

VERICEL  
Q4 2022 RESULTS  
FEBRUARY 23, 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.

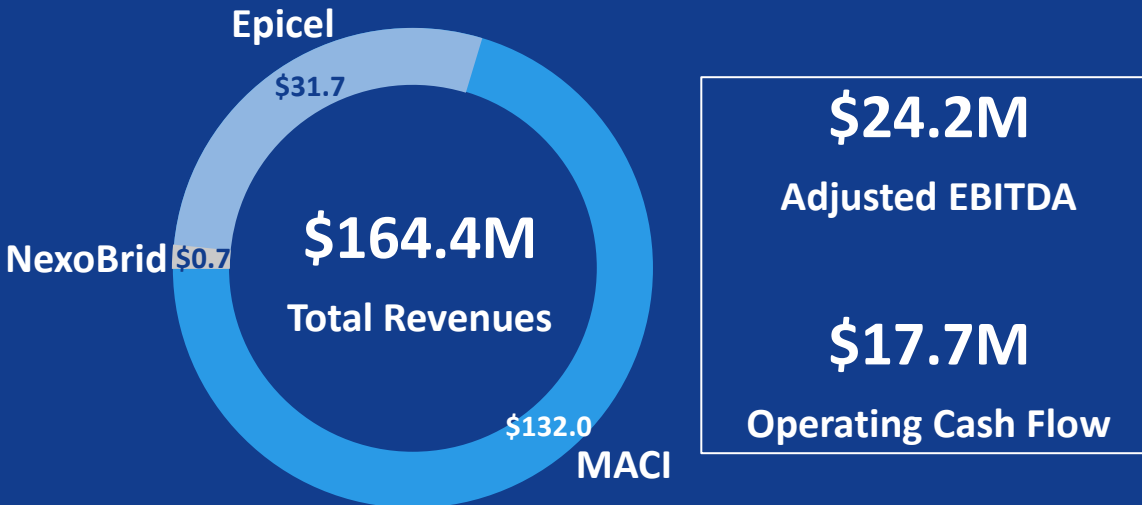
Among the factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, uncertainties associated with our expectations regarding future revenue, growth in revenue, market penetration for MACI<sup>®</sup>, Epicel<sup>®</sup>, and NexoBrid<sup>®</sup>, 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, 2022, filed with the Securities and Exchange Commission (SEC) on February 23, 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.

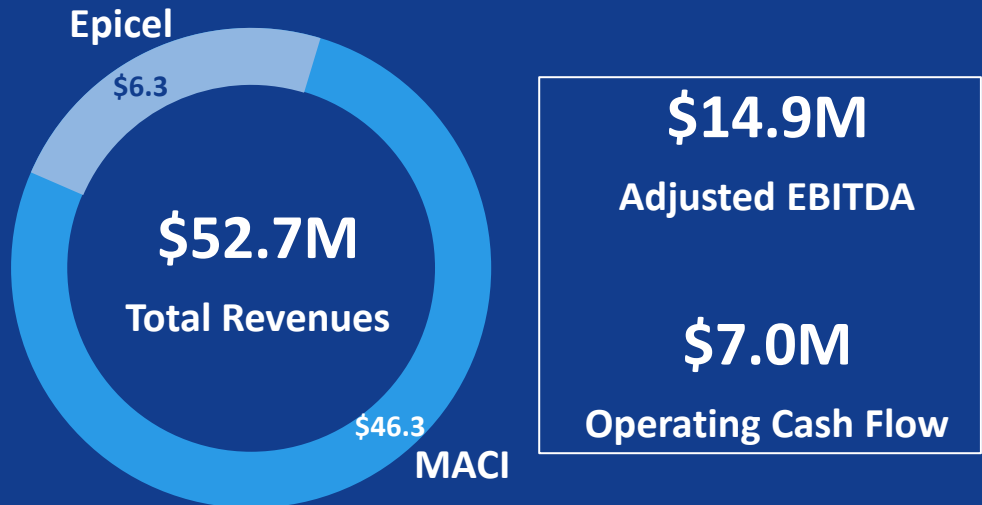
# Full-Year and Q4 2022 Financial Highlights

## Full-Year Financial Highlights



\$140M in cash and investments and no debt as of 12/31/2022

## Q4 Financial Highlights



10<sup>th</sup> straight quarter with positive adjusted EBITDA and Operating Cash Flow



# Key Brand and Business Updates

## MACI

- ▶ Record quarterly revenue with Q4 growth of 24% vs. 2021 and ~50% sequential growth vs. Q3
- ▶ Announced planned accelerated commercial launch timeline for arthroscopic MACI in 2024
- ▶ Announced plan to hold pre-IND meeting with the FDA in H1 2023 regarding clinical development program for MACI ankle indication

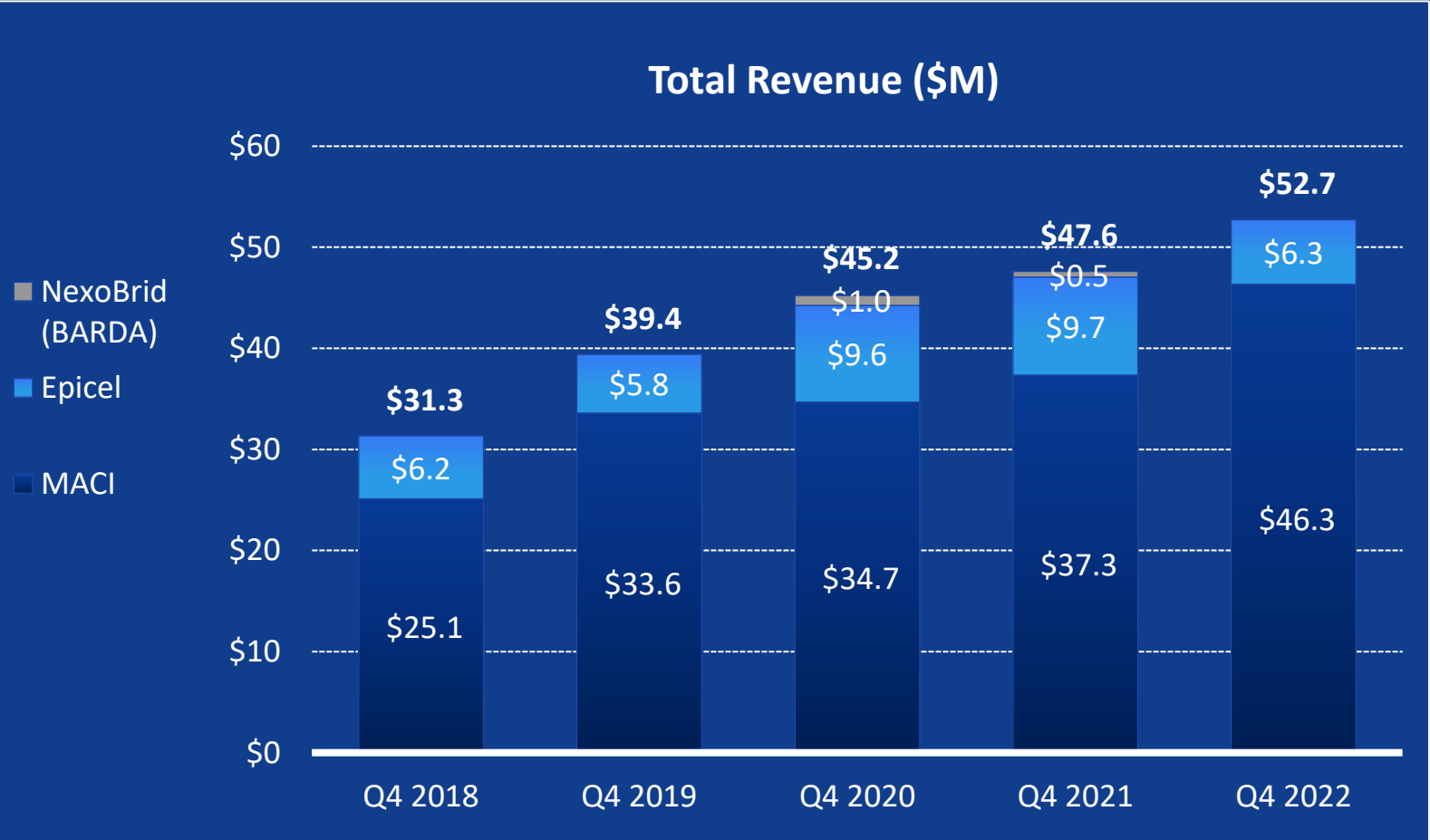
## Burn Care

- ▶ Announced FDA approval of NexoBrid (anacaulase-bcbd) for the removal of eschar in adults with deep partial thickness and/or full-thickness burns, with U.S. commercial product availability expected in Q2 2023

## Corporate Highlights

- ▶ Record quarterly total revenue of \$52.7 million
- ▶ Q4 gross margin of 73% and adjusted EBITDA margin of 28%
- ▶ Fourth quarter net income of ~\$6 million increased 31% compared to the prior year
- ▶ 10<sup>th</sup> straight quarter of positive adjusted EBITDA and operating cash flow

# Q4 Revenue Details



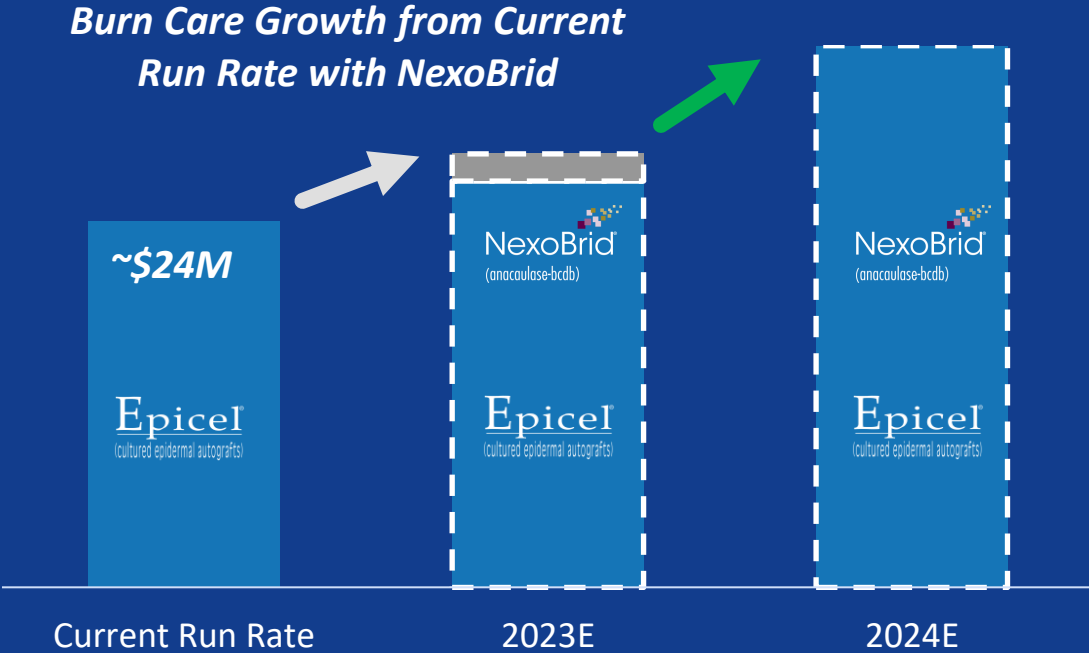
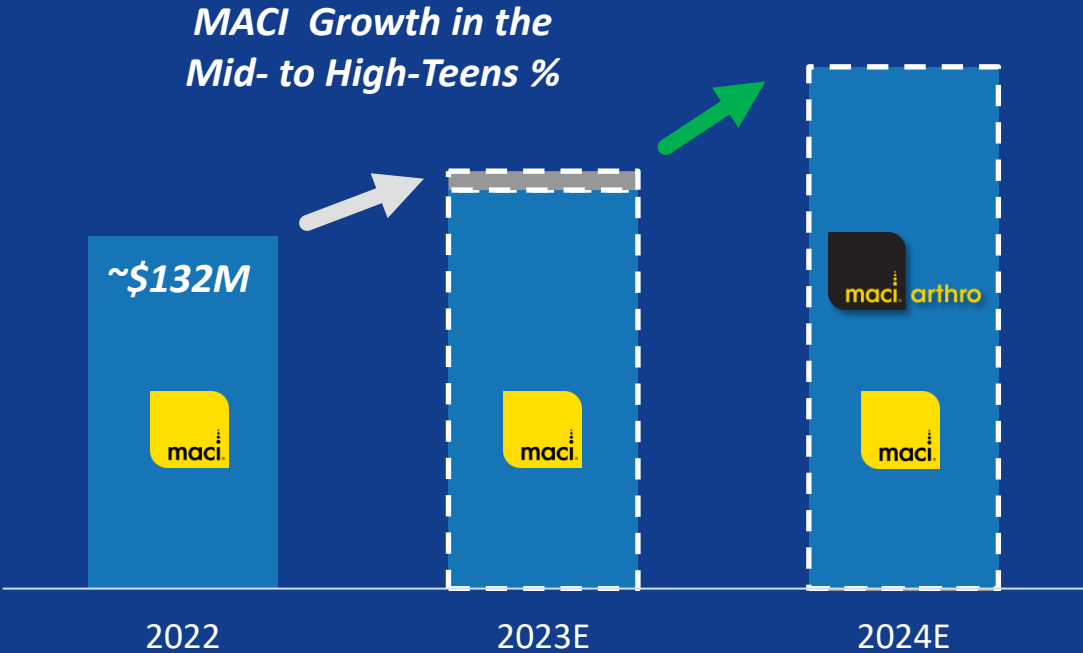
Record quarterly total revenue, led by MACI with 24% growth over Q4 2021

# Fourth Quarter and Full-Year 2022 Financial Results

Unaudited, amounts in millions except per share amounts	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net Revenue	\$52.7	\$47.6	\$164.4	\$156.2
Gross Profit	38.2	34.0	109.8	106.0
<i>Gross Margin</i>	73%	72%	67%	68%
Research and Development	5.2	3.9	19.9	16.3
Selling, General and Administrative	<u>26.9</u>	<u>26.0</u>	<u>106.9</u>	<u>97.6</u>
Total Operating Expenses	32.2	29.9	126.8	113.9
Operating Income (Loss)	<u>6.1</u>	<u>4.1</u>	<u>(17.1)</u>	<u>(7.9)</u>
Net Income (Loss) Per Share (Diluted)	\$0.12	\$0.09	(\$0.35)	(\$0.16)
Weighted average shares outstanding (Diluted)	49.2	49.9	47.1	46.5
Adjusted EBITDA	14.9	12.8	24.2	29.5
<i>Adjusted EBITDA Margin</i>	28%	27%	15%	19%
<i>Stock-based compensation included in Operating and Net Loss</i>	7.7	7.8	37.2	34.3

- ▷ Q4 2022 Operating Cash Flow of \$7.0 million
- ▷ ~\$140 million in cash and investments as of December 31, 2022, and no debt

# MACI Growth Drivers Remain Strong with New Product Launches to Drive Growth Across Both Franchises in 2023 and into 2024



**2023 Guidance Overview**  
 Full-year total revenue of \$180M-\$188M  
 MACI revenue growth in the mid- to high-teens % to \$152M-\$156M  
 Burn Care revenue growth over current quarterly commercial run rate to \$28M-\$32M (including both Epicel and NexoBrid Revenue)  
 Gross margin in high-60% range and adjusted EBITDA margin in mid-teens % range

# 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

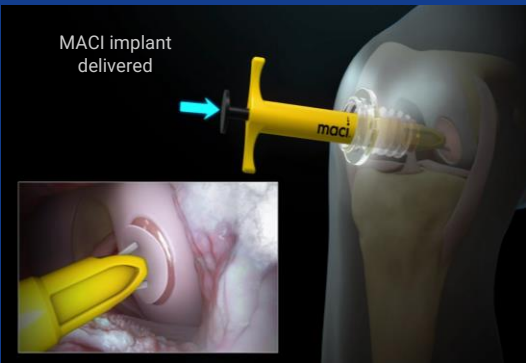
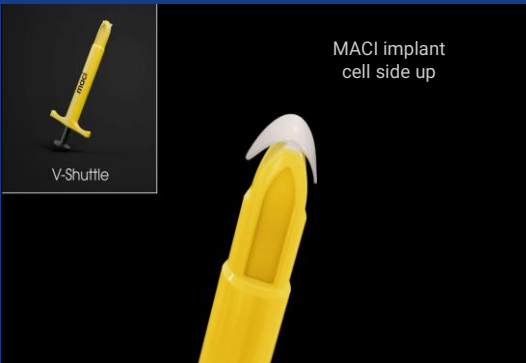
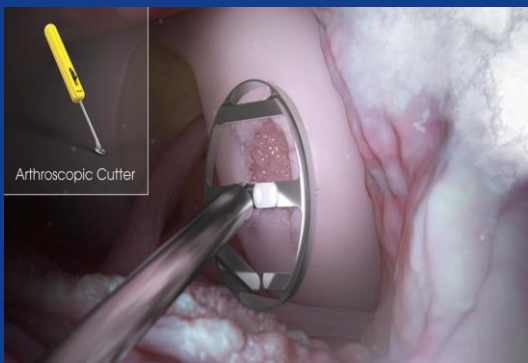
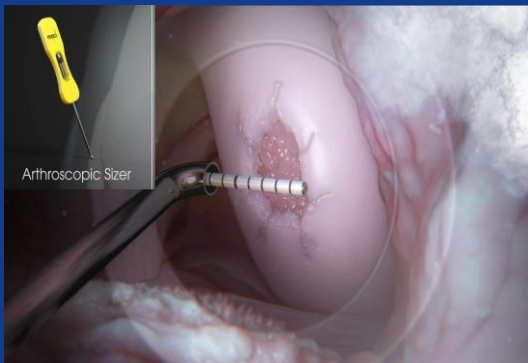
Planned Launch in 2024



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.](#)



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.

# Arthroscopic MACI Provides Potential Opportunity for Additional Growth



**~90%** % of target surgeons expressed **Interest** in arthro MACI option<sup>1</sup>

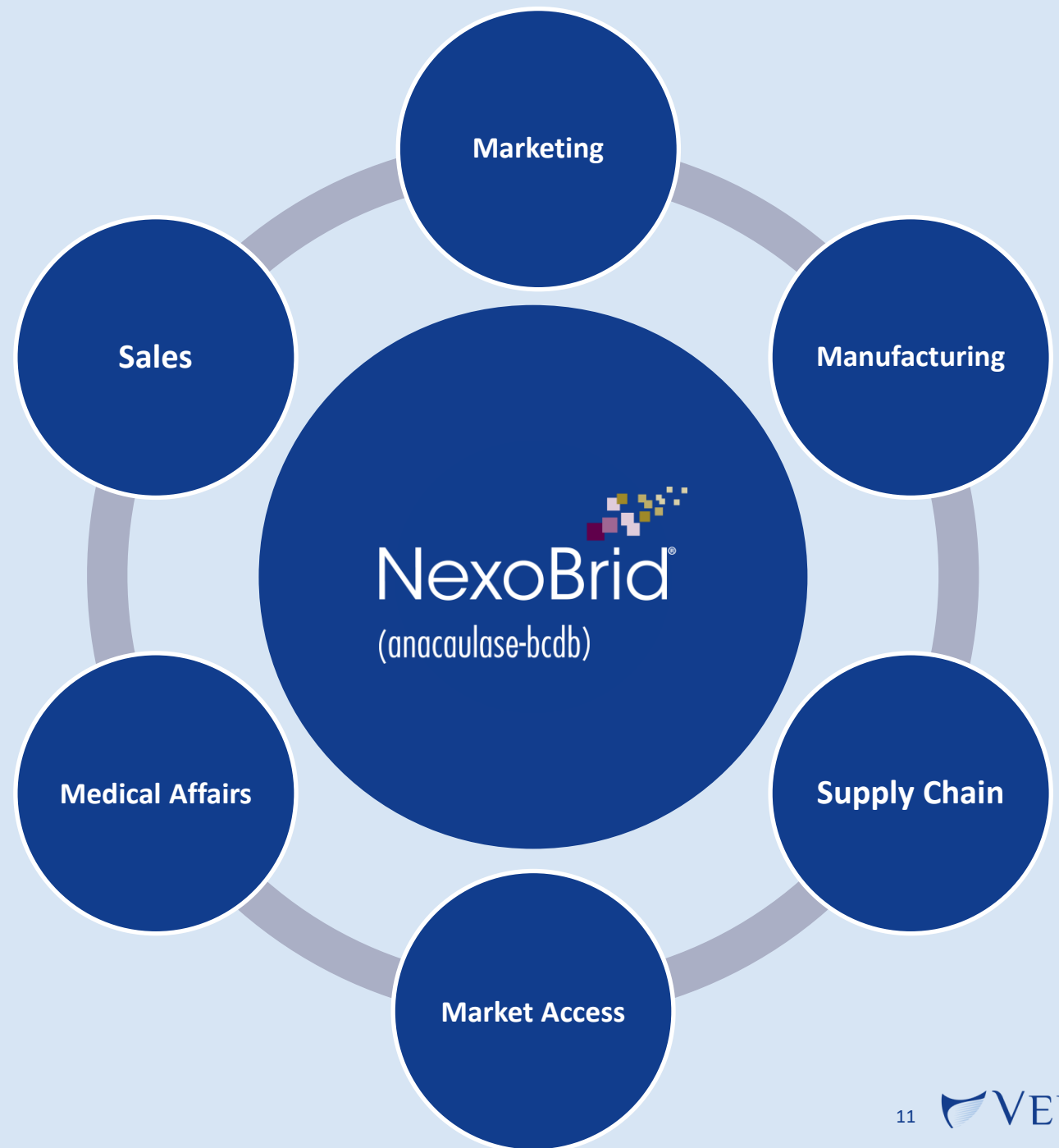


**~90%** % of current MACI users would expect to **Increase** MACI volume<sup>1</sup>

Arthroscopic MACI instruments designed to treat the most common defects in the MACI TAM (2-4 cm<sup>2</sup> defects on the femoral condyles)

# 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



# 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

# VERICEL Q4 2022 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,	
	2022	2021	2022	2021
<b>Net income (Loss) (GAAP)</b>	\$ 5,922	\$ 4,535	\$ (16,709)	\$ (7,471)
Stock-based compensation expense	7,740	7,841	37,183	34,322
Depreciation and amortization	1,039	780	3,981	2,965
Net interest income	(540)	(60)	(975)	(220)
Income tax expense (benefit)	700	(326)	721	(111)
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 14,861</b>	<b>\$ 12,770</b>	<b>\$ 24,201</b>	<b>\$ 29,485</b>

# Vericel Capitalization Table

Capitalization (as of December 31, 2022)	Shares
Common Stock	47,252,671
Options Outstanding	6,609,147
Unvested Restricted Stock Units	648,174
<b>Total</b>	<b><u>54,509,992</u></b>