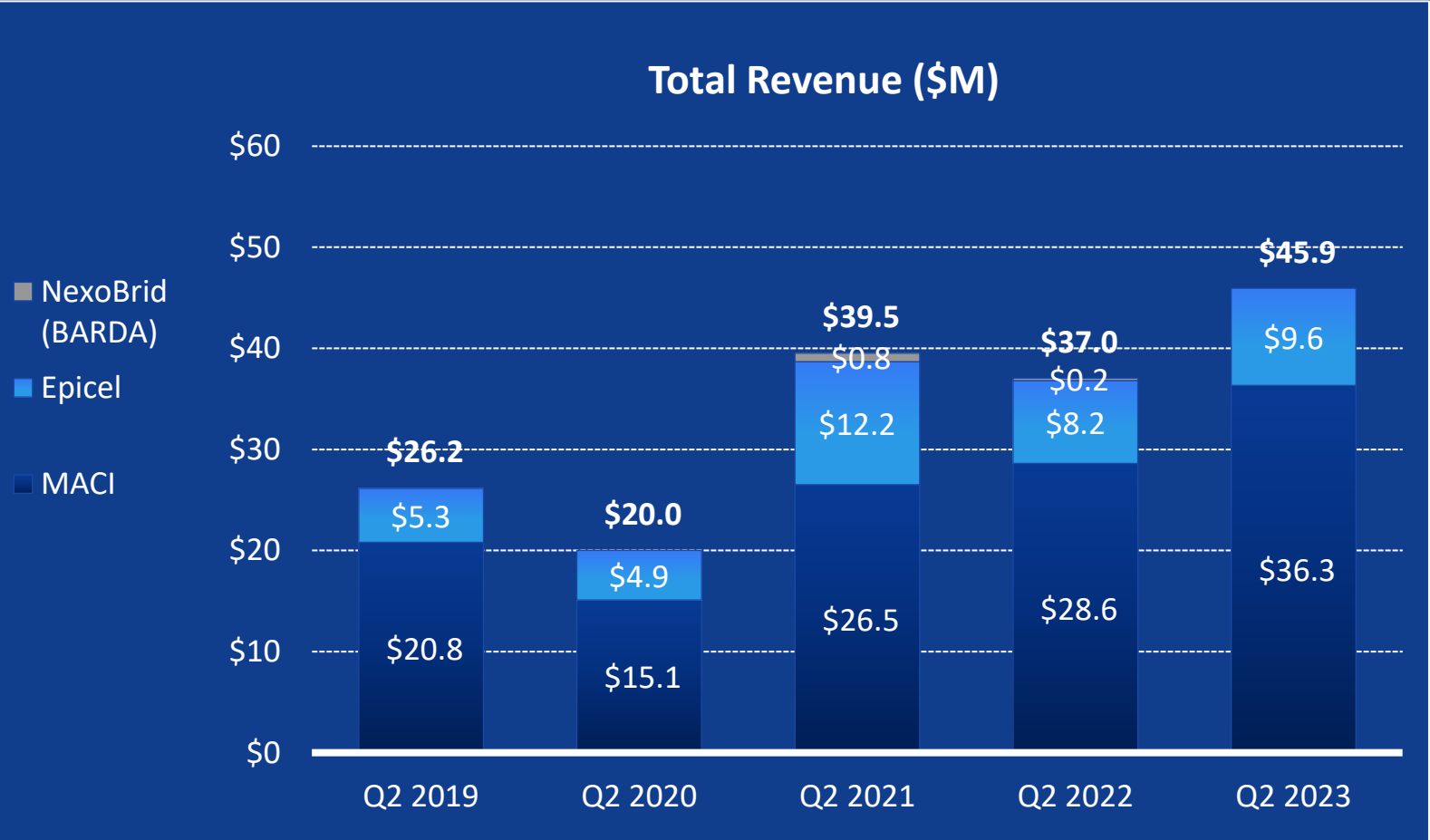
Burn Care

- ▶ Second quarter Epicel growth of 17% versus the prior year and 40% sequential growth versus the first quarter
- ▶ Strong attendance at NexoBrid educational sessions and product demonstrations at the American Burn Association (ABA) annual meeting

Corporate Highlights

- ▶ Record second quarter total revenue of \$45.9 million, with 24% growth versus the prior year
- ▶ 12th straight quarter of positive adjusted EBITDA and operating cash flow
- ▶ Adjusted EBITDA growth of 60% in the second quarter versus the prior year
- ▶ Executed long-term extension of supply agreement with Matricel GmbH for the MACI ACI-Maix collagen membrane

Q2 Revenue Details



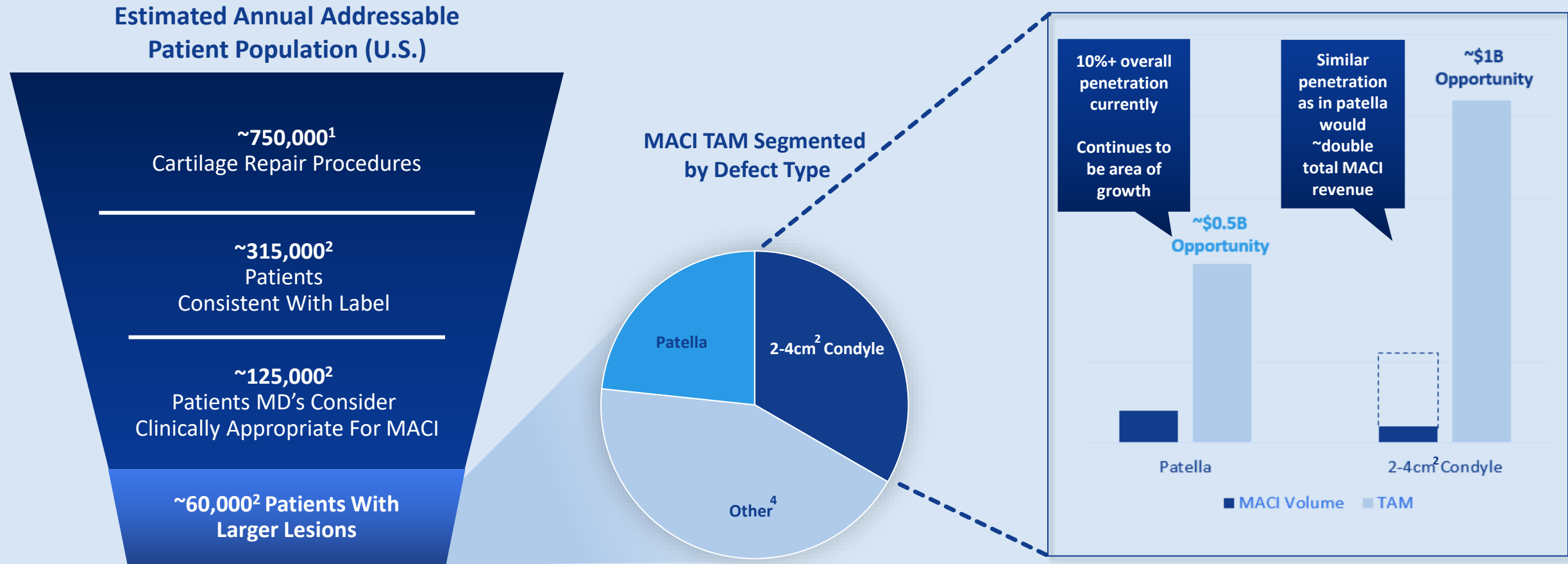
MACI Second Quarter Net Revenue Increased 27% to \$36.3 Million

Second-Quarter 2023 Financial Results

Unaudited, amounts in millions except per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net Revenue	\$45.9	\$37.0	\$86.9	\$73.1
Gross Profit	29.9	22.9	56.5	46.3
Gross Margin	65%	62%	65%	63%
Research and Development	5.3	4.8	10.5	9.7
Selling, General and Administrative	<u>30.6</u>	<u>27.1</u>	<u>60.1</u>	<u>53.0</u>
Total Operating Expenses	35.9	31.9	70.6	62.7
Operating Income (Loss)	<u>-6.0</u>	<u>-9.1</u>	<u>-14.1</u>	<u>-16.4</u>
Net Income (Loss) Per Share (Diluted)	(\$0.11)	(\$0.19)	(\$0.26)	(\$0.34)
Weighted average shares outstanding (Diluted)	47.6	47.1	47.5	47.1
Adjusted EBITDA	4.4	2.8	6.1	6.0
Adjusted EBITDA Margin	10%	7%	7%	8%
Stock-based compensation included in Operating and Net Income (Loss)	8.8	10.8	17.5	20.3

- ▷ Q2 2023 Operating Cash Flow of \$10.2 million
- ▷ ~\$147 million in cash, restricted cash and investments as of June 30, 2023, and no debt

Arthroscopic MACI is Targeting Smaller Femoral Condyle Defects, Which Represents the Largest Portion of the Addressable Market



¹ Health Advances LLC MACI market assessment report (2018), Vericel data, LexisNexis, Medtech Insight, NY SASD, SmartTRAK, LSI, PSPS, McCormick, Frank et al. Arthroscopy, (2014) 30(2): 222-6, Montgomery, et al. Knee Surg Sports Traumatol Arthrosc (2014) 22: 2070.

² Health Advances LLC MACI market assessment report (2018).

³ Assumes MACI ASP of ~\$50,000+.

⁴ Includes defects on tibia, trochlea and other Condyle defects

Increasing 2023 Revenue Guidance

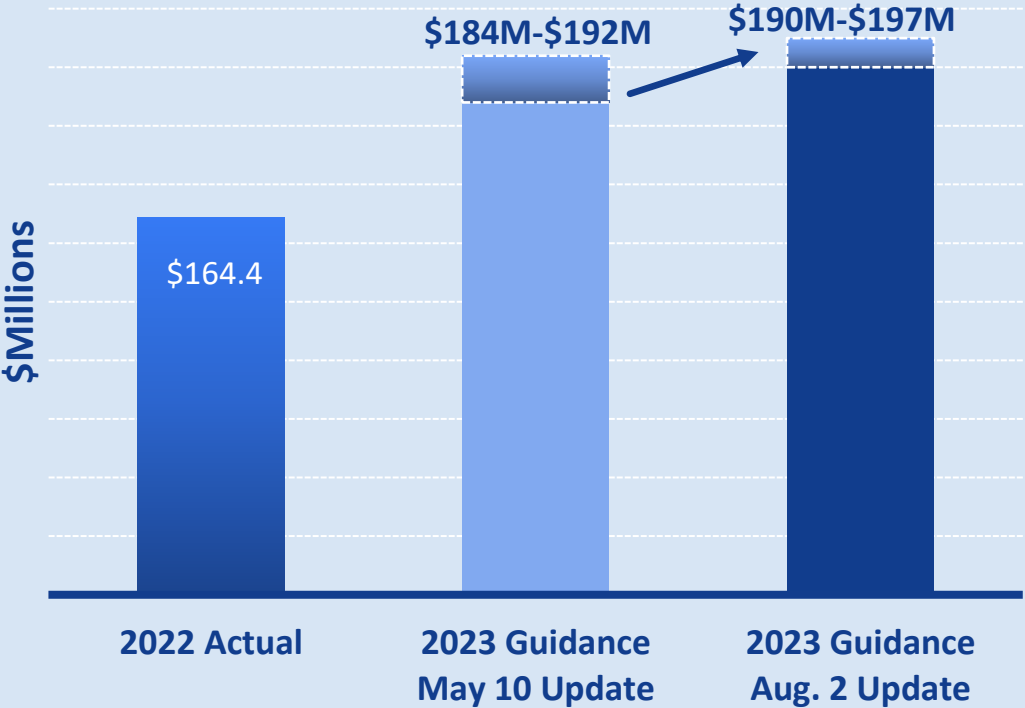
- ↑ Total net revenue of **\$190–\$197 million**
- ↑ ❖ MACI revenue of **\$159–\$163 million**
- ↑ ❖ Burn Care revenue of **\$31–\$34 million**

Gross margin in the **high-60% range**

Adjusted EBITDA margin in the **mid-teens % range**

↑ *Increased since previous guidance*

2023 Net Revenue Guidance



“You can change your lifestyle to accommodate your injury, or you can repair your injury to accommodate your lifestyle.”

6-9 months after MACI procedure



[Click here to watch the MACI Patient Journey Video](#)

VERICEL Q2 2023 FINANCIAL RESULTS

APPENDIX

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

Adjusted EBITDA (In Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net Loss (GAAP)	\$ (5,020)	\$ (8,963)	\$ (12,515)	\$ (16,054)
Stock-based compensation expense	8,761	10,808	17,492	20,339
Depreciation and amortization	1,171	1,055	2,329	1,928
Net interest income	(946)	(128)	(1,640)	(198)
Pre-occupancy lease expense	475	-	475	-
Adjusted EBITDA (Non-GAAP)	\$ 4,441	\$ 2,772	\$ 6,141	\$ 6,015

Vericel Capitalization Table

Capitalization (as of June 30, 2023)	Shares
Common Stock	47,616,012
Options Outstanding	6,875,976
Unvested Restricted Stock Units	938,703
Total	<u>55,430,691</u>