VERICEL

VERICEL
Q3 2021 RESULTS

NOVEMBER 9, 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 revenue, growth in revenue, 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 of the resubmission to the Food & Drug Administration (FDA) of a Biologics License Application (BLA) for NexoBrid® seeking approval for the treatment of severe burns in the United States following MediWound's receipt of a complete response on June 28, 2021, timing or likelihood of approval by the FDA of the NexoBrid BLA resubmission, the estimate of the commercial growth potential of our products and product candidates, availability of funding from BARDA under its agreement with MediWound 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 predict whether the current spread of the COVID-19 "Delta" variant or a future resurgence of COVID-19 infections 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, cause healthcare facility staffing shortages, effect 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 NexoBrid, the COVID-19 pandemic may impact the FDA's response times to future 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 September 30, 2021, filed with the SEC on November 9, 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 presentation, except as required by law.

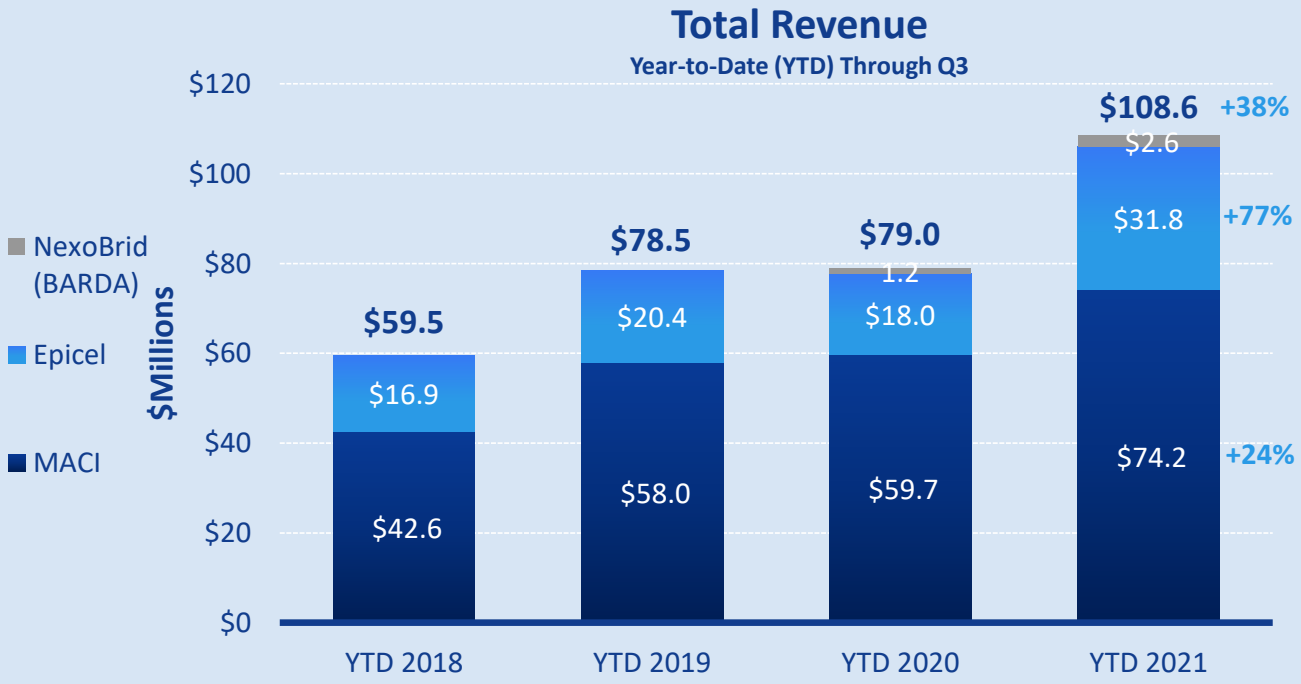
Strong Year-to-Date (YTD) Financial and Commercial Performance Through Q3 2021

YTD 2021 Financial Performance vs. 2020

Q3 2021 Business Highlights

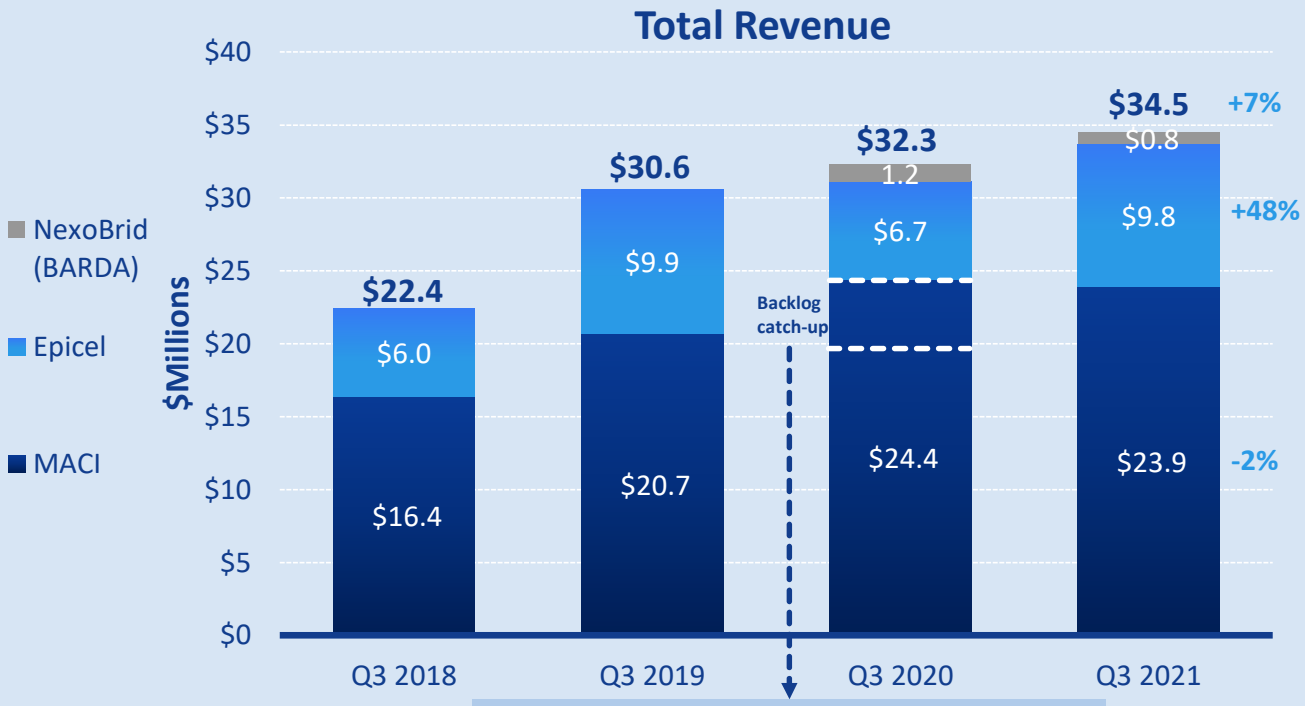
- Growth in surgeons taking MACI biopsies in 2021 on track to exceed 20% and growth in total MACI biopsies expected to exceed 30% compared to 2020
- Epicel revenue growth of 48% compared to Q3 2020 and the fourth straight quarter with Epicel revenue over $9 million
- Growth of over 30% in Epicel biopsies and treated patients through Q3 2021 compared to 2020
- Following a Type A meeting with the FDA, anticipate resubmission of the NexoBrid BLA in mid-2022
- Expanded executive leadership team, appointing Patrick Fowler as Sr. VP of Corporate Development and Strategy

Strong Year-to-Date Revenue Growth for MACI and Epicel in 2021



Total revenue growth of 38% through Q3 2021, with Epicel year-to-date revenue exceeding full-year 2020 revenue

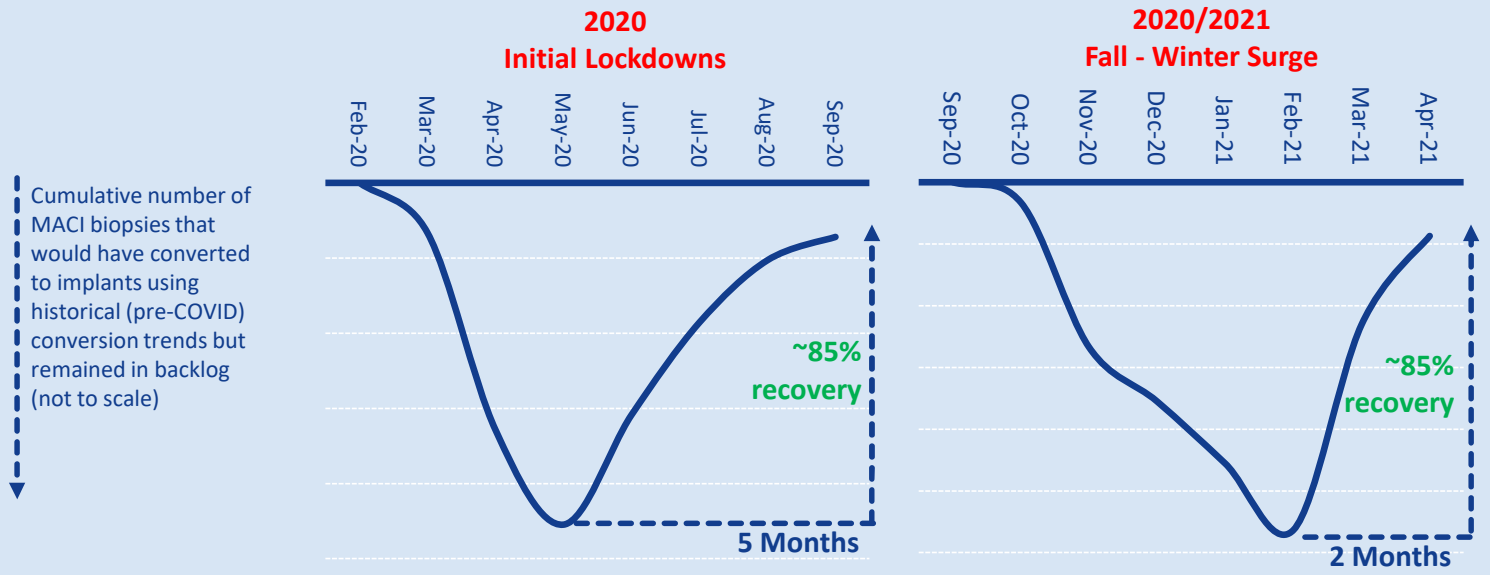
Third Quarter 2021 Revenue Details



Q3 2020 MACI revenue included an estimated ~$5M in revenue related to catch-up of cases that normally would have been scheduled in Q2 2020 absent COVID-19-related restrictions; adjusting 2020 for estimated catch-up would imply 20%+ growth in Q3 2021

Third quarter total revenue growth of 7% driven by Epicel growth of 48%

Expect to Recapture Significant Portion of Current MACI Backlog, Although the Timing Between 2021 and 2022 is Uncertain



Recovered ~ 80% of MACI biopsy backlog after prior COVID-19 surges

Third Quarter 2021 Financial Results

Unaudited, amounts in millions except per share amounts	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Net Revenue	$ 34.5	$ 32.3	$ 108.6	$ 79.0
Gross Profit	22.1	22.5	72.0	50.6
Gross Margin	*64%*	*70%*	*66%*	*64%*
Research and Development	4.3	2.9	12.4	9.9
Selling, General and Administrative	22.8	16.0	71.6	50.6
Total Operating Expenses	27.1	19.0	84.0	60.5
Operating Income (Loss)	(5.0)	3.5	(12.0)	(9.9)
Net Income (Loss) Per Share (Diluted)	$ (0.11)	$ 0.08	$ (0.26)	$ (0.21)
Weighted average number of common shares outstanding (Diluted)	46.7	47.3	46.4	45.1
Adjusted EBITDA	$ 4.3	$ 6.7	$ 16.7	$ 2.5
Adjusted EBITDA Margin	*12%*	*21%*	*15%*	*3%*

- Q3 2021 Operating Cash Flow of $3.6 million; YTD Operating Cash Flow of $18.5 million
- $119 million in cash and investments as of September 30, 2021, and no debt

Updating 2021 Guidance to Reflect Impact of COVID-19 and Expectation that Recovery of MACI Backlog is Pushed into 2022

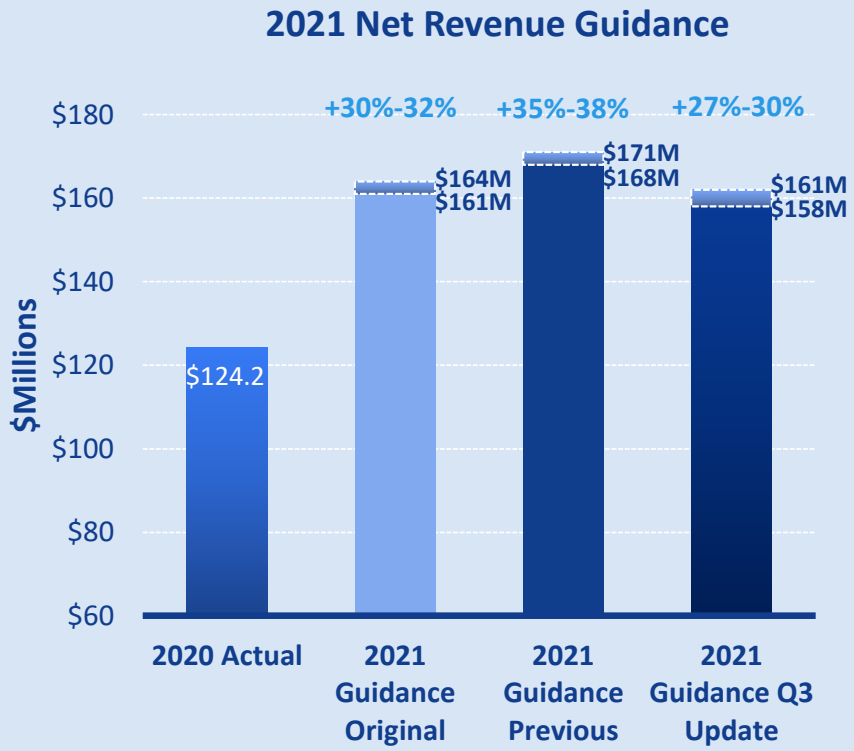
Total net revenue of **$158 - $161 million**

- MACI revenue growth in the low-20% range
- Epicel revenue growth in the low-50% range
- Includes ~$3.3 million of anticipated revenue related to BARDA procurement of NexoBrid

Operating expenses of ~**$114 million**

Gross margin expected to be ~**70%**

Adjusted EBITDA margin expected to ~**22%**



VERICEL Q3 2021 FINANCIAL RESULTS

APPENDIX

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

(unaudited, amounts in thousands)

Quarterly Adjusted EBITDA	Three Months Ended September 30, 2021	2020
Net Income (Loss) (GAAP)	**($4,931)**	**$3,618**
Stock-based compensation expense	8,596	2,675
Depreciation and amortization	679	570
Net interest expense (income)	(43)	(119)
Income tax expense	-0-	-0-
Adjusted EBITDA (Non-GAAP) (unaudited)	**$4,301**	**$6,744**

Quarterly Adjusted EBITDA	Nine Months Ended September 30, 2021	2020
Net Loss (GAAP)	**($12,006)**	**($9,356)**
Stock-based compensation expense	26,481	10,819
Depreciation and amortization	2,185	1,649
Net interest expense (income)	(160)	(569)
Income tax expense	215	-0-
Adjusted EBITDA (Non-GAAP) (unaudited)	**$16,715**	**$2,543**

Vericel Capitalization Table

Capitalization (as of September 30, 2021)	Shares
Common Stock	46,766,902
Options Outstanding	5,852,475
Unvested Restricted Stock Units	412,239
Fully Diluted Shares Outstanding	**53,031,616**