



# VERICEL

# Q4 2023 RESULTS

FEBRUARY 29, 2024

# 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

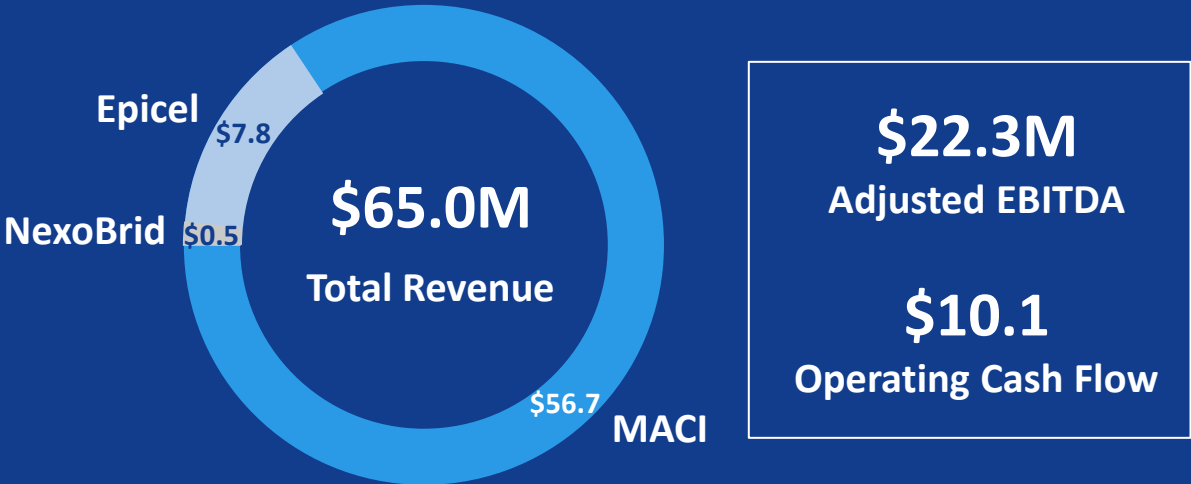
revenue, growth in revenue, market penetration for MACI<sup>®</sup>, Epicel<sup>®</sup>, and NexoBrid<sup>®</sup>, growth in profit, gross margins and operating margins, the ability to continue to scale our manufacturing operations to meet the demand for our cell therapy products, including the timely 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, 2023, filed with the Securities and Exchange Commission (SEC) on February 29, 2024, 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.

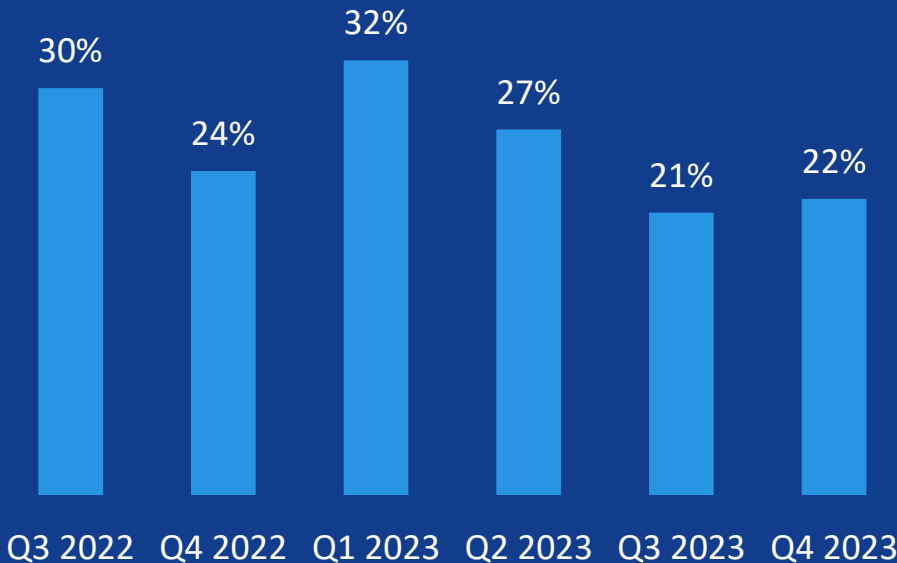
# Q4 2023 Financial Highlights

## Q4 Financial Highlights



Total revenue growth of 23% and 50% growth in adjusted EBITDA

## Recent MACI Growth Rates



Full-year 2023 MACI growth of 25%

# Key Brand and Business Updates

## MACI

- ▶ Highest number of MACI implants, implanting surgeons, surgeons taking biopsies and MACI biopsies in a quarter since launch
- ▶ MACI Arthro submission accepted for review by the FDA, with launch expected in the third quarter of 2024
- ▶ Prospective study published in the *American Journal of Sports Medicine* showed improved clinical scores, high levels of patient satisfaction, and clinical and MRI-based outcomes that were maintained out to 10 years
- ▶ Announced that MACI ankle clinical study is expected to initiate in 2025

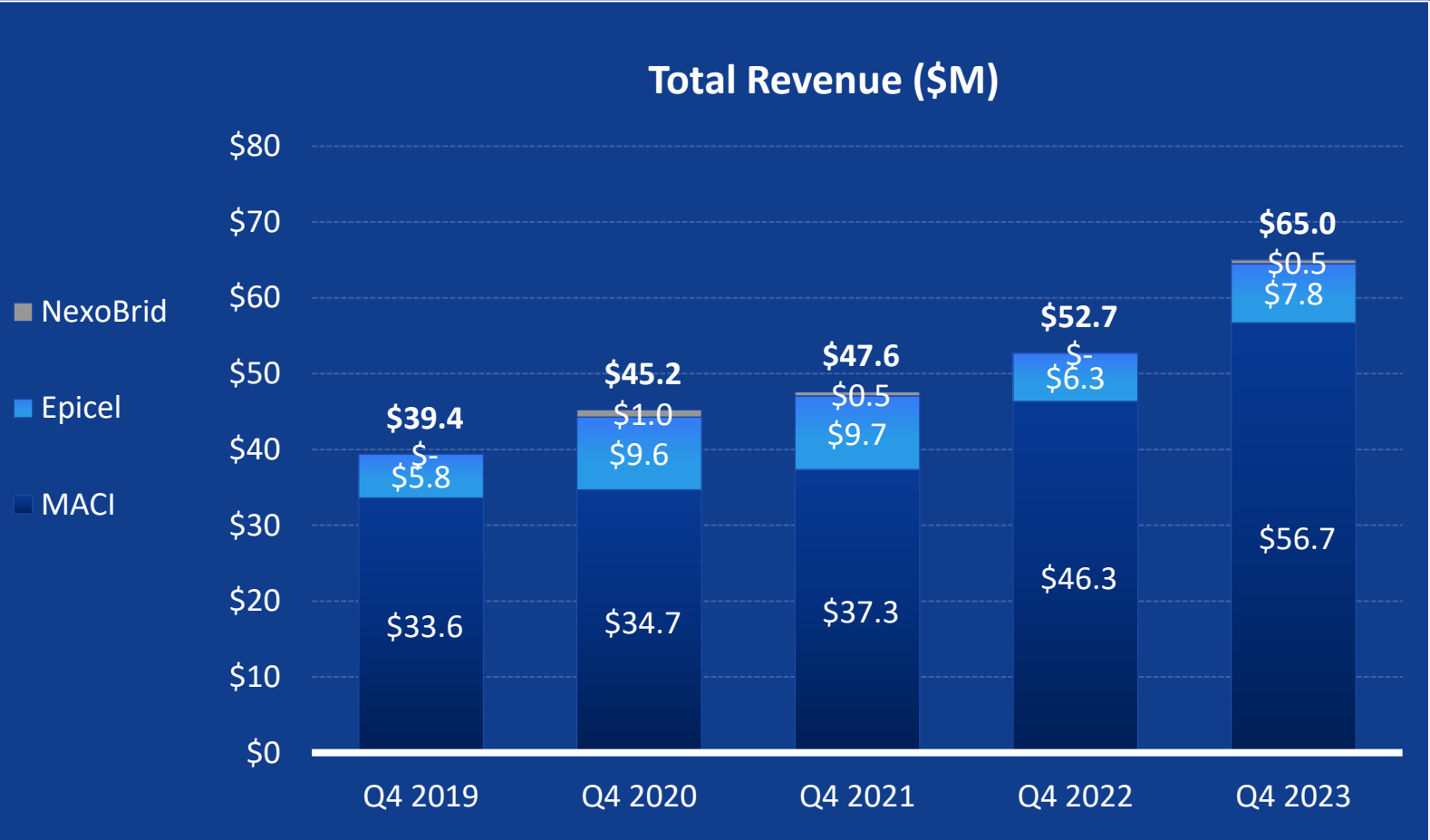
## Burn Care

- ▶ Highest number of Epicel biopsies in a quarter since 2021
- ▶ NexoBrid commercial launch in the U.S., with more than 50 burn centers submitting packages to Pharmacy and Therapeutics (P&T) committees and more than 25 burn centers with P&T committee approvals
- ▶ Supplemental BLA for NexoBrid pediatric indication accepted for review by the FDA

## Corporate Highlights

- ▶ Record fourth quarter total revenue of \$65.0 million increased 23% versus prior year
- ▶ Fourth quarter gross margin of 75%
- ▶ Fourth quarter adjusted EBITDA increased 50% to \$22.3 million, representing adjusted EBITDA margin of 34%
- ▶ Net income growth of 119% to \$13.0 million

# Q4 Revenue Details



Total revenue growth of 23% driven by both franchises, with MACI growth of 22% and Burn Care growth of 31%

# Fourth-Quarter and Full-Year 2023 Financial Results

Unaudited, amounts in millions except per share amounts	Three Months Ended December 31		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Net Revenue	\$65.0	\$52.7	\$197.5	\$164.4
Gross Profit	48.5	38.2	135.6	109.8
Gross Margin	75%	73%	69%	67%
Research and Development	4.9	5.2	21.0	19.9
Selling, General and Administrative	<u>30.9</u>	<u>26.9</u>	<u>121.0</u>	<u>106.9</u>
Total Operating Expenses	35.8	32.2	142.0	126.8
Operating Income (Loss)	<u>12.7</u>	<u>6.1</u>	<u>(6.5)</u>	<u>(17.1)</u>
Net Income (Loss) Per Share (Diluted)	\$0.26	\$0.12	(\$0.07)	(\$0.35)
Weighted average shares outstanding (Diluted)	50.5	49.2	47.6	47.1
Adjusted EBITDA	22.3	14.9	33.9	24.2
Adjusted EBITDA Margin	34%	28%	17%	15%
Stock-based compensation included in Operating and Net Income (Loss)	6.9	7.7	32.3	37.2

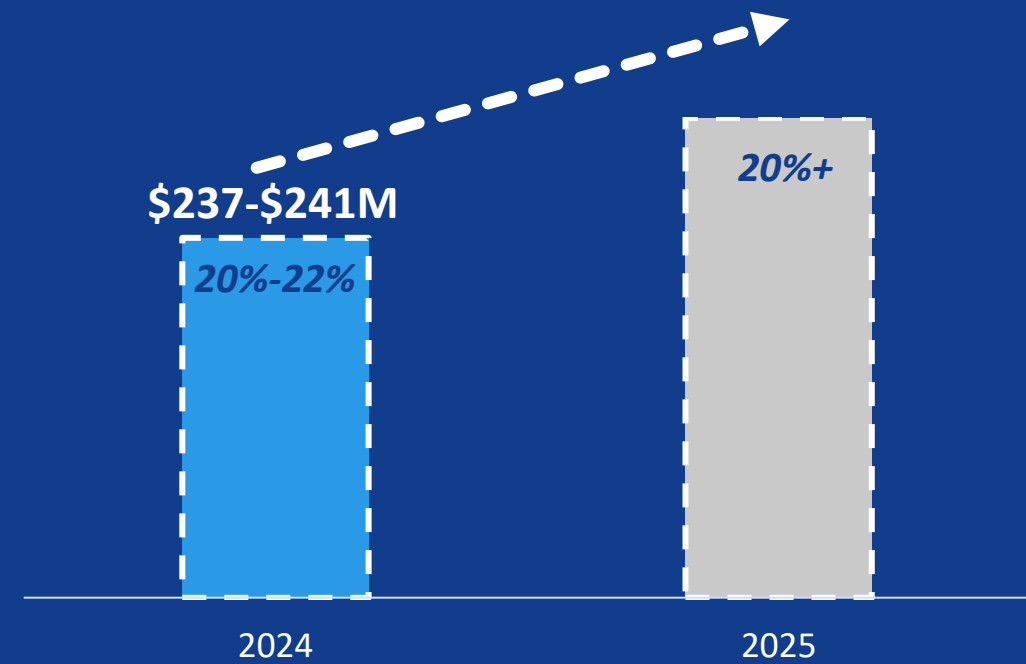
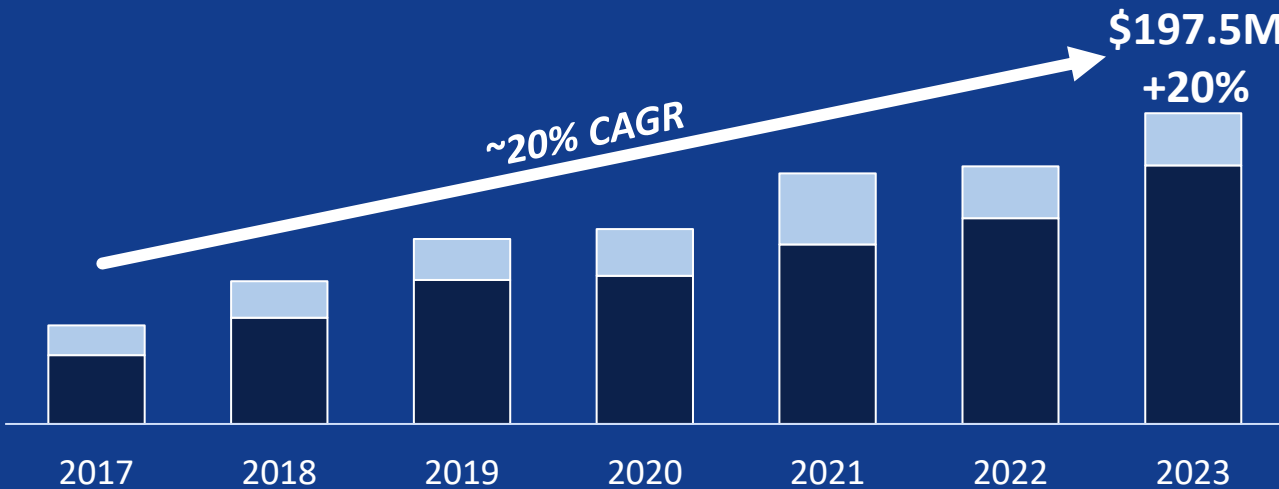
- ▷ Q4 2023 Operating Cash Flow of \$10.1 million
- ▷ \$152.6 million in cash, restricted cash and investments as of December 31, 2023, and no debt

# Core Portfolio Plus New Product Launches Expected to Drive Further Strong Revenue Growth in 2024 and Beyond



## Top-Tier Revenue Growth

□ Sports Med    ■ Burn Care



### Durable Growth Platform

- ❖ Significantly underpenetrated markets
- ❖ Limited competition with strong barriers to entry
- ❖ Strong reimbursement profiles

### With Additional Growth Drivers in 2024+

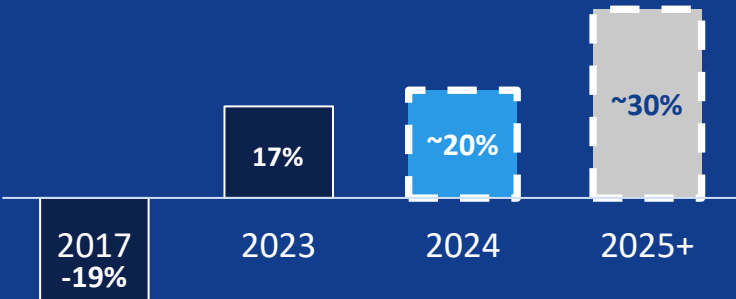
- ❖ First full year of NexoBrid revenue in 2024
- ❖ MACI Arthro launch in Q3 2024, with first full year of revenue in 2025

2024 and 2025+ estimates based on internal financial projections.

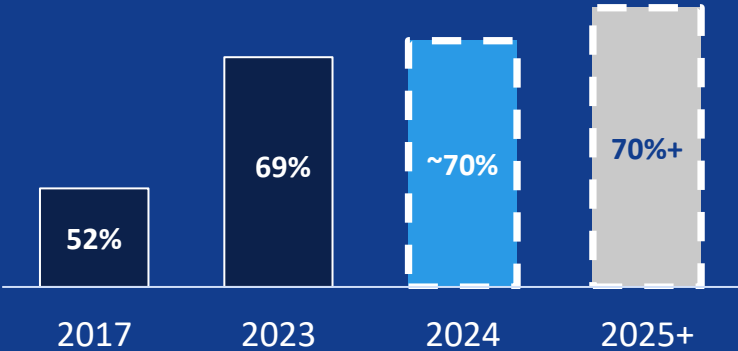
# Driving High Revenue Growth with a Top-Tier Profitability Profile

**20% Top Line Growth in 2023**  
Expect Continued 20%+ Growth in 2024+

**Adjusted EBITDA Margin %**



**Gross Margin %**



**40% Adjusted EBITDA Growth in 2023**  
Expect Strong Adjusted EBITDA Growth in 2024+

2024 and 2025+ estimates are based on internal financial projections.



# VERICEL Q4 2023 FINANCIAL RESULTS

APPENDIX

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

Adjusted EBITDA (In Thousands)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
<b>Net Income (Loss) (GAAP)</b>	\$ 12,993	\$ 5,922	\$ (3,182)	\$ (16,709)
Stock-based compensation expense	6,909	7,740	32,325	37,183
Depreciation and amortization	1,149	1,039	4,632	3,981
Net interest income	(1,280)	(540)	(4,032)	(975)
Income tax expense	1,100	700	814	721
Pre-occupancy lease expense	1,424	-	3,323	-
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 22,295	\$ 14,861	\$ 33,880	\$ 24,201

# Vericel Capitalization Table

Capitalization (as of December 31, 2023)	Shares
Common Stock	47,828,879
Options Outstanding	6,716,686
Unvested Restricted Stock Units	930,936
<b>Total</b>	<b><u>55,476,501</u></b>