VERICEL

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Q3 2020 RESULTS

NOVEMBER 5, 2020

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 revenues, growth in revenues, 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 or likelihood of regulatory approvals, the estimate of the commercial growth potential of our products and product candidates, availability of funding from the U.S. Biomedical Research and Development Authority under its agreement with MediWound Ltd. 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 reasonably estimate the specific extent, or duration of the impact of the COVID-19 outbreak on our business, financial and operating results. We are also unable to predict whether the outbreak will cause state and local governments to impose future restrictions on the performance of elective surgical procedures or the pace with which such restrictions may be lifted should they be imposed, the willingness or ability of patients to seek treatment, the availability of physicians and/or their treatment prioritizations or 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 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 FDA's review of the pending NexoBrid Biologics License Application, the COVID-19 pandemic may impact the FDA's response times to regulatory submissions, its ability to monitor our clinical trials, and/or conduct necessary reviews or inspections 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, 2019, filed with the Securities and Exchange Commission ("SEC") on February 25, 2020, Vericel's Quarterly Report on Form 10-Q for the quarter ended September, 30, 2020, filed with the SEC on November 5, 2020, 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.

Third-Quarter 2020 Financial and Business Highlights

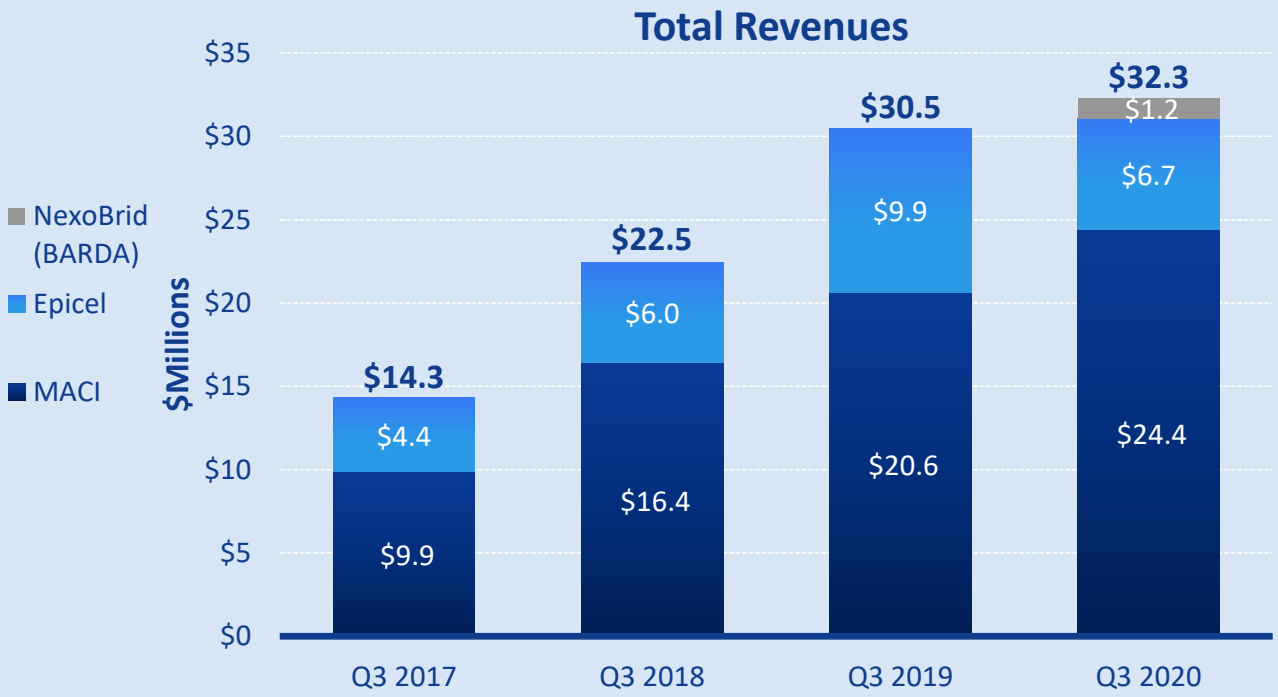
Financial Highlights

- Record third quarter MACI revenue and total revenues, and the second highest quarterly Epicel revenue in history
- Gross margin of 70% for the quarter
- Record third quarter net income of $3.6 million
- Non-GAAP adjusted EBITDA of $6.7 million
- Operating cash flow of $4.6 million

Business Highlights

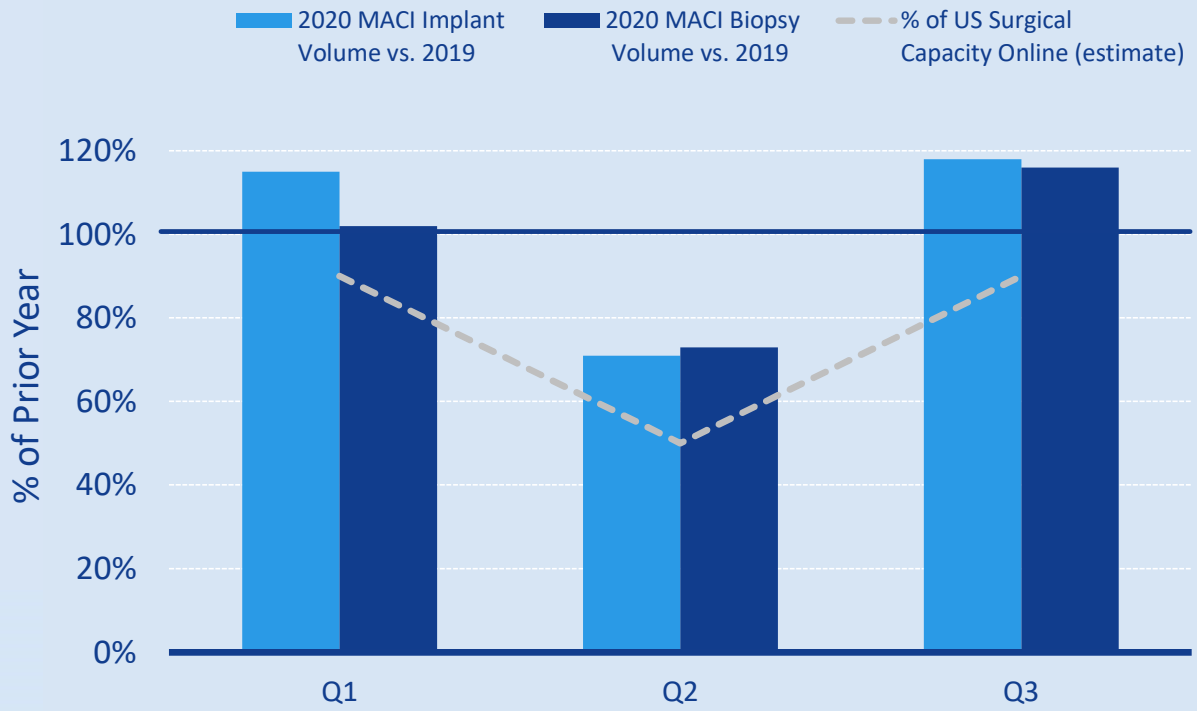
- Achieved double-digit growth in MACI implants and biopsies, including a record monthly high for biopsies in September
- Announced the first delivery of NexoBrid to BARDA for emergency response preparedness
- Announced that the FDA accepted for review the NexoBrid Biologics License Application for the treatment of severe thermal burns, with a PDUFA goal date of June 29, 2021

Third-Quarter 2020 Revenue Details



- Record third quarter MACI revenue and total revenues
- Second highest quarterly Epicel revenue in history
- First NexoBrid revenue related to BARDA procurement

Continued Momentum in MACI Implant and Biopsy Volumes in the Third Quarter



Double digit growth in implants and biopsies vs. Q3 2019

Record monthly high for biopsies in September

MACI Well-Positioned to Continue Strong Performance

Strong revenue growth prior to COVID-19 crisis and rapid recovery as elective surgery restrictions lifted

- Reflects strong underlying demand for MACI in the marketplace based on unique patient benefits

MACI patients are typically young, active and otherwise healthy

- Large, symptomatic focal cartilage defects that impact quality of life and will not heal with passage of time

MACI procedures performed on an outpatient basis more than 95% of the time

- ~50/50 historical split between hospital outpatient surgery centers and ambulatory surgery centers

Orthopedic practices are a significant source of revenue for hospitals and surgery centers

- Many orthopedic surgeons are expected to increase surgery volume in 2H 2020

Staying connected with surgeons and patients

- Surgeons connecting with patients via telemedicine, supported by virtual sales calls with MACI digital content
- Case management team continues to work with offices and patients to move cases through the pipeline and schedule or reschedule cases

Third-Quarter 2020 Financial Results

Unaudited, amounts in thousands except per share amounts	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Net Sales	$ 32,258	$ 30,499	$ 78,950	$ 78,460
Gross Profit	22,471	21,175	50,581	51,474
Gross Margin	*70%*	*69%*	*64%*	*66%*
Research and Development	2,913	3,096	9,902	27,174
Selling, General and Administrative	16,041	14,982	50,596	44,761
Total Operating Expenses	18,954	18,078	60,498	71,935
Operating Income (Loss)	3,517	3,097	(9,917)	(20,461)
Other Income (Expense)	101	373	561	1,295
Net Income (Loss)	$ 3,618	$ 3,470	$ (9,356)	$ (19,166)
Net Income (Loss) Per Share (Diluted)	$ 0.08	$ 0.07	$ (0.21)	$ (0.44)
Weighted average number of common shares outstanding	47,314	46,667	45,112	43,979

- Q3 2020 Operating Cash Flow of $4.6 million
- Ended Q3 2020 with $85.5 million in cash and investments, and no debt

Expected Fourth Quarter and Full-Year 2020 Results Demonstrate Strong Execution and Underlying Product Demand*

Expecting **full-year product revenue growth for 2020** and second NexoBrid shipment to BARDA in the fourth quarter

Full-year revenue expectations would result in **positive net income and operating cash flow** for 2020

Key drivers of MACI growth have recovered and are positioned to accelerate into 2021

*Expectations assume that widespread restrictions on elective surgeries are not reinstated in the U.S.

VERICEL Q3 2020 FINANCIAL RESULTS

APPENDIX

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

Quarterly Adjusted EBITDA	Three Months Ended September 30, 2020	2019
Net Income (GAAP)	**$3,618**	**$3,470**
Stock compensation expense	2,675	3,285
Depreciation and amortization	570	475
Net interest expense (income)	(119)	(383)
Adjusted EBITDA (Non-GAAP) (unaudited)	**$6,744**	**$6,847**

Year-to-Date Adjusted EBITDA	Nine Months Ended September 30, 2020	2019
Net Loss (GAAP)	**($9,356)**	**($19,166)**
Non-recurring license agreement purchase	-0-	17,500
Stock compensation expense	10,819	10,095
Depreciation and amortization	1,649	1,174
Net interest expense (income)	(569)	(1,287)
Adjusted EBITDA (Non-GAAP) (unaudited)	**$2,543**	**$8,316**

Vericel Capitalization Table

Capitalization (as of September 30, 2020)	Shares
Common Stock	45,315,098
Options Outstanding	5,691,570
Unvested Restricted Stock Units	272,750
Fully Diluted Shares Outstanding	**51,279,418**