Advanced Therapies for the Sports Medicine & Severe Burn Care Markets

CORPORATE PRESENTATION

AUGUST 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,” “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 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 sufficient quantities of 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 the ongoing or 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.
Vericel is a Leader in Advanced Therapies for the Sports Medicine and Severe Burn Care Markets

Portfolio of Innovative Cell Therapies and Specialty Biologics with Significant Barriers to Entry

**SPORTS MEDICINE**

- **maci**
  - autologous cultured chondrocytes on porcine collagen membrane
  - The leading restorative cartilage repair product in the sports medicine market

**SEVERE BURNS**

- **Epicel** (cultured epidermal autografts)
  - The leading permanent skin replacement in the severe burn care field

- **NexoBrid** (anacaulase-bcdb)
  - Effective and selective enzymatic agent that removes eschar while preserving viable tissue

Focused on changing the standard of care for patients with cartilage damage and severe burns
Vericel is Well-Positioned to Deliver Sustained Long-Term Growth

1. **Strong Financial Profile**
   - Strong revenue growth
   - Positive adjusted EBITDA & Operating Cash Flow
   - ~$147M in Cash and Investments

2. **Maximizing MACI Growth Drivers**
   - High-growth cartilage repair franchise
   - Continued growth in MACI surgeons and biopsies

3. **Expanding Burn Care Franchise**
   - Approved 12/28/22
   - Potentially life-saving product with large market opportunity

4. **Advancing Pipeline**
   - MACI Arthroscopic study in 2023; projected launch in 2024
   - MACI Ankle program advancing based on feedback from pre-IND interactions with FDA

1 Includes restricted cash
Strong Track Record of Financial Results

Top-Tier Revenue Growth
- Sports Med
- Burn Care

Recent MACI Growth Rates
- Q3 2022: 30%
- Q4 2022: 24%
- Q1 2023: 32%
- Q2 2023: 27%

MACI trailing four-quarter growth of 28%

1 Includes restricted cash
Current Portfolio Plus New Product Launches Expected to Drive Strong Revenue and Profit Growth Over the Long Term

Expect to Maintain Strong Revenue Growth Trajectory

- 20% CAGR

Expect Continued Long-Term Margin Expansion

- Gross Margin 70%+
- Adjusted EBITDA 30%+

- Significantly underpenetrated markets (~$3B-$4B)
- Limited competition with strong barriers to entry
- Strong reimbursement profiles

- Substantial operating leverage across the business
- Increasing margins and operating cash flow
- Premium-value products with concentrated call points

1 Based on internal and estimated long-term financial projections.
Knee Cartilage Injuries Represent a Significant Unmet Medical Need

Cartilage defects are found in ~60% of knee arthroscopies¹
- Damage is caused by acute or repetitive trauma or degenerative conditions

Cartilage has limited capacity for intrinsic healing and repair
- Untreated cartilage defects may lead to debilitating joint pain, dysfunction, and osteoarthritis
- Defects can expand and new high-grade lesions can form over time

Harris Poll found that 77% of knee pain sufferers can no longer participate in at least one activity they previously enjoyed because of knee pain²

² Data collected from a 2019 Harris Poll survey of 1,002 U.S. adults with knee pain 3 or more days a week that had lasted 2 months or more.
Large Addressable Knee 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

$3$ Billion Addressable Market in the U.S.$^3$

Annual Cartilage Repair Revenue

- • Mid teens % biopsy penetration
- • Mid single-digit % implant penetration

$\text{Millions}$

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<td>$44</td>
<td>$68</td>
<td>$92</td>
<td>$95</td>
<td>$112</td>
<td>$132</td>
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</tbody>
</table>

2 Assumes MACI ASP of ~$50,000+...
MACI is the Leading Restorative Cartilage Repair Product on the Market

- **Biopsy Taken**
- **Defect Debrided**
- **Chondrocytes Extracted, Expanded, & Loaded**
- **Template Created**
- **MACI Delivered**
- **MACI Implanted**
MACI Product Attributes Driving Strong Growth Since Launch

**Broad Label with Strong Clinical Data**

- **SUMMIT Clinical Study Results – Superiority of MACI Implant Versus Microfracture Treatment**
  - **The property of patellar resurfacing treatment was significantly superior with MACI compared to arthroscopic arthroplasty.**

**Shorter Rehab Protocols**

- **ACHIEVE ROUTINE**
- **BUILD STRENGTH**
- **BE ACTIVE**

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

**Simpler, Less Invasive Procedure**

- **CartiCel**
  - Technically exacting procedure
  - Required arthroscopy, peristeal patch harvest and sutures
  - Extended surgical time

- **MACI**
  - Simpler, less invasive ACL procedure
  - Eliminates peristeal harvest and sutures
  - Significant reduction in surgical time
  - Uniform distribution of cells
  - Improved post-operative course

**Strong Reimbursement Profile**

- **MACI Insurance Approval Rates**
  - 89% of all MACI surgeries were approved by the insurer on initial submission
  - 5% Approved on appeal
  - 5% Not approved
  - 1% Denied after appeal

**HIGHLIGHTS OF PRESCRIBING INFORMATION**

- **Three highlights do not include all the information needed to use MACI.**
- **MACI** is an autologous cultured chondrocyte product indicated for the repair of symptomatic, single or multiple full-thickness cartilage defects of the knee with or without bone involvement in adults. (1)
- **Limitations of Use**
Key MACI Growth Drivers for Continued Long-Term Market Penetration

- **~2,000 Surgeons Taking Biopsies in 2022**
  - Expected to remain a strong growth driver in 2023

- **~20% CAGR Biopsy Growth Since MACI Launch**
  - Expected to remain a growth driver, with above-market growth in 2023 and over time

- **30%+ Biopsy Conversion Rate**
  - Expected to maintain current levels in 2023 and increase to historical levels+ over time
# Building a Robust and Innovative Pipeline Through Lifecycle Management and Business Development

## Key Highlights

### MACI Arthroscopic Delivery
- **Human factors study in Q3 2023, with commercial launch expected in 2024**

### MACI Ankle Indication
- **Program advancing based on feedback from pre-IND interactions with FDA**

### NexoBrid
- **Approved for use in adults on December 28, 2022**

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<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>INDICATION/STUDY</th>
<th>IN DEVELOPMENT</th>
<th>PHASE I</th>
<th>PHASE II</th>
<th>PHASE III</th>
<th>REGISTRATION</th>
<th>APPROVAL</th>
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<td><strong>MACI</strong></td>
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<td>Commercialized</td>
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<td>Pediatric (PEAK) Study – Knee</td>
<td>Currently Enrolling</td>
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<td></td>
<td>Arthroscopic Delivery – Knee</td>
<td>Study Pending³</td>
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<tr>
<td></td>
<td>Treatment of Cartilage Defects – Ankle</td>
<td>Study Pending⁴</td>
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<td><strong>Episel</strong></td>
<td>Treatment of Large Deep Dermal and Full-Thickness Burns</td>
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<td><strong>NexoBrid</strong></td>
<td>Burn Eschar Removal in Adults</td>
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<td></td>
<td>Pediatric (CIDS) Study</td>
<td>Enrollment Complete</td>
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<td>Treatment of Acute Deep Partial and Full Thickness Burn Injuries (NEXT) Study</td>
<td>Expanded Access</td>
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<td></td>
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</tbody>
</table>

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³ Study design pending feedback from FDA discussions.
⁴ Study design pending feedback from FDA discussions.
Arthroscopic MACI is targeting smaller femoral condyle defects, which represents the largest portion of the addressable market.

Estimated Annual Addressable Patient Population (U.S.)

- \( \sim 750,000 \)¹ Cartilage repair procedures
- \( \sim 315,000 \)² Patients consistent with label
- \( \sim 125,000 \)² Patients MD’s consider clinically appropriate for MACI
- \( \sim 60,000 \)² Patients with larger lesions

MACI TAM segmented by defect type:

- Patella
- 2-4 cm² condyle
- Other

10%+ overall penetration currently continues to be an area of growth.

- Similar penetration as in patella would ~double total MACI revenue, reaching \( \sim 0.5B \) opportunity.

- \( \sim 1B \) opportunity

3 Assumes MACI ASP of \( \sim 50,000 \).
4 Includes defects on tibia, trochlea and other condyle defects.
Overview of MACI Arthroscopic Delivery Development Program

Novel instruments designed and developed to facilitate arthroscopic delivery

Human Factors Validation Study to be initiated in 2023

Planned Launch in 2024

The arthroscopic delivery of MACI is under development and neither such use, nor the sale of the MACI instruments, has been approved in the United States.
Click here to view an animation of the MACI arthroscopic delivery surgical technique.
Arthroscopic MACI Provides Potential Opportunity for Additional Growth

High Surgeon Interest in MACI Arthro

~90% % of target surgeons expressed interest in arthro MACI option\(^1\)

Potential for Increased MACI Volume

~90% % of current MACI users would expect to increase MACI volume\(^1\)

Arthroscopic MACI instruments designed to treat the most common defects in the MACI TAM (2-4 cm\(^2\) defects on the femoral condyles)

\(^1\)Based on Health Advances, LLC MACI market assessment report (2018).
MACI for the treatment of cartilage defects in the ankle represents a $1 billion market opportunity.

1. SmartTrak Cartilage Repair Procedures; resurfacing includes microfracture, OATs, OCA, etc. and does not include chondroplasty/debridement only.
3. Assumes MACI ASP of $50,000+. The implantation of MACI is currently approved to be performed via an arthrotomy to the knee joint. The use of MACI in the ankle joint is under development and such use has not been approved in the United States.
Potential MACI Ankle Indication Would Increase MACI Total Addressable Market to $4 Billion

### Current MACI Knee Annual U.S. TAM (est.)

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<tr>
<th>Category</th>
<th>TAM (est.)</th>
<th>Notes</th>
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<tr>
<td>Cartilage Repair Procedures</td>
<td>~750,000</td>
<td>Assumes MACI ASP of $50,000+</td>
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<tr>
<td>Patients Consistent With Label</td>
<td>~315,000</td>
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<tr>
<td>Patients MD’s Consider Clinically Appropriate For MACI</td>
<td>~125,000</td>
<td></td>
</tr>
<tr>
<td>Patients With Larger Lesions</td>
<td>~60,000</td>
<td></td>
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### MACI Ankle Annual U.S. TAM (est.)

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<tr>
<th>Category</th>
<th>TAM (est.)</th>
<th>Notes</th>
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<tr>
<td>Ankle Resurfacing Procedures</td>
<td>~165,000</td>
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<tr>
<td>Patients MD’s Consider Clinically Appropriate For MACI</td>
<td>~66,000</td>
<td></td>
</tr>
<tr>
<td>Larger Lesions</td>
<td>~18,000</td>
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</table>

### $4 Billion Addressable Market in the U.S.

$3 Billion Addressable Market in the U.S.

$1 Billion Addressable Market in the U.S.

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The implantation of MACI is currently approved to be performed via an arthrotomy to the knee joint. The use of MACI in the ankle joint is under development and such use has not been approved in the United States.
Burn Injury Size & Depth Determine Treatment Pathway

- **Full thickness burn injuries of any size & partial thickness burn injuries >10% total body surface area (TBSA) are most often transferred to specialized burn centers**

- **Full thickness & deep partial-thickness burns require eschar removal and grafting to achieve wound closure**
Burn Franchise Addressable Market Opportunity

Estimated U.S. Burn Patients⁠¹

500,000
Annual Burns (U.S.)

40,000
Hospitalized Patients

1,500
Epicel-Indicated (>30% TBSA) Patients

600 Surviving
>40% TBSA Patients

$300 Million
Addressable Market in the U.S.²,³

$300 Million
Addressable Market in the U.S.⁴

$600 Million
Addressable Market in the U.S.

NexoBrid approval significantly expands the total addressable market opportunity for Veracel’s Burn Care franchise

² ~90% of hospitalized patients with thermal burns; ~90% of eligible patients require eschar removal (management estimate).
³ Assumes NexoBrid average price of ~$9,000 per patient.
⁴ Assumes 600 patients x 120 grafts per patient x ~$4,000+ per graft.
Clear Unmet Need for an Effective and Selective Eschar Removal Agent that Preserves Viable Tissue

❖ Early Eschar Removal and Burn Assessment Are Critical to Patient Healing
  • Early eschar removal can reduce inflammation, stop burn progression, and reduce infections and sepsis\(^1,2\)
  • Timely assessment and treatment can support improved healing and reduced scarring, reduced need for surgery and/or grafting, and improved morbidity and mortality\(^3,4\)

❖ Surgical Eschar Removal Can Cause Loss of Healthy Tissue
  • Surgical eschar removal is non-selective and causes considerable pain, blood loss, and unnecessary excision of healthy tissue\(^5\)

❖ Current Non-Surgical Options Lack Efficacy
  • Current non-surgical options have limited efficacy, have not shown a statistically significant reduction in the need for surgical eschar removal, and require multiple dressing changes\(^6,7\)

NexoBrid

Indications and Usage:
Contains proteolytic enzymes and is indicated for eschar removal in adults with deep partial-thickness and/or full-thickness thermal burns.

NexoBrid can be applied to up to 20% body surface area in two applications.

Significant Advancement in Burn Treatment Paradigm

❖ Concentrated mixture of proteolytic enzymes derived from the stem of the pineapple plant (*Ananas comosus*)
❖ Non-surgical topical agent that may be applied at the patient’s bedside
❖ Selectively degrades eschar in four hours while preserving viable tissue

1 NexoBrid® Label. Cambridge, MA. Vericel Corporation; 2022.
NexoBrid Treatment Application

Clean Wound

Antibacterial Pre-Soak

NexoBrid Application

Film Dressing (4 Hours)

Remove Eschar

Images are for illustration and demonstration purposes only; patients will experience individualized results from the use of NexoBrid to treat severe thermal burns.
NexoBrid Treatment Results

Images are for illustration and demonstration purposes only; patients will experience individualized results from the use of NexoBrid to treat severe thermal burns.
Epicel

- Only FDA-approved permanent skin replacement for adult and pediatric patients with full-thickness burns ≥ 30% of total body surface area
- Important treatment option for severe burn patients where little skin is available for autografts

Comparison of Epicel Patient Database to National Burn Repository\textsuperscript{1} Data Demonstrates Lower Mortality Rate

![Mortality Rate by TBSA Decile](image)

\textbf{Mortality Rate by TBSA Decile}

Stratified CMH Chi-square $p < 0.0001$

Chi-square for all subgroups $≥40\%$ TBSA $p < 0.0001$

<table>
<thead>
<tr>
<th>Percent TBSA Burned</th>
<th>Mortality Rate (%)</th>
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<tbody>
<tr>
<td>0.1 - 9.9</td>
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<tr>
<td>10 - 19.9</td>
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<td>80 - 89.9</td>
<td>40</td>
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<tr>
<td>&gt;90</td>
<td>45</td>
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Epicel N=937
National Burn Repository N=177,498

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.

\textsuperscript{1} American Burn Association, National Burn Repository 2016, Version 12.
Vericel Remains Focused on Potential Strategic Transactions to Maximize Long-Term Value

**ADVANCED CELL THERAPY DEVELOPMENT & 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
Growth Strategy Leverages Near-Term & Long-Term Opportunities

**Strong Financial Profile**
- Continued strong revenue growth
- Positive adjusted EBITDA & Operating Cash Flow
- ~$147M in cash, investments and restricted cash

**Maximizing MACI Key Growth Drivers**
- 20%+ total revenue CAGR since 2017
- Focused on maximizing key growth drivers
- Large underpenetrated TAMs

**Advancing Pipeline**
- MACI arthroscopic study planned for 2023, launch expected in 2024
- MACI Ankle program advancing based on feedback from pre-IND interactions with FDA

**Expanding Burn Care Franchise**
- NexoBrid approved on December 28, 2022
- Launch activities underway