Advanced Therapies for the Sports Medicine & Severe Burn Care Markets

41ST ANNUAL J.P. MORGAN HEALTHCARE CONFERENCE

JANUARY 11, 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 may result in differences are the inherent uncertainties associated with our expectations concerning expected revenue results for the fourth quarter and full-year ended 2022, adjusted EBITDA, operating cash flow, and estimates of our cash and investments as of December 31, 2022. Vericel's revenue expectations for the fourth quarter and full-year ended 2022, as well as its estimates concerning adjusted EBITDA, operating cash flow, and cash and investments are preliminary, unaudited and are subject to change during ongoing internal control, review, and audit procedures. Additional 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 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, 2021, filed with the Securities and Exchange Commission (SEC) on February 24, 2022, Vericel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, filed with the SEC on November 9, 2022, 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
- $140 M in Cash and Investments

2 Maximizing MACI Growth Drivers

maci

- High-growth cartilage repair franchise
- Continued growth in MACI surgeons and biopsies

3 Advancing Pipeline

- MACI arthroscopic study in 2023; projected launch in 2024
- Pre-IND meeting for MACI Ankle planned for H1 2023

4 Expanding Burn Care Franchise

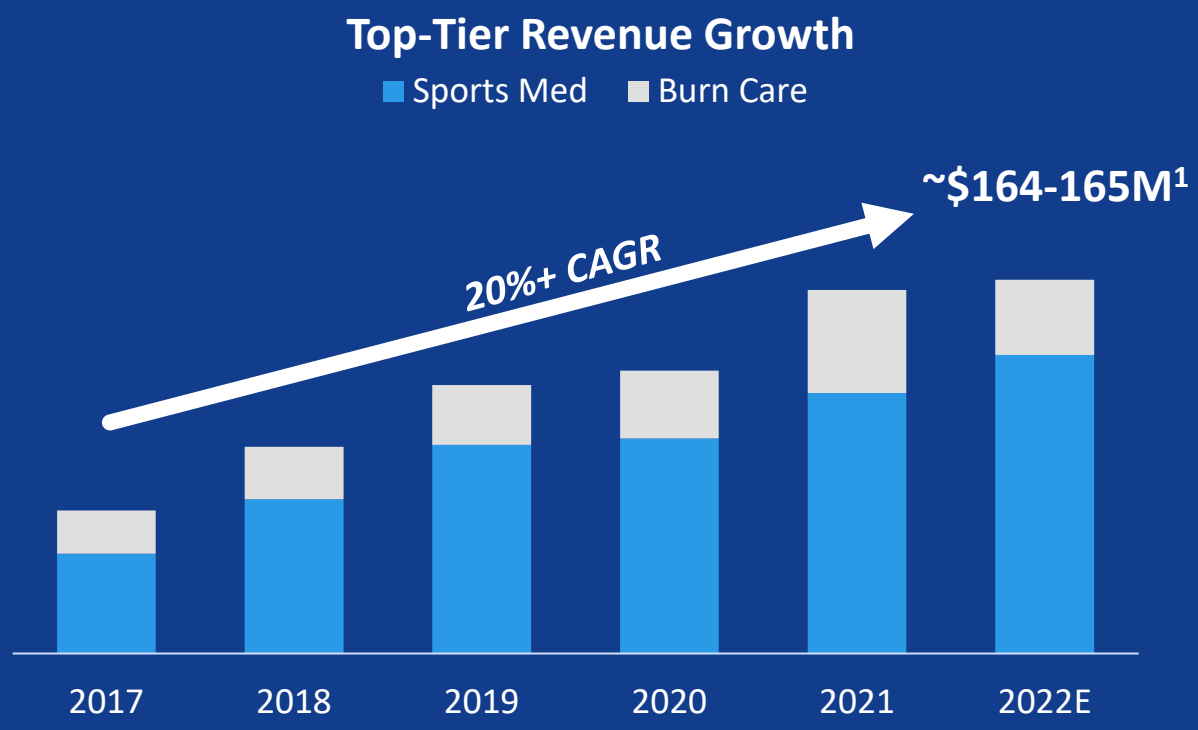
NexoBrid® (anacaulase-bcdb)

- **Approved 12/28/22**, commercial availability expected in Q2 2023

Epicel® (cultured epidermal autografts)

- Potentially life-saving product with large market opportunity

Strong Track Record of Financial Results



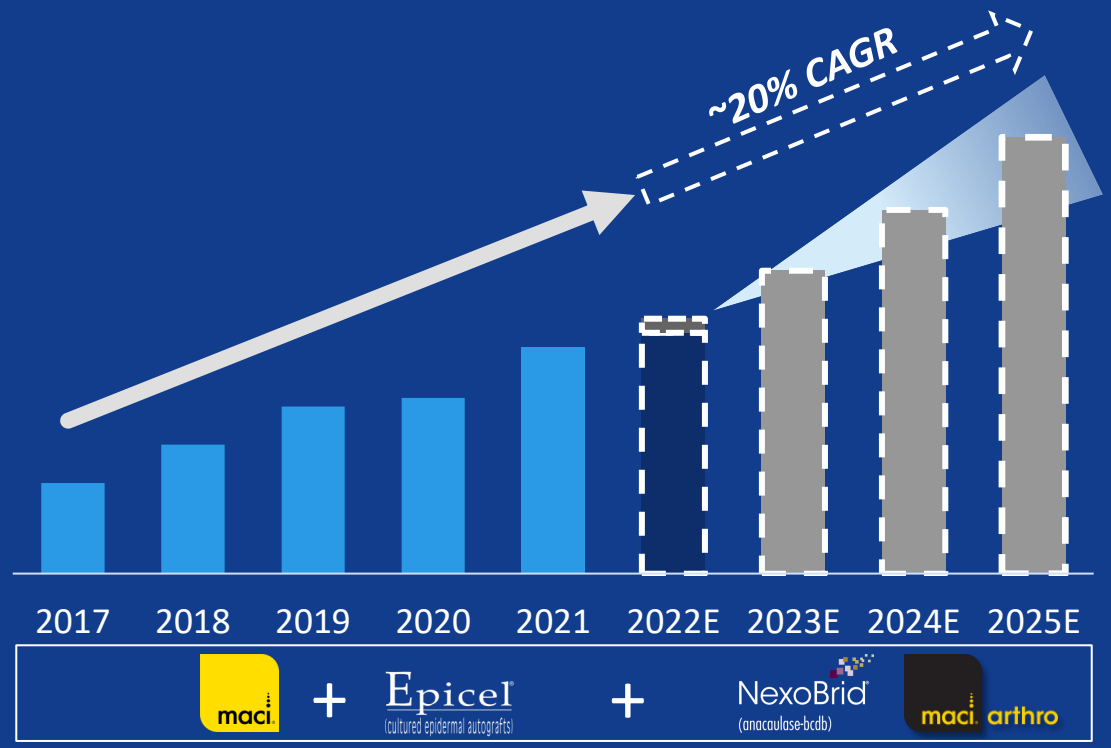
10 consecutive quarters with positive adjusted EBITDA & Operating Cash Flow[1]

$140M in cash & investments and no debt as of 12/31/2022[1]

[1] Full-year 2022 revenue, adjusted EBITDA and operating cash flow, and cash and investments balances are based on preliminary unaudited 2022 financial results and are subject to change.

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[1]



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

Expect Continued Long-Term Margin Expansion[1]

GROSS MARGIN	70%+
ADJUSTED EBITDA	30%+

- 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.

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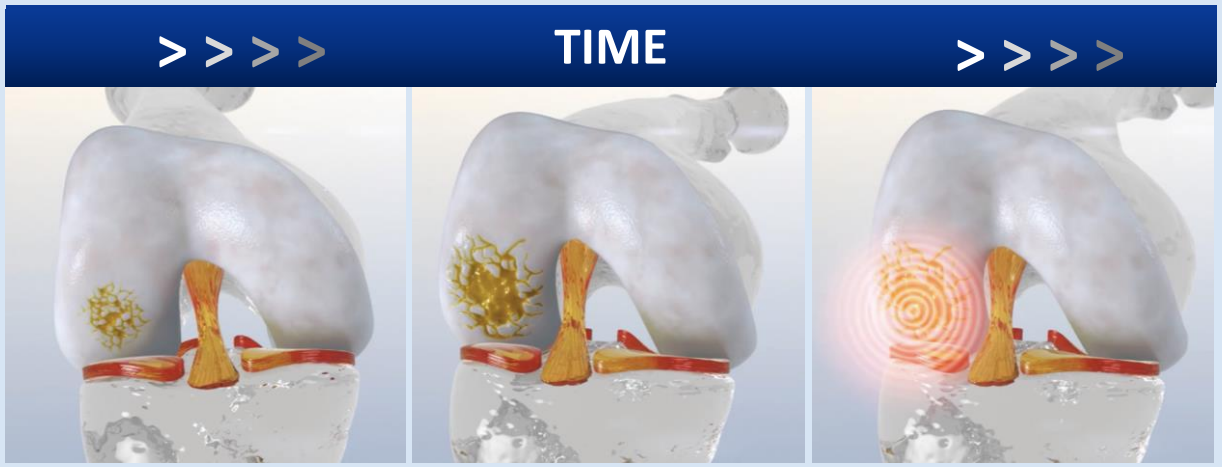
Knee Cartilage Injuries Represent a Significant Unmet Medical Need

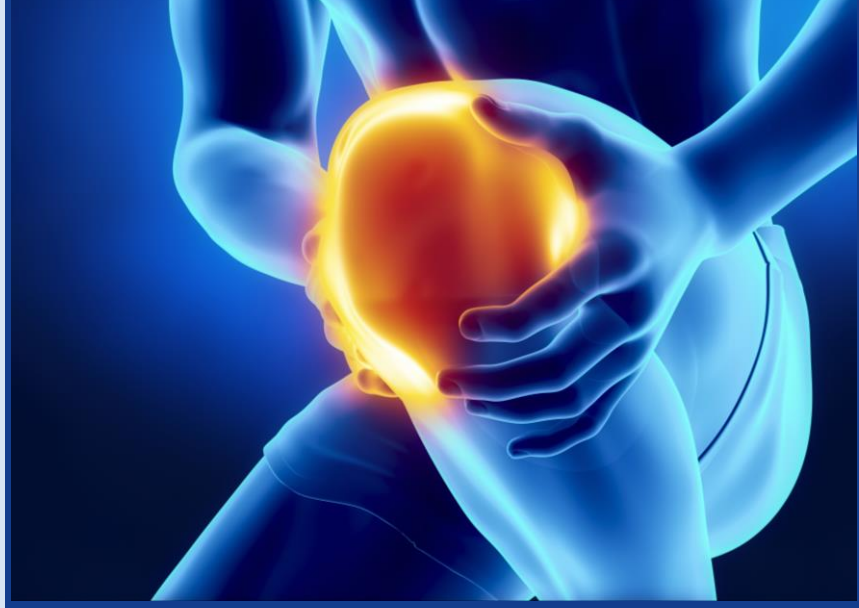
Cartilage defects are found in ~60% of knee arthroscopies[1]

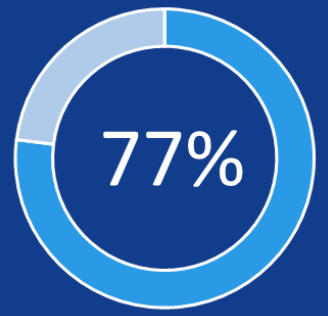
- Damage is caused by acute or repetitive trauma or degenerative conditions

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 pain[2]

[1] Widuchowski W, et al. Articular cartilage defects: study of 25,124 knee arthroscopies. Knee. Jun 2007.
[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.)

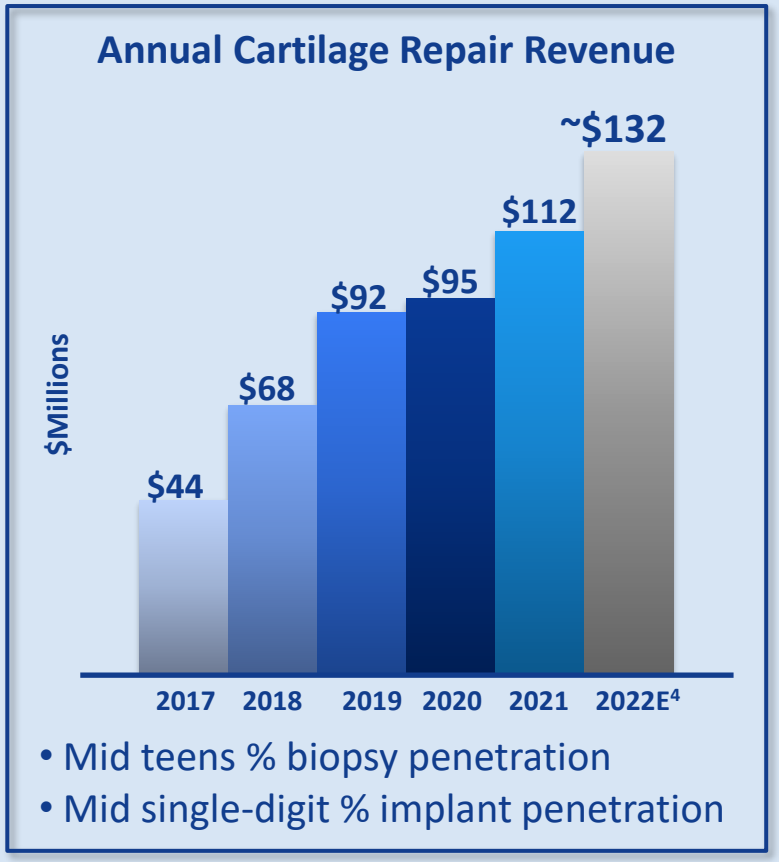
~750,000[1]
Cartilage Repair Procedures

~315,000[2]
Patients
Consistent With Label

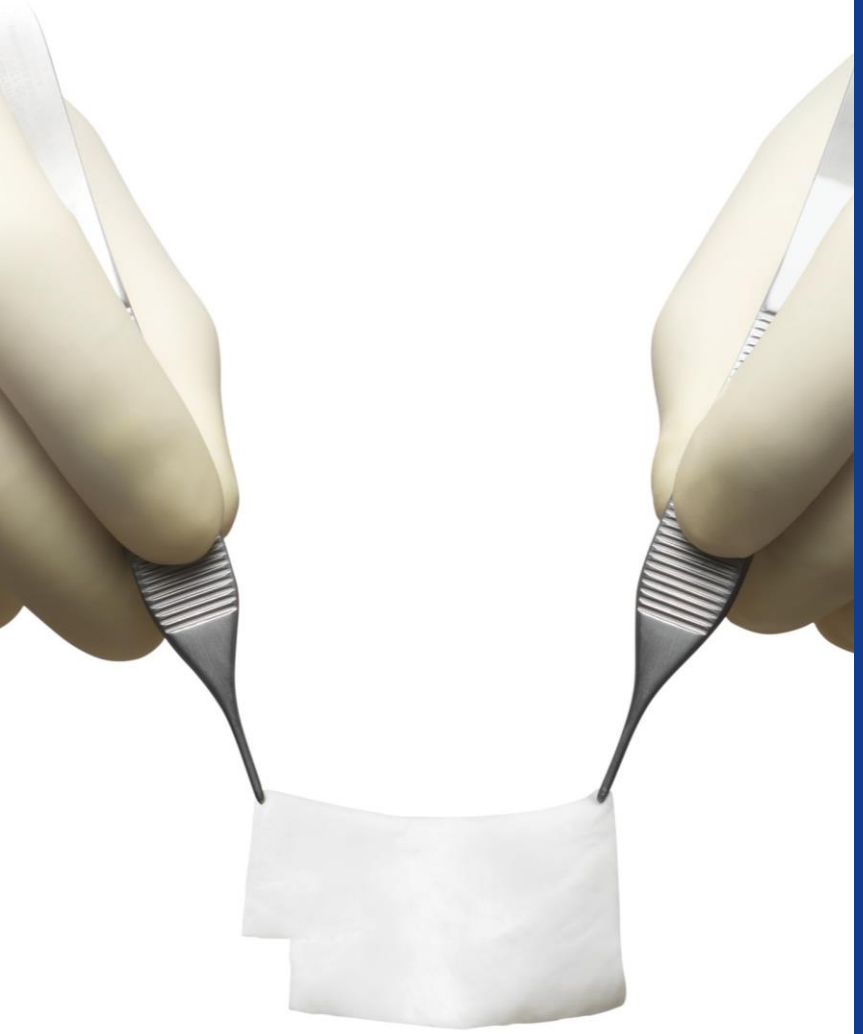
~125,000[2]
Patients MD's Consider
Clinically Appropriate For MACI

~60,000[2] Patients With Larger Lesions

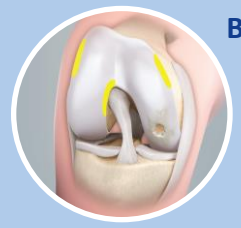
$3 Billion
Addressable Market
in the U.S.[3]



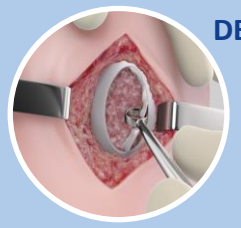
[1] Health Advances LLC MACI market assessment report (2018), Vericel data, LexisNexis, Medtech Insight, NY SASD, SmartTRAK, LSI, PSPS, McCormick, Frank et al. Arthroscopy, (2014) 30(2): 222-6, Montgomery, et al. Knee Surg Sports Traumatol Arthrosc (2014) 22: 2070.
[2] Health Advances LLC MACI market assessment report (2018).
[3] Assumes MACI ASP of ~$50,000+.
[4] Full-year 2022 revenue based on preliminary unaudited 2022 financial results and is subject to change.



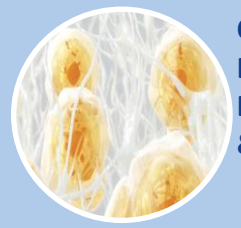
MACI is the Leading Restorative Cartilage Repair Product on the Market



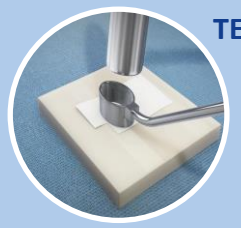
BIOPSY TAKEN



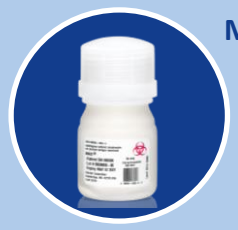
DEFECT DEBRIDED



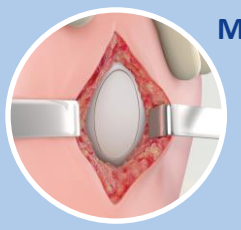
CHONDROCYTES EXTRACTED, EXPANDED, & LOADED



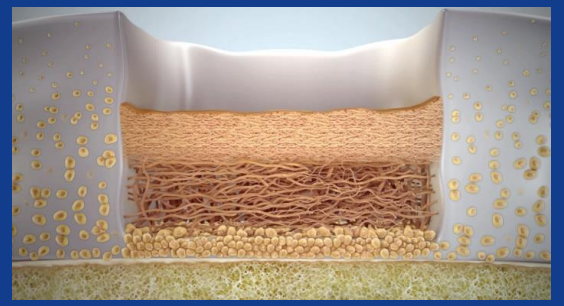
TEMPLATE CREATED



MACI DELIVERED



MACI IMPLANTED



MACI Product Attributes Driving Strong Growth Since Launch

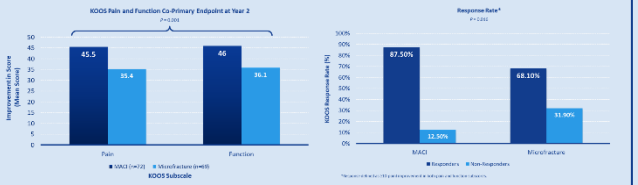
Broad Label with Strong Clinical Data

HIGHLIGHTS OF PRESCRIBING INFORMATION
These highlights do not include all the information needed to use MACI safely and effectively. See full prescribing information for MACI.

MACI® (autologous cultured chondrocytes on porcine collagen membrane)
Cellular sheet for autologous implantation
Initial U.S. Approval: 2016

INDICATIONS AND USAGE
MACI® is an autologous cellularized scaffold 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

SUMMIT Clinical Study Results – Superiority of MACI Implant Versus Microfracture Treatment

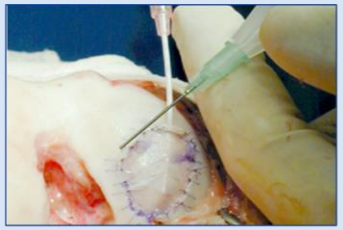


MACI demonstrated statistically significantly greater improvement in the co-primary endpoint of KOOS pain and function (SRA) scores compared to microfracture at year 2

The proportion of patients responding to treatment was statistically significantly greater with MACI compared to microfracture at year 2

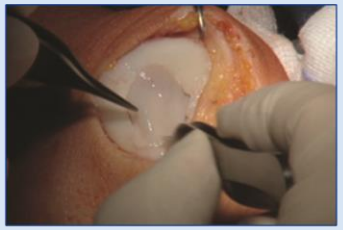
The American Journal of Sports Medicine (2014) 42(6), 1384-1394

Simpler, Less Invasive Procedure



Carticel

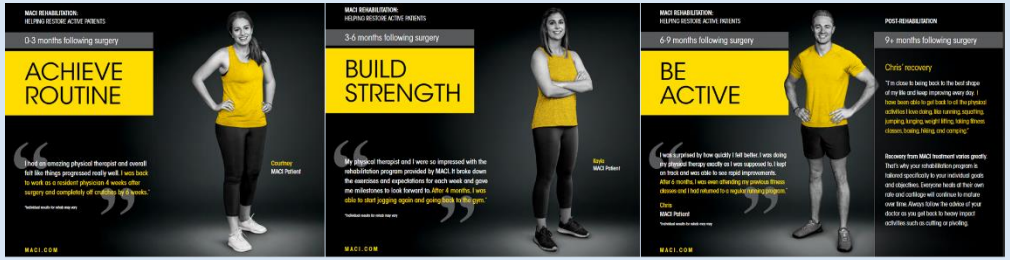
- Technically exacting procedure
- Required arthrotomy, periosteal patch harvest and sutures
- Extended surgical time



MACI

- Simpler, less invasive ACI procedure
- Eliminates periosteal harvest and sutures
- Significant reduction in surgical time
- Uniform distribution of cells
- Improved post-operative course

Shorter Rehab Protocols



Rehabilitation Timelines for ACI procedures: Time to Weight-Bearing[1]

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

[1]Ebert J et al, Osteoarthritis & Cartilage 2008; Edwards PK et al, AJSM 2013.

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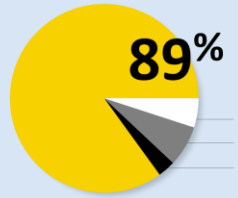
Strong Reimbursement Profile

MACI Insurance Approval Rates



89% of all MACI surgeries were approved by the insurer on initial submission

- **5%** Approved on appeal
- **5%** Not appealed
- **1%** Denied after appeal

MACI Billing Codes

ACI CPT CODE	
Autologous Chondrocyte Implantation, Knee	27412
HCPCS CODES	
Autologous cultured chondrocytes, implant	J7330

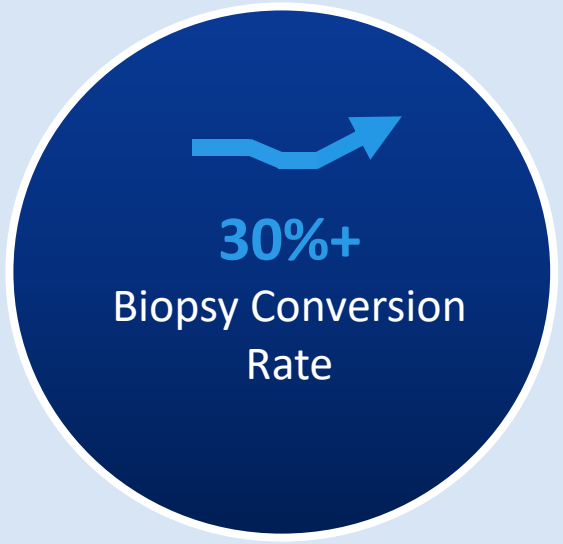
Key MACI Growth Drivers for Continued Long-Term Market Penetration

Continued Growth in 2022

Expected to remain a strong growth driver in 2023

Continued Growth in 2022

Expected to remain a growth driver, with above-market growth in 2023 and over time



Stabilized in 2022

Expected to maintain current levels in 2023 and increase to historical levels+ over time

maci

Building a Robust and Innovative Pipeline Through Lifecycle Management and Business Development

PRODUCT	INDICATION/STUDY	IN DEVELOPMENT	PHASE I	PHASE II	PHASE III	REGISTRATION	APPROVAL
maci autologous cultured chondrocytes on porcine collagen membrane	Treatment of Symptomatic Cartilage Defects of the Knee in Adults	Commercialized					
	Pediatric (PEAK) Study – Knee	Currently Enrolling					
	Arthroscopic Delivery – Knee				Study Pending[1]		
	Treatment of Cartilage Defects – Ankle				Study Pending[1]		
Epicel (cultured epidermal autografts)	Treatment of Large Deep Dermal and Full-Thickness Burns	Commercialized					
NexoBrid	Burn Eschar Removal in Adults	Approved					
	Pediatric (CIDS) Study	Enrollment Complete					
	Treatment of Acute Deep Partial and Full Thickness Burn Injuries (NEXT) Study	Expanded Access					

Key Highlights

MACI Arthroscopic Delivery

- Human factors study planned in 2023, with commercial launch expected in 2024

MACI Ankle Indication

- Pre-IND meeting with FDA planned for H1 2023

NexoBrid

- Approved for use in adults on December 28, 2022

[1] Study design pending feedback from FDA discussions.

Overview of MACI Arthroscopic Delivery Development Program

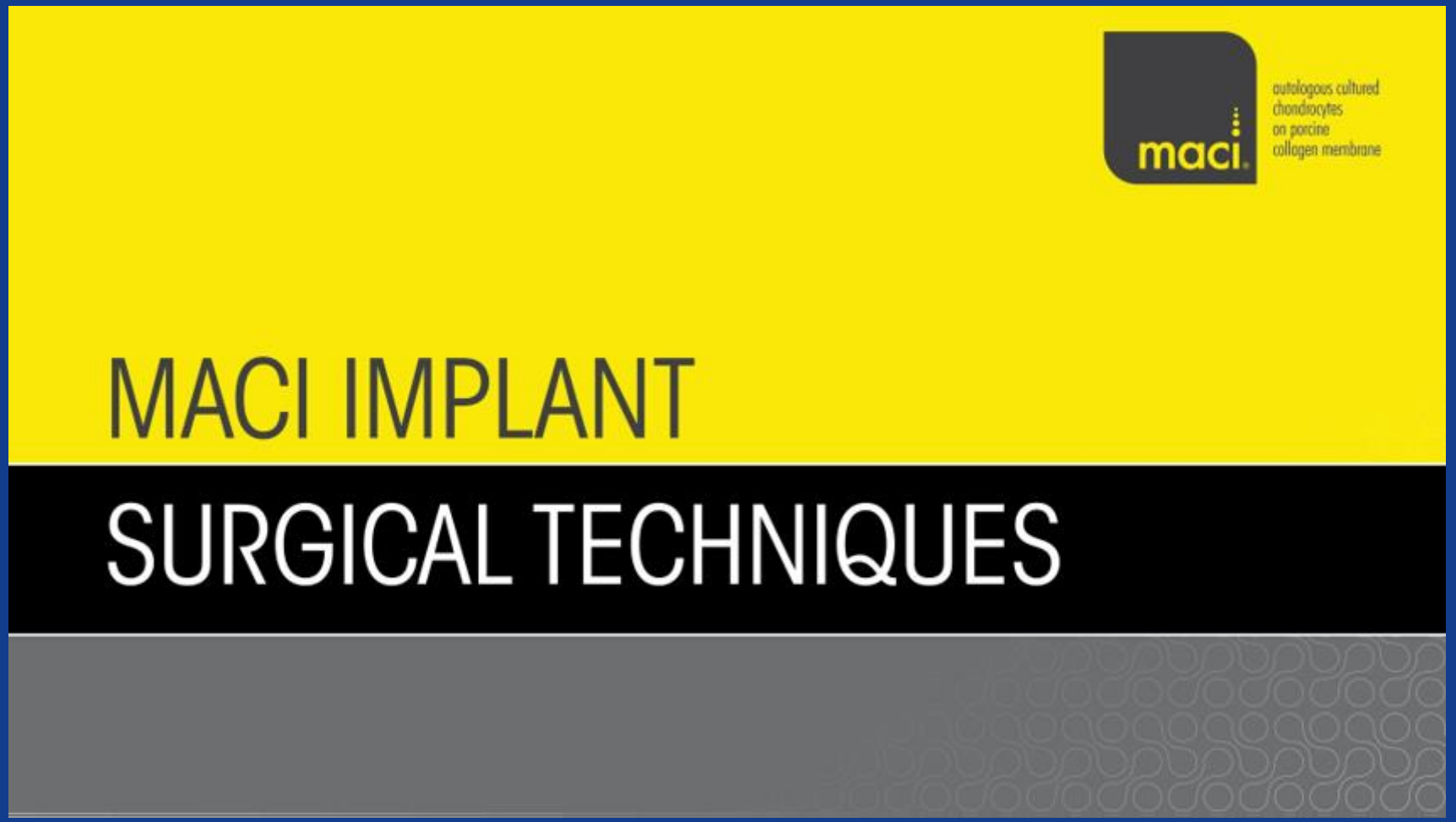
Novel instruments designed and developed to facilitate arthroscopic delivery

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.

MACI Arthroscopic Delivery Surgical Technique



Click here to view an animation of the MACI arthroscopic delivery surgical technique.

Arthroscopic MACI Provides Potential Opportunity for Additional Growth

~90% % of target surgeons expressed **Interest** in arthro MACI option[1]

~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).

Significant Ankle Cartilage Repair Opportunity

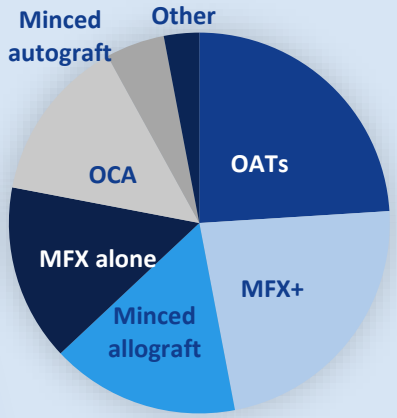
MACI Ankle Annual TAM Estimate (U.S.)

~165,000[1]
Ankle Resurfacing Procedures

~66,000[2]
Patients MD's Consider Clinically Appropriate For MACI

~18,000[2]
Larger Lesions

Current Treatment Breakdown[2]



MACI for the treatment of cartilage defects in the ankle represents a $1 billion[3] market opportunity

[1] SmartTrak Cartilage Repair Procedures; resurfacing includes microfracture, OATs, OCA, etc. and does not include chondroplasty/debridement only.
[2] Cello Health MACI Ankle quantitative market research survey (2021).
[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.

maci

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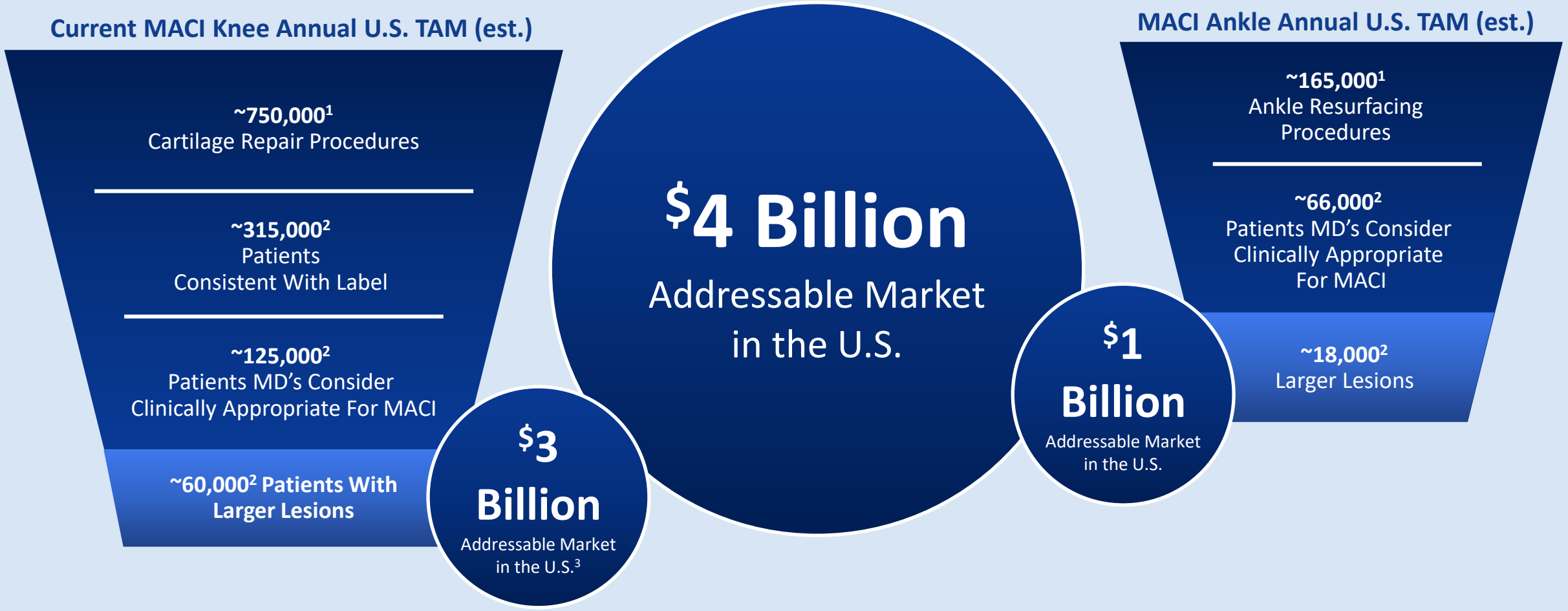
Potential MACI Ankle Indication Would Increase MACI Total Addressable Market to $4 Billion



[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] SmartTrak Cartilage Repair Procedures; resurfacing includes microfracture, OATs, OCA, etc. and does not include chondroplasty/debridement only. [5] Cello Health MACI Ankle quantitative market research survey (2021).
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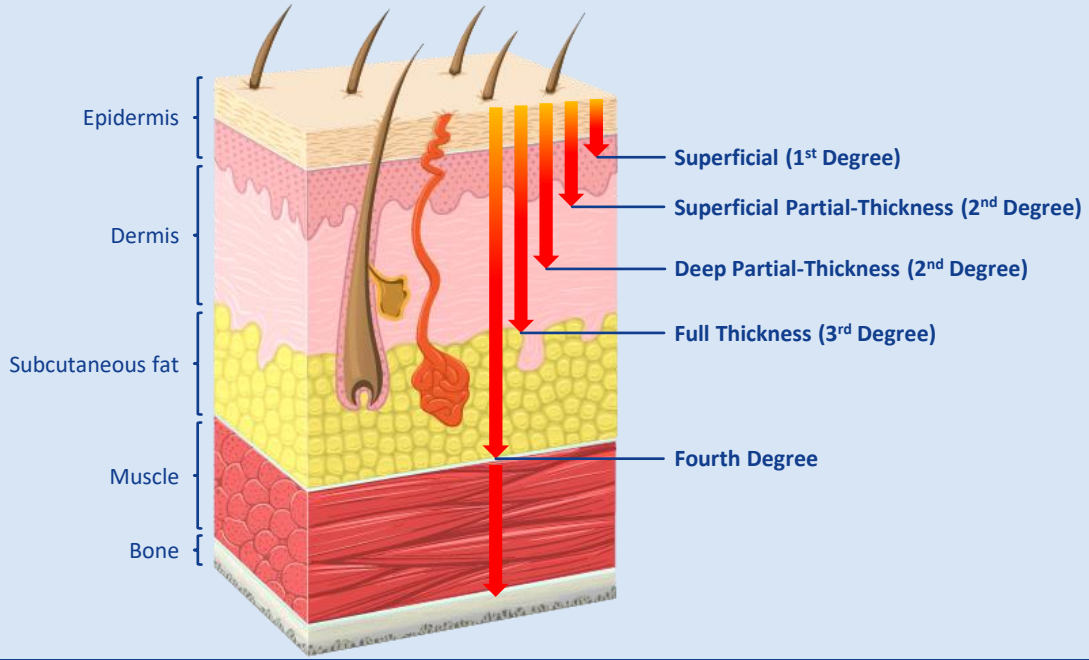
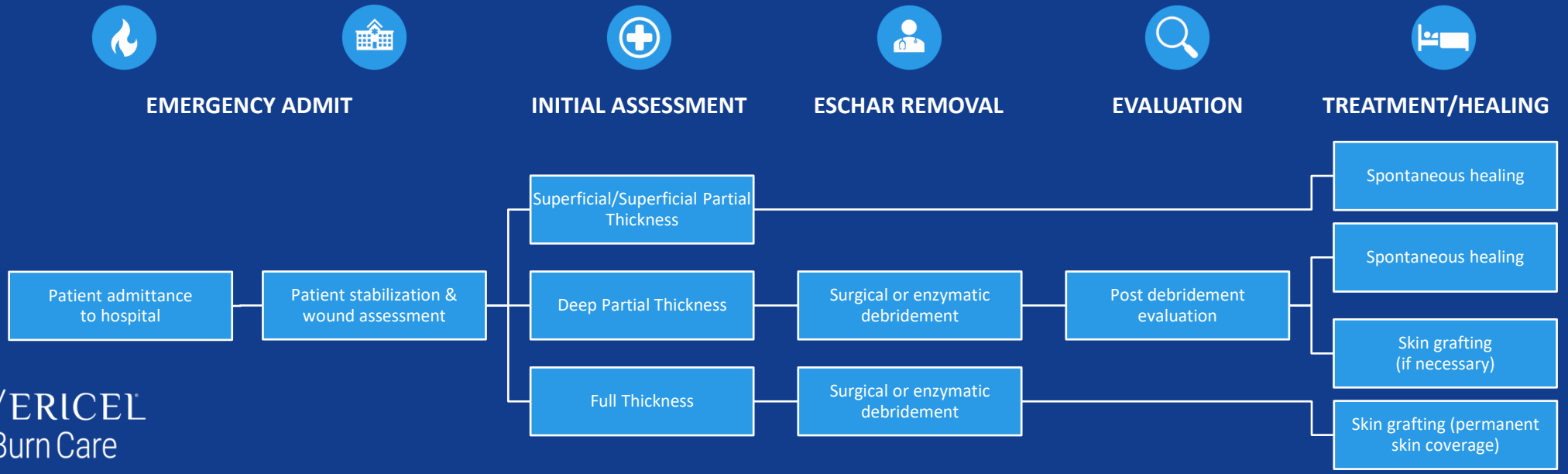
Burn Injury Size & Depth Determine Treatment Pathway

- **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



TREATMENT PATHWAY



VERICEL Burn Care

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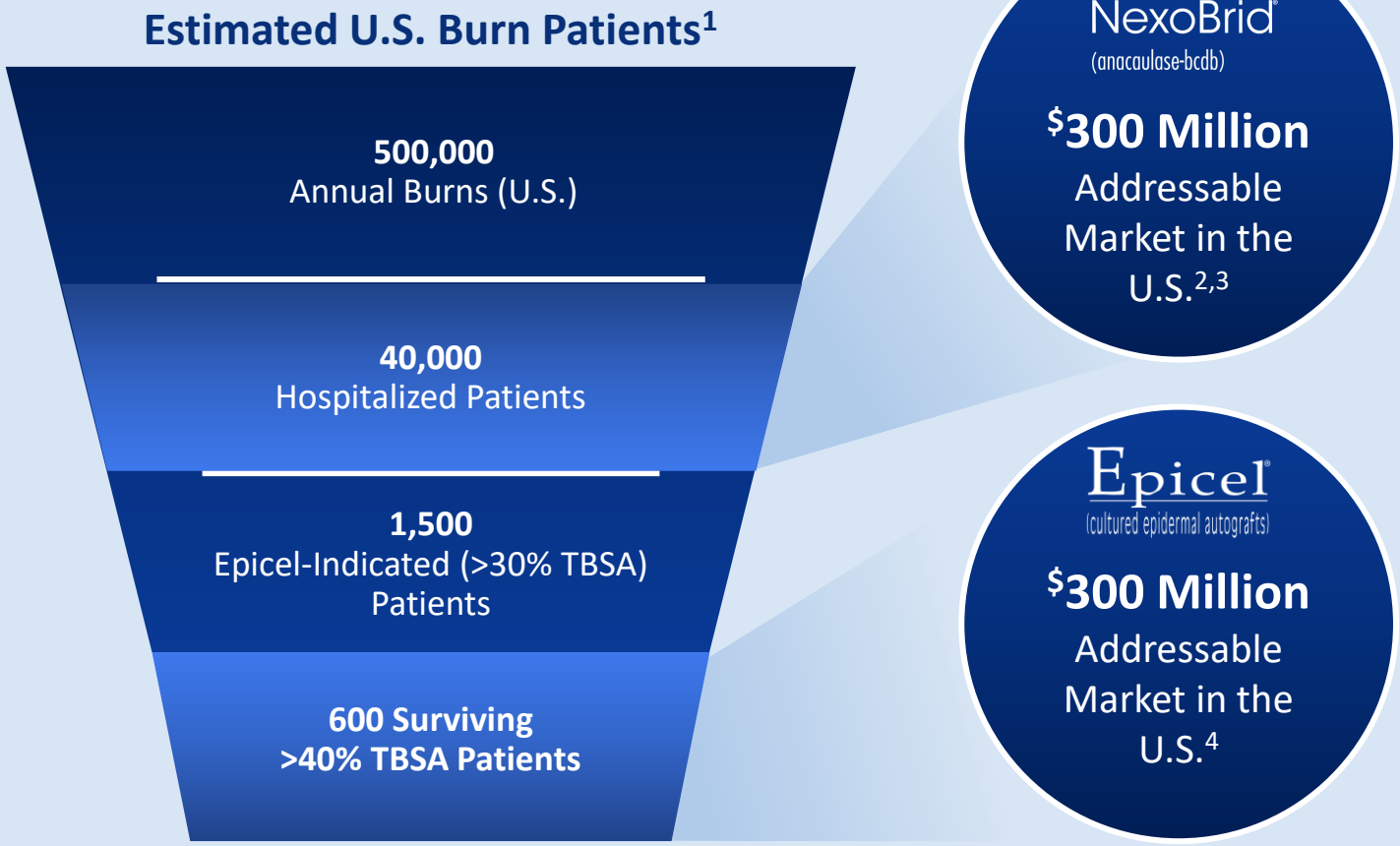
Burn Franchise Addressable Market Opportunity



NexoBrid® (anacaulase-bcdb)

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

Epicel® (cultured epidermal autografts)

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

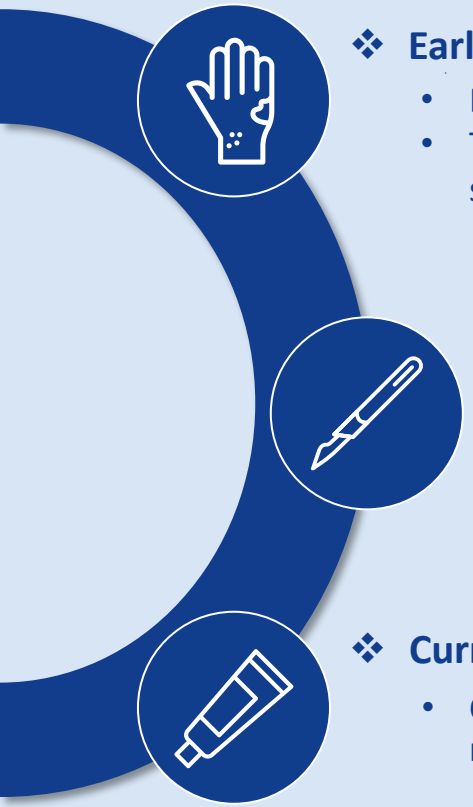
VERICEL® Burn Care

$600 Million
Addressable Market in the U.S.

NexoBrid approval significantly expands the total addressable market opportunity for Vericel's Burn Care franchise

[1] 2017 National Burn Repository Report Version 13.
[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]

1. Xiao-Wu W, et al. Effects of delayed wound excision and grafting in severely burned children. Arch Surg. Sep 2002. 2. Janzekovic Z. A new concept in the early excision and immediate grafting of burns. J Trauma. Dec 1970. 3. Church D, et al. Clin Microbiol Rev. 2006;19(2):403-434. 4. Hirche C, et al. Burns. 2020;46(4):782-796. 5. Gurfinkel R, et al. Histological assessment of tangentially excised burn eschars. Can J Plast Surg. 2010. 6. Pham CH, et al. The role of collagenase ointment in acute burns: a systematic review and meta-analysis. J Wound Care. 2019; 7. Ostlie DJ, et al. Topical silver sulfadiazine vs collagenase ointment for the treatment of partial thickness burns in children: a prospective randomized trial. J Pediatr Surg. Jun 2012.

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

NexoBrid
(anacaulase-bcdb)

NexoBrid is Now Approved for Use in the United States

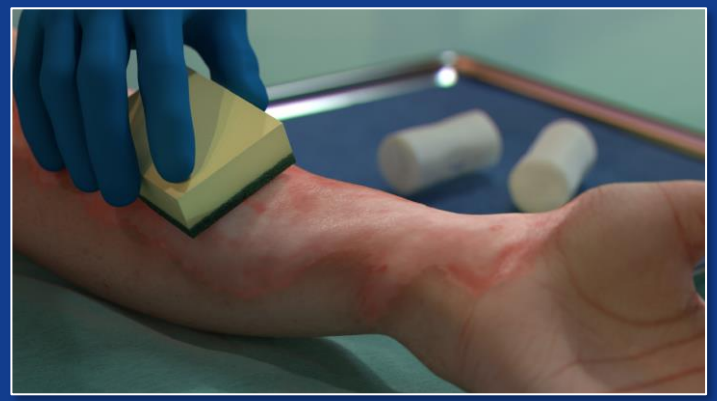
- Concentrated mixture of proteolytic enzymes derived from the stem of the pineapple plant (*Ananas comosus*)
- Non-surgical topical agent that may be applied at the patient's bedside
- Selectively degrades eschar in four hours while preserving viable tissue

[1] NexoBrid Label. Cambridge, MA. Vericel Corporation; 2022.
[2] Krieger Y, Bogdanov-Berezovsky A, Gurfinkel R, et al. Efficacy of enzymatic debridement of deeply burned hands. Burns. 2012;38:108-112.
[3] Palao R, Aguilera-Saez J, Collado JM, et al. Use of a selective enzymatic debridement agent (NexoBrid) for wound management: Learning curve. World J Dermatol. 2017;6(2):32-41.

VERICEL

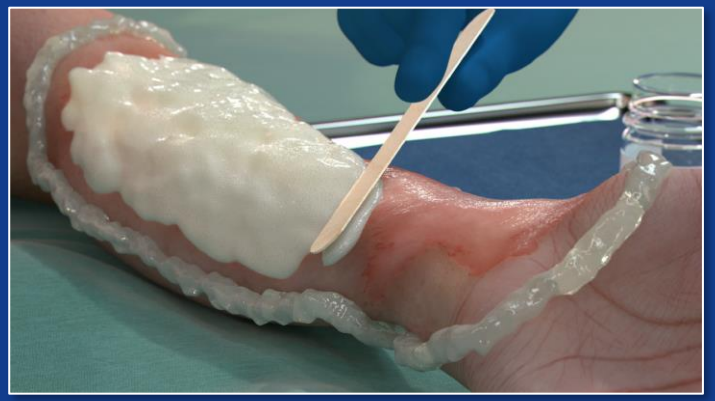
NexoBrid Treatment Application

Clean Wound



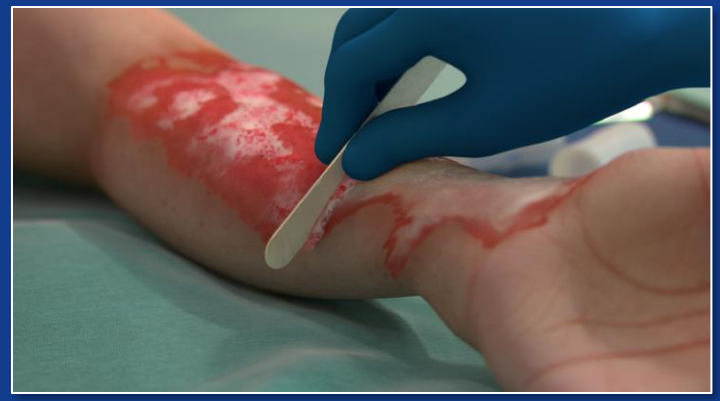
Antibacterial Pre-Soak

NexoBrid Application



Film Dressing (4 Hours)

Remove Eschar



NexoBrid® (anacaulase-bcdb)

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

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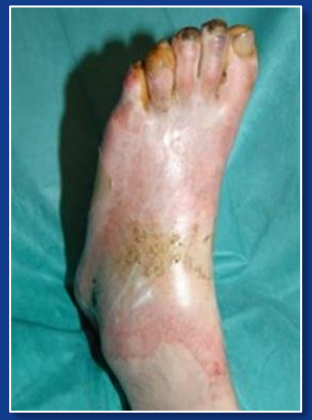
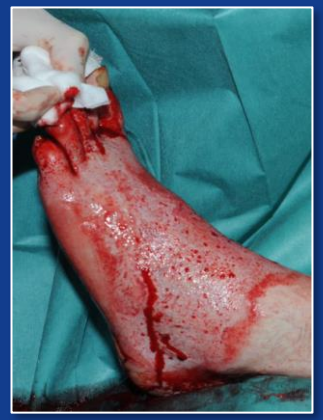
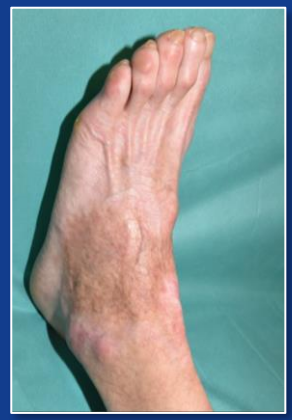
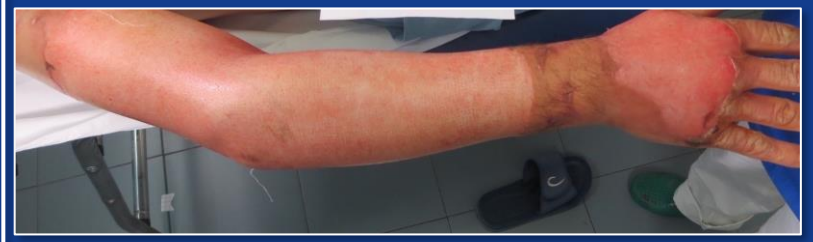
NexoBrid Treatment Results

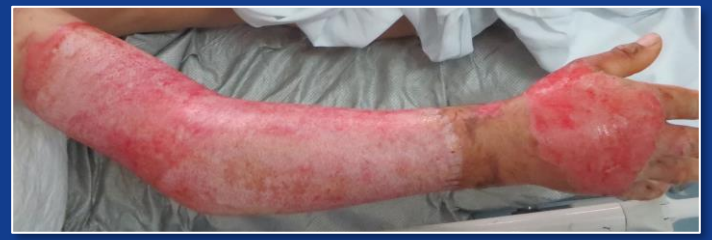






Before → **After** → **Long-Term**





NexoBrid® (anacaulase-bcdb)

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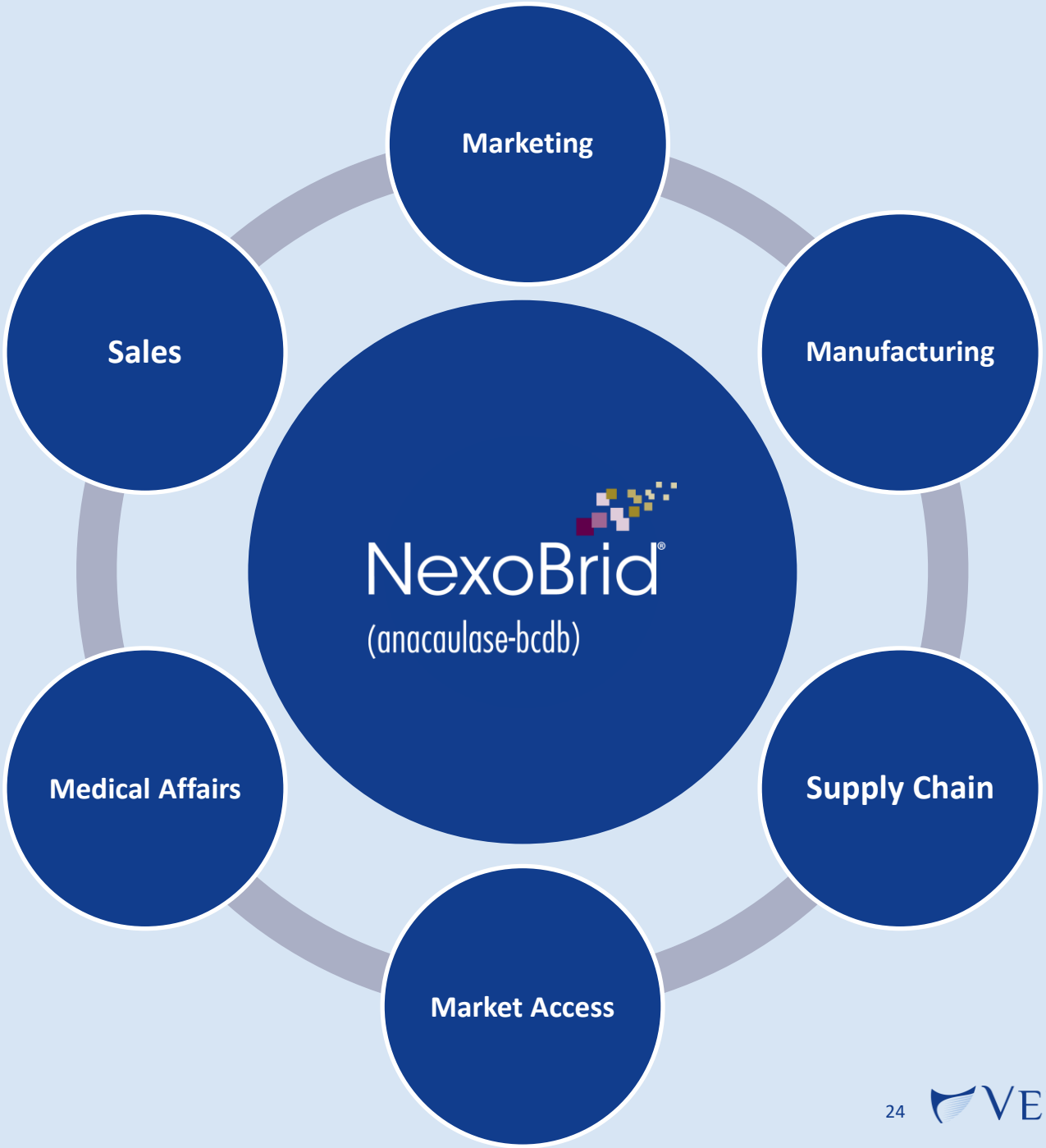
NexoBrid Commercialization

- NexoBrid is expected to be commercially available in the U.S. in Q2 2023
- Key commercial activities underway
  - Promotional Materials Rollout
  - P&T Committee Engagement
  - Customer Training
  - Burn Conference Activities
  - Sales Team Deployment & Training

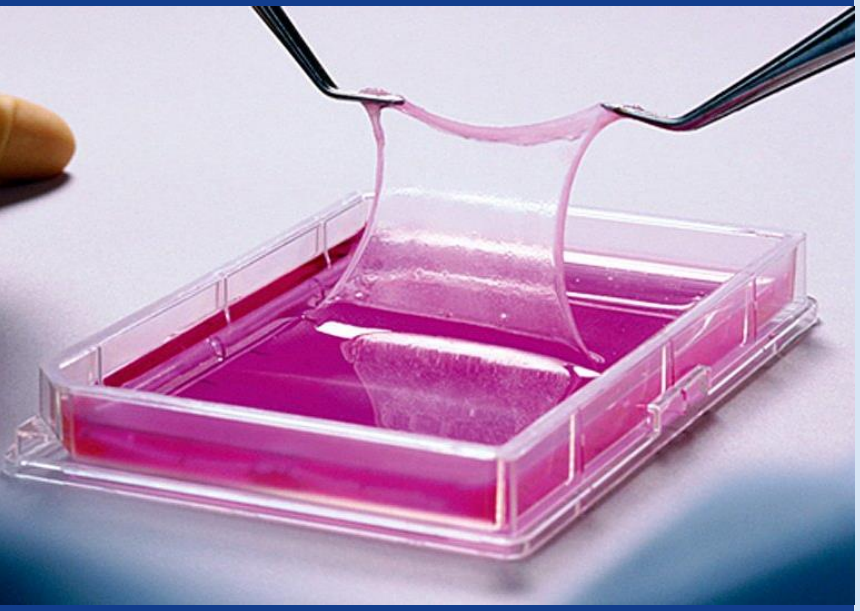


NexoBrid®
(anacaulase-bcdb)

VERICEL

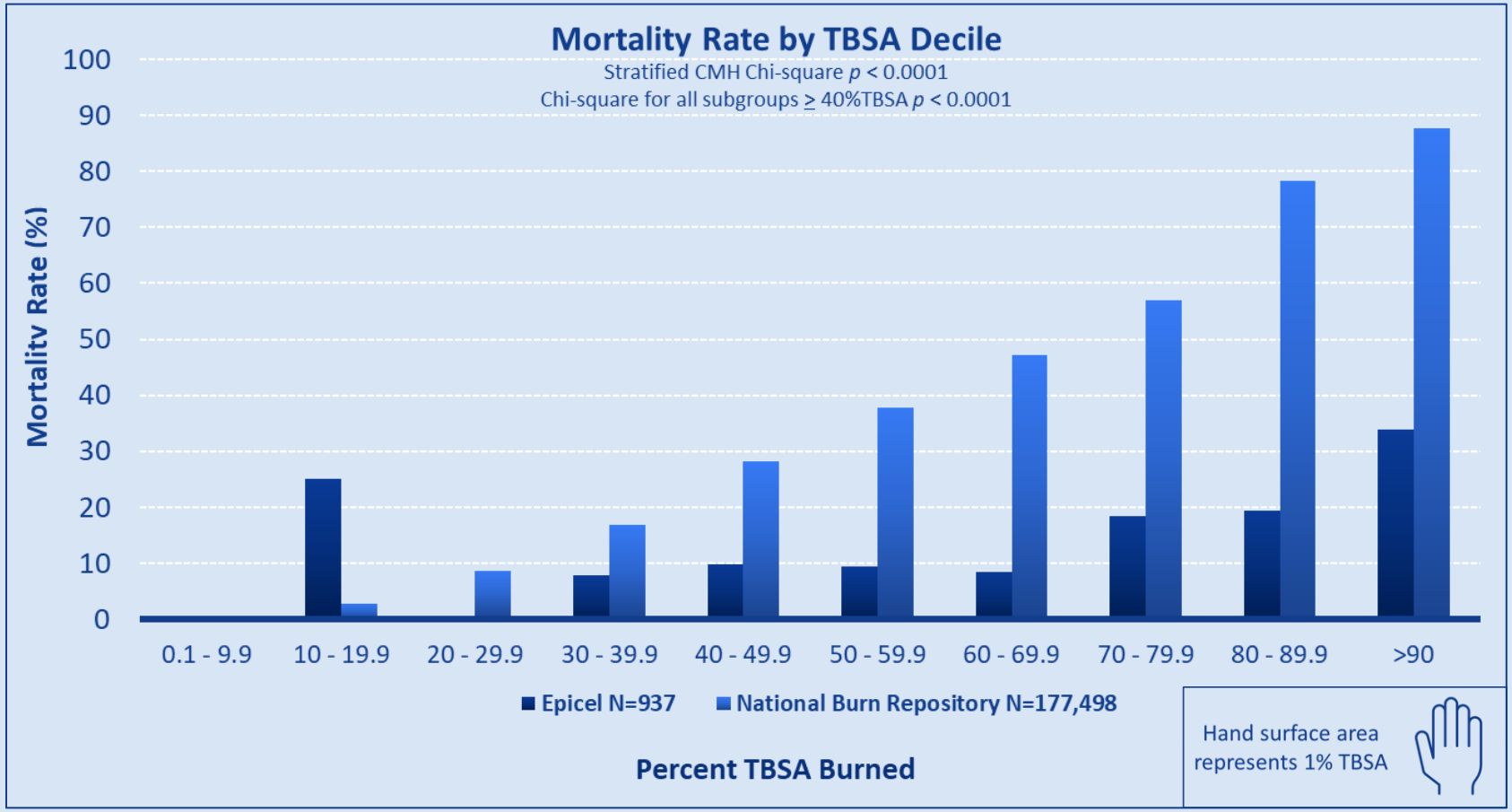
Epicel

- 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



Epicel®
(cultured epidermal autografts)

Comparison of Epicel Patient Database to National Burn Repository[1] Data Demonstrates Lower Mortality Rate



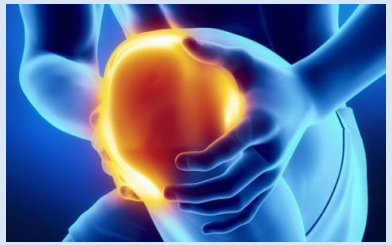
Twenty-five Years' Experience and Beyond with Cultured Epidermal Autografts (CEA) for Coverage of Large Burn Wounds in Adult and Pediatric Patients, 1989-2015; Hickerson, Journal of Burn Care & Research, iry061, https://doi.org/10.1093/jbcr/iry061.

[1] American Burn Association, National Burn Repository 2016, Version 12.

Vericel Remains Focused on Potential Strategic Transactions to Maximize Long-Term Value

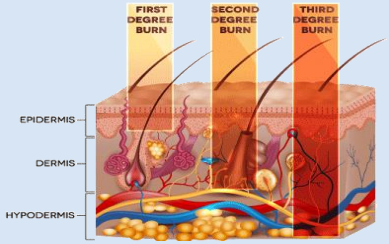
ADVANCED CELL THERAPY DEVELOPMENT & MANUFACTURING PLATFORM

Sports Medicine Franchise



maci®
autologous cultured chondrocytes on porcine collagen membrane

Severe Burn Care Franchise



Epicel®
(cultured epidermal autografts)

NexoBrid®
(anacaulase-bcdb)

New Advanced Cell Therapy Vertical(s)

Business development activities focused on opportunities having a strategic fit with current **franchises** or advanced cell therapy **platform**

VERICEL

Growth Strategy Leverages Near-Term & Long-Term Opportunities

Strong Financial Profile

- Continued strong revenue growth
- Positive adjusted EBITDA & Operating Cash Flow
- $140M in cash and investments

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
- Pre-IND meeting for MACI Ankle planned for H1 2023

Expanding Burn Care Franchise

- NexoBrid approved on December 28, 2022
- Launch activities underway
- Commercial availability expected in Q2 2023