VERICEL

Advanced Therapies for the Sports Medicine and Severe Burn Care Markets

CORPORATE PRESENTATION

MARCH 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 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 approval by the U.S. Food & Drug Administration of the NexoBrid® Biologics License Application for treatment of severe burns in the United States or other North American markets, 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 how the outbreak will affect the pace with which state and local governments lift restrictions on the performance of elective surgical procedures or whether additional such restrictions may be imposed by states in the future, the availability of physicians and/or their treatment prioritizations, the willingness or ability of patients to seek treatment 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 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 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 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, 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.

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

INVESTMENT HIGHLIGHTS

SPORTS MEDICINE

maci®

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™

North American commercial rights to the next generation eschar removal product

MACI® and Epicel® – Combination Products (biologic/device) with no established biosimilar or 510(k) pathways

NexoBrid® – Patent protection; biologic and orphan exclusivities in the U.S. upon FDA approval

Sustainable Top-Tier Revenue Growth in Large Addressable Markets

INVESTMENT HIGHLIGHTS

FULL YEAR REVENUE GROWTH FOR MACI AND EPICEL IN 2020

Total net revenues of ~$124 million in 2020

$2B+ CURRENT ADDRESSABLE MARKETS

Underpenetrated and growing

~25% revenue CAGR since the launch of MACI in 2017

Sustainable multi-year revenue growth potential given large, underpenetrated addressable markets

Attractive Business Model with Robust Profitability Profile

INVESTMENT HIGHLIGHTS

VOLUME GROWTH DRIVING GROSS MARGIN EXPANSION

Marginal COGS ~20% for MACI and Epicel

SUBSTANTIAL OPERATING MARGIN LEVERAGE

Premium products with concentrated call points

Continuing volume growth drives gross margin expansion

High-value products and concentrated call points create substantial operating margin leverage

Strong Balance Sheet and Institutional Shareholder Base

INVESTMENT HIGHLIGHTS

BALANCE SHEET*

Cash and investments of ~$100 million and no debt

SHAREHOLDER BASE

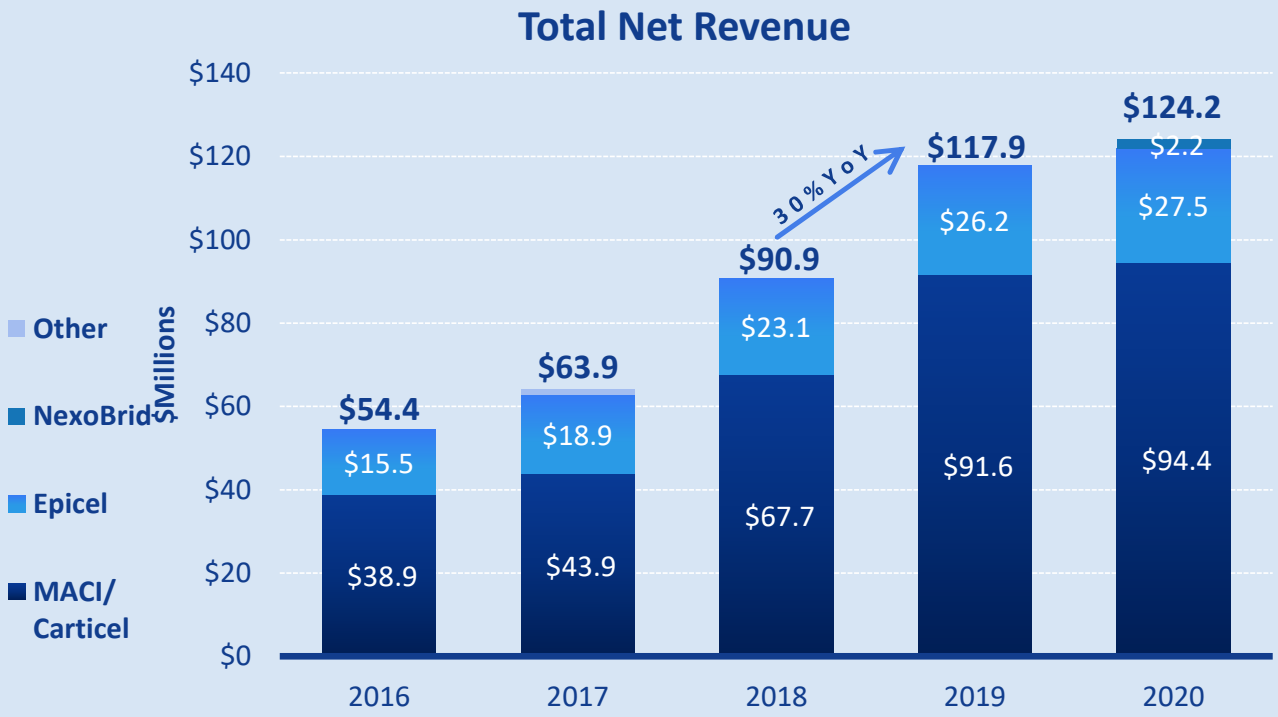
Strong institutional healthcare shareholder base

Substantial cash on hand and no debt

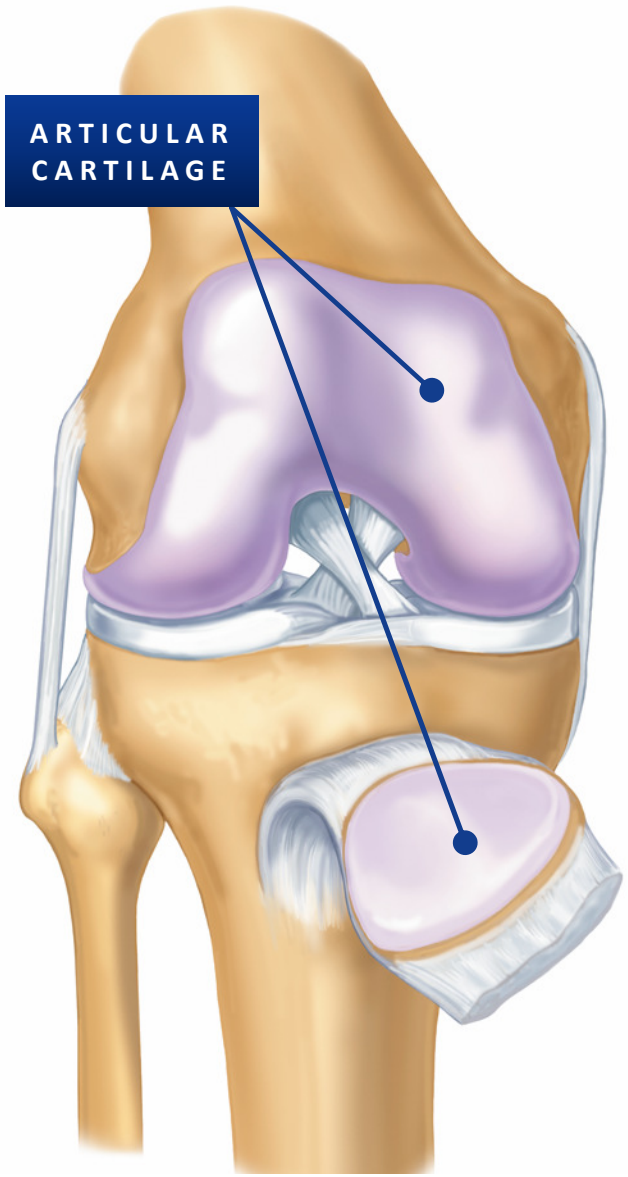
~90% of outstanding shares held by institutional investors

* As of December 31, 2020

Significant Revenue Growth Since the Launch of MACI in 2017



Record MACI implants and Epicel grafts drove full-year revenue growth for both products, despite impact of COVID-19



Articular Cartilage Structure and Function

ARTICULAR CARTILAGE IS A HIGHLY SPECIALIZED CONNECTIVE TISSUE OF SYNOVIAL JOINTS

Articular cartilage function

- Provide a smooth, lubricated surface allowing for nearly frictionless movement
- Facilitate transmission of loads to underlying subchondral bone
- Protect joints from compressive, tensile and shearing forces

Chondrocytes are the resident cells responsible for the production, maintenance and repair of cartilage

Knee Cartilage Defects and Treatment Options

ARTICULAR CARTILAGE INJURY IS A CAUSE OF SIGNIFICANT MUSCULOSKELETAL MORBIDITY

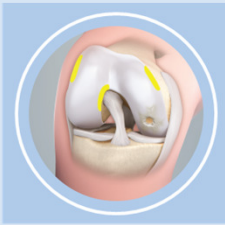
- Cartilage defects are found in ~60% of knee arthroscopies
- Damage is caused by acute and repetitive trauma, degenerative and inflammatory conditions
- Limited capacity for intrinsic healing and repair
  - Devoid of blood vessels, nerves, or lymphatics
  - Mature chondrocytes have limited potential for replication
- Untreated lesions may lead to debilitating joint pain, dysfunction, and osteoarthritis

TREATMENT GOALS

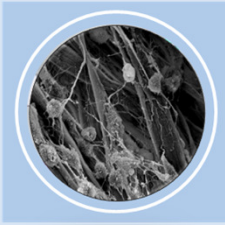
- Reduce symptoms
- Improve function
- Prevent degeneration

PALLIATIVE	REPARATIVE	RESTORATIVE
Techniques intended to relieve or prevent pain with little repair of underlying defect	Marrow-stimulation techniques that result in formation of fibrocartilage	**Techniques designed to recreate hyaline-like cartilage at the site of the defect**
▷ Lavage and debridement ▷ Thermal chondroplasty	▷ Microfracture/microdrilling ▷ Augmented microfracture	▷ **Autologous chondrocyte implant** ▷ **Autograft or allograft**

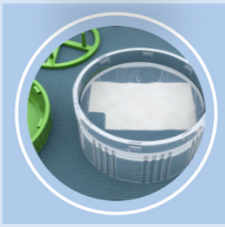
MACI Production and Administration



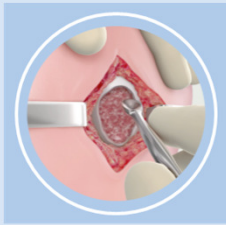
BIOPSY TAKEN



CHONDROCYTES EXTRACTED, EXPANDED, & LOADED

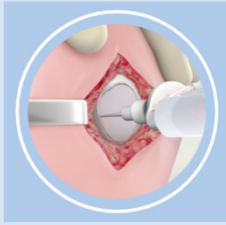


MACI DELIVERED

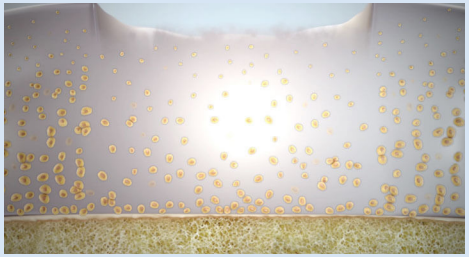


DEFECT DEBRIDED

TEMPLATE CREATED



MACI IMPLANTED



MACI Label – Indications and Usage

Indications and Usage

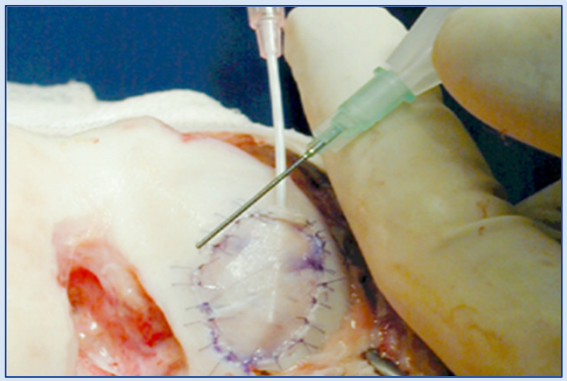
MACI® (autologous cultured chondrocytes on porcine collagen membrane) is an autologous cellularized scaffold product indicated for the repair of single or multiple symptomatic, full-thickness cartilage defects of the knee with or without bone involvement in adults.

Limitations of Use

- Effectiveness of MACI in joints other than the knee has not been established.
- Safety and effectiveness of MACI in patients over the age of 55 years have not been established.

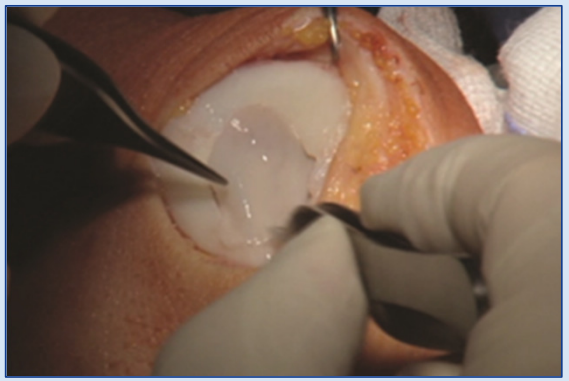
MACI Label Highlights	
INDICATED USE	First-line treatment
DEFECT LOCATION	Cartilage defects of the knee, including patella
DEFECT SIZE	No limitation
NUMBER OF DEFECTS	Single or multiple
BONE INVOLVEMENT	With or without bone involvement

Significant MACI Administration Advantages



Carticel

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



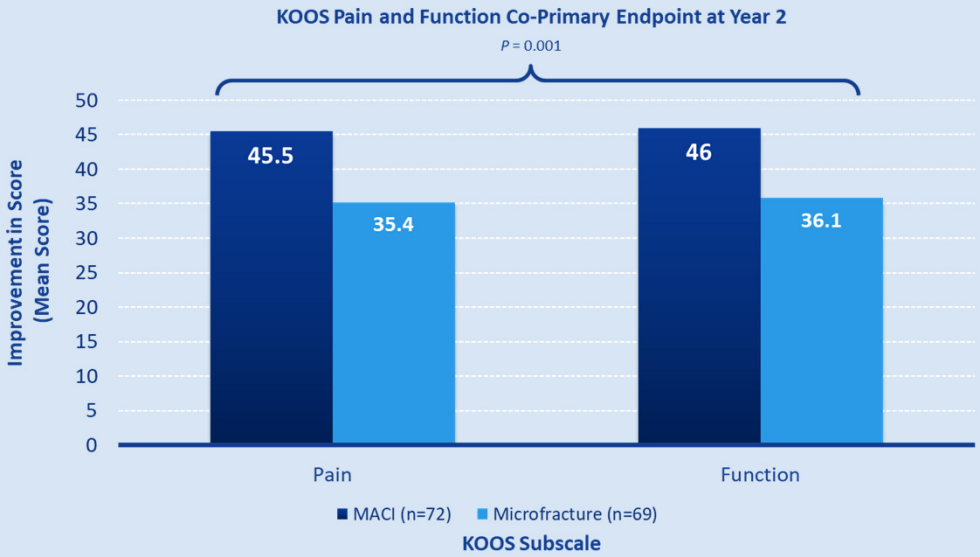
MACI

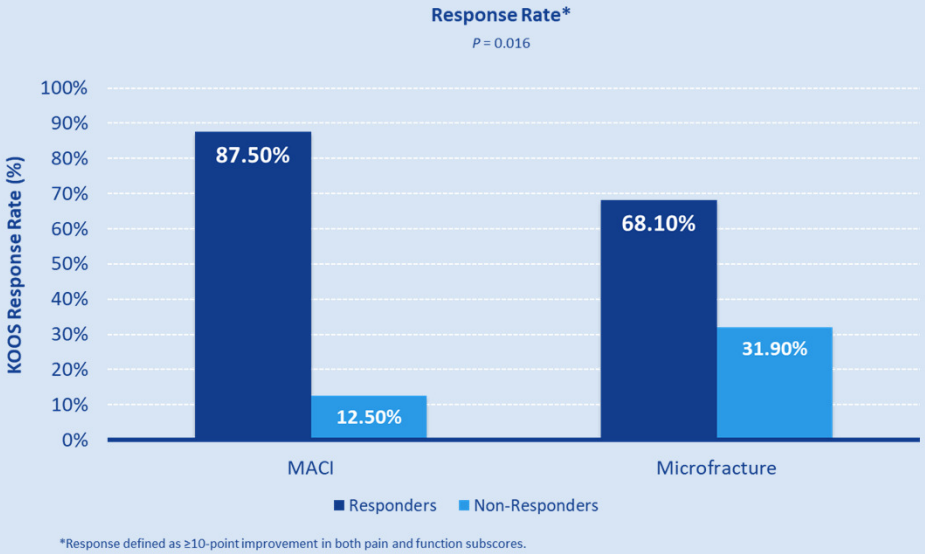
- Simpler, less invasive ACI procedure
- Eliminates periosteal harvest and sutures
- Significant reduction in surgical time
- Uniform distribution of cells
- Improved post-operative course

Simpler, less invasive MACI procedure appeals to broader surgeon and patient populations

maci

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



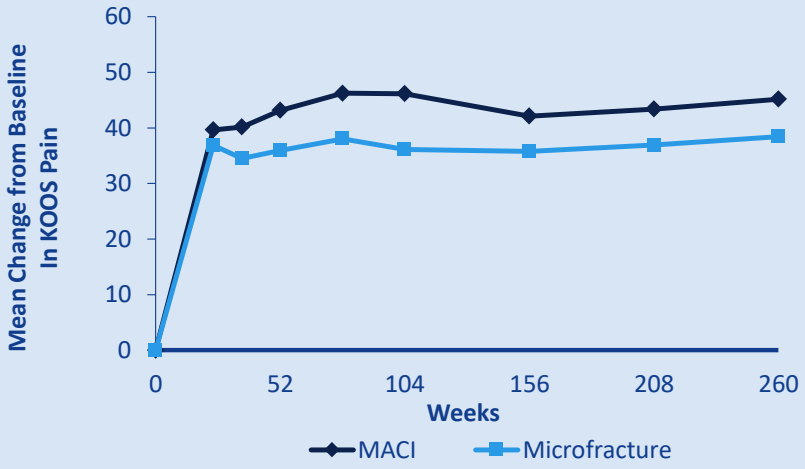


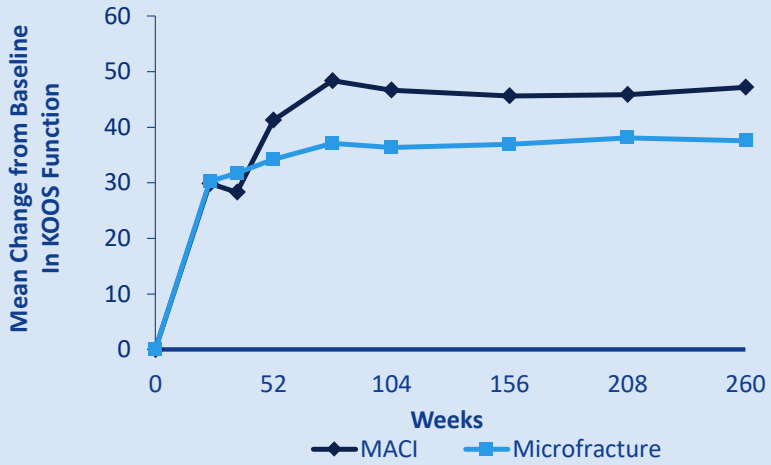
MACI demonstrated statistically significantly greater improvement in the co-primary endpoint of KOOS pain and function (SRA) scores compared to microfracture at year 2

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.

SUMMIT Extension Study – Improvement in KOOS Pain and Function Scores With MACI Over Microfracture Was Maintained to 5 Years

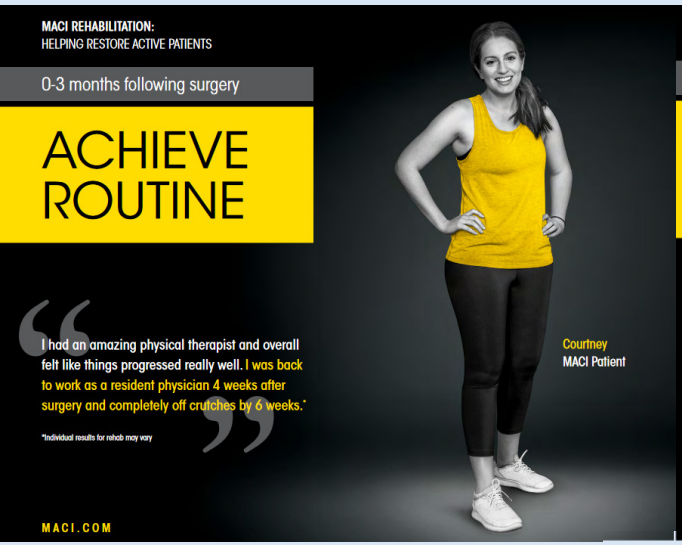




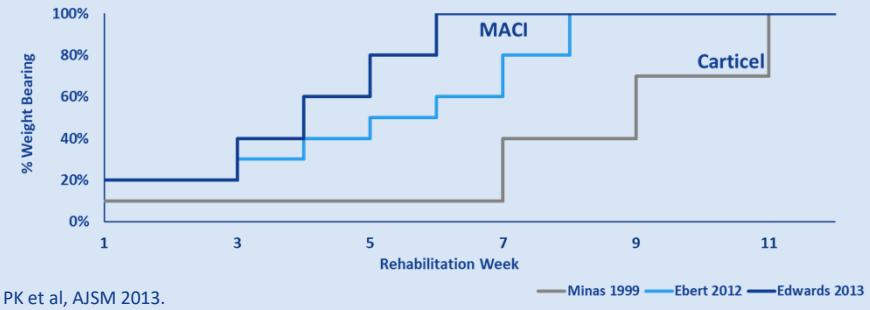
Overall efficacy data support a long-term clinical benefit from the use of MACI in patients with cartilage defects of the knee

The American Journal of Sports Medicine (2018) 46(6), 1343-1351.

MACI Rehabilitation Protocol



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

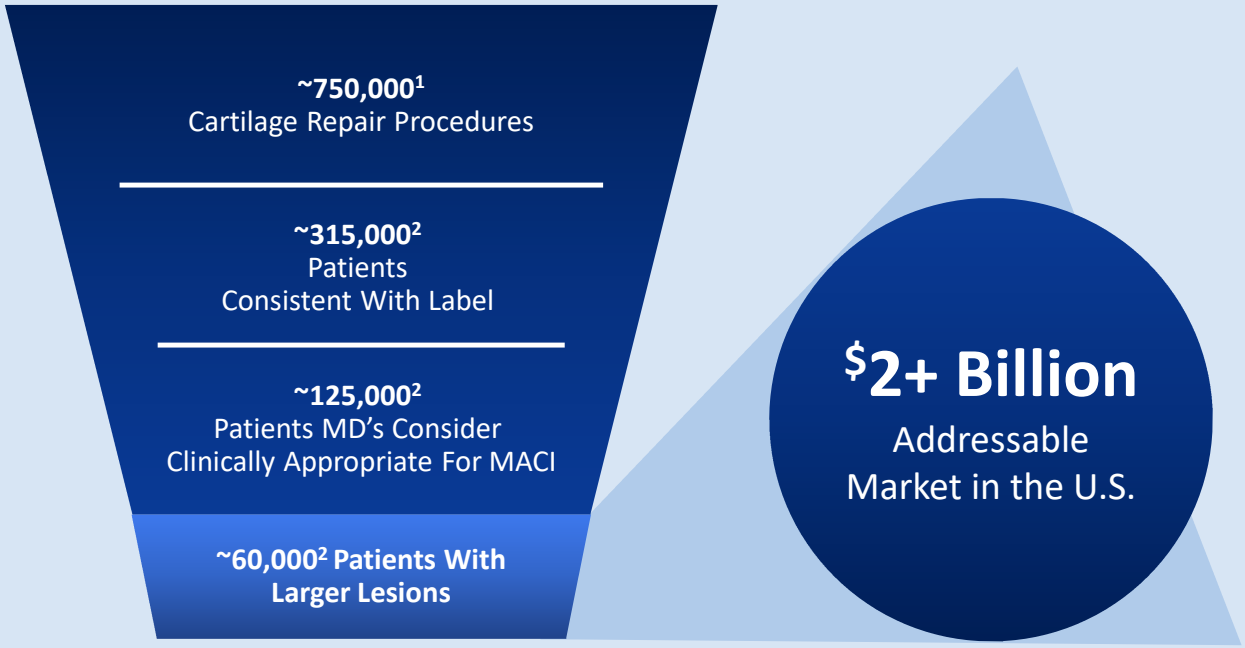


Published MACI rehabilitation protocols achieve full weight-bearing in 6-8 weeks compared to 10-12 weeks for published Carticel rehabilitation protocols

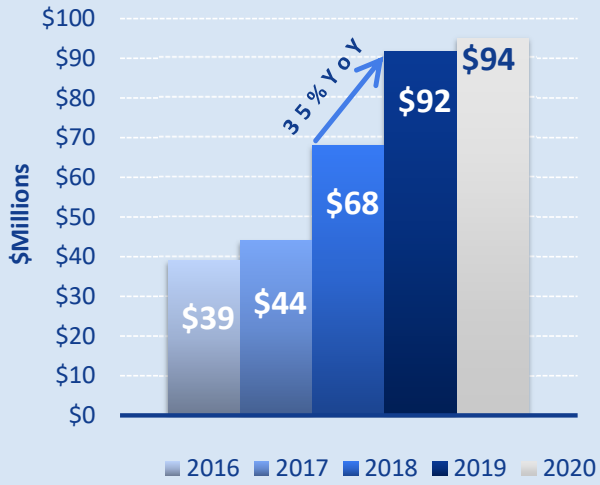
[1] Ebert J et al, Osteoarthritis & Cartilage 2008; Edwards PK et al, AJSM 2013.

Large Addressable Cartilage Repair Market for MACI

Estimated Annual Addressable Patient Population (U.S.)



Annual Cartilage Repair Revenue



[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)
* Preliminary 2020 financial results (January 11, 2021).

Marketing Investments Focused on Key Stakeholders

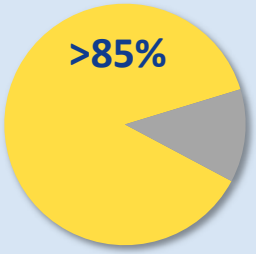
Targeting New Surgeons

Developing content and campaigns on platforms utilized by orthopedic surgeons

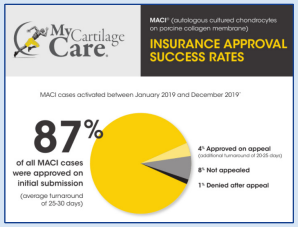
Peer-to-peer training programs with emphasis on new fellows

Ensuring Broad Access

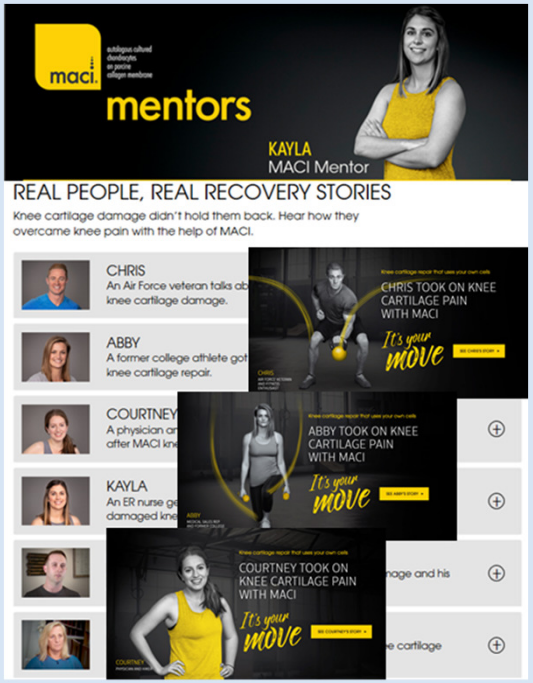
30 largest payers provide access to MACI, representing **>85%** of commercial lives



~91% of all MACI cases approved; **87%** upon initial submission

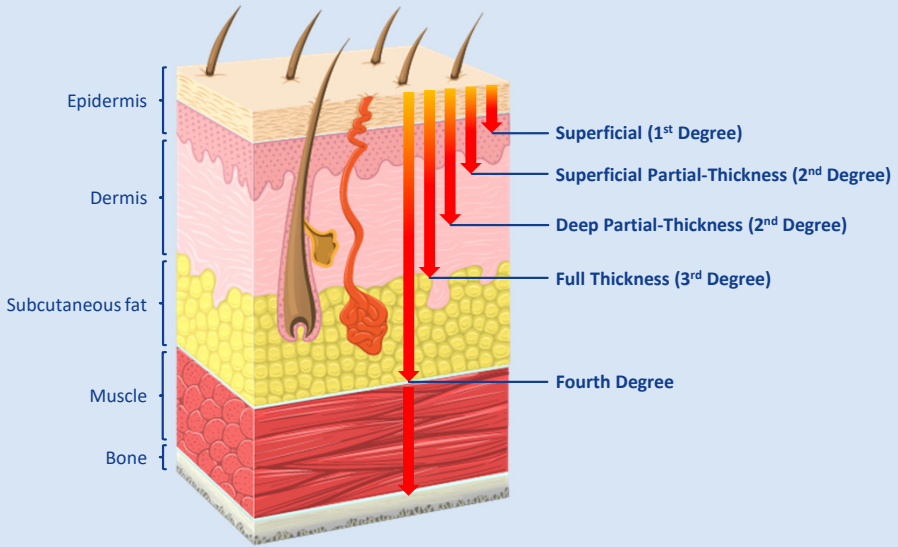


Connecting With Patients

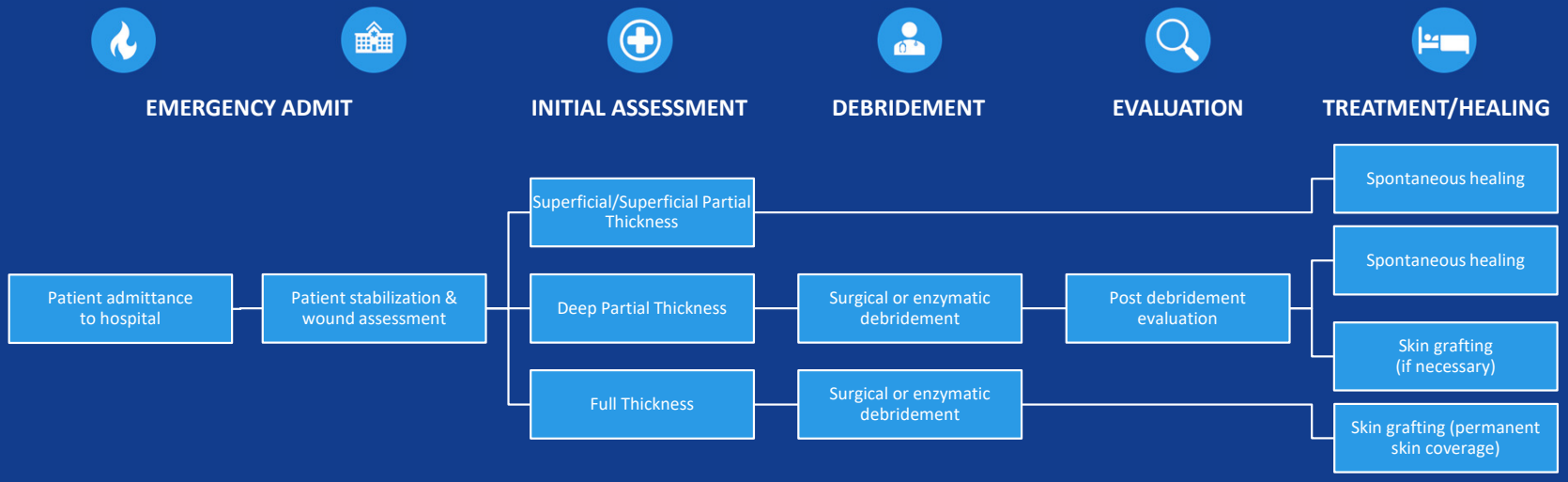


Burn Injury Size and Depth Determine Treatment Pathway

- **Full thickness burn injuries of any size** and **partial thickness burn injuries >10%** are most often transferred to specialized burn centers
- Full thickness and deep partial-thickness burns **require debridement and grafting**



TREATMENT PATHWAY



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Early Eschar Removal is a Critical 1st Step in Burn Treatment

Eschar Removal

Before… **…After**

- Prevents local infection and sepsis
- Avoids further deterioration and scarring
- Early debridement enables faster initiation of wound healing
- Allows direct visual assessment of wound bed, enabling an informed treatment plan

Current Standard of Care

Non-Surgical Eschar Removal

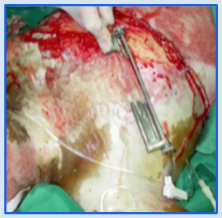
- Autolysis
- Topical medications
- Enzymes, chemicals, biologicals

Significant Limitations

- Limited debriding efficacy; surgery often needed
- Protracted; increased eschar-related morbidities
- Less useful for deep and extensive burns
- Multiple dressing changes/wound handlings

Surgical Eschar Removal

- Tangential excision
- Dermabrasion
- Hydro-jet surgery



Significant Limitations

- Traumatic and non-selective
- Loss of healthy tissue and blood
- Challenging in delicate areas
- OR access may delay start of debridement

Clear unmet need for selective and effective eschar removal agent for severe burns

NexoBrid

NexoBrid

Approved in EU & other OUS markets

Orphan biologic designation in the U.S.

Pivotal U.S. Phase 3 clinical study met primary and all secondary endpoints

BLA accepted for filing by the FDA, with a PDUFA goal date of June 29, 2021

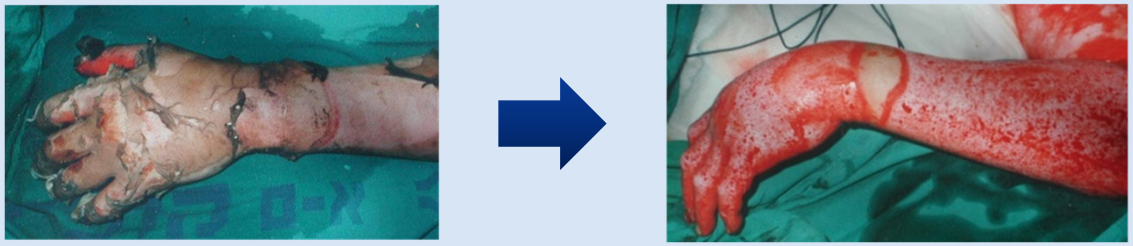
Orphan and biologic exclusivities in the U.S.; patent protection until 2029

BARDA funding supports U.S. development, expanded access and medical countermeasure procurement

NexoBrid

Effectively and selectively removes nonviable burn tissue (eschar) in patients with deep partial- and full-thickness burns

- Bromelain-based biological product containing a sterile mixture of proteolytic enzymes
- Easy-to-use, single, non-surgical topical application at the patient's bedside
- Four-hour treatment enables early visual assessment of the wound, enabling development of an informed treatment plan
- European pharmacoeconomic studies suggest that NexoBrid can lead to cost savings of up to 30% compared to standard of care



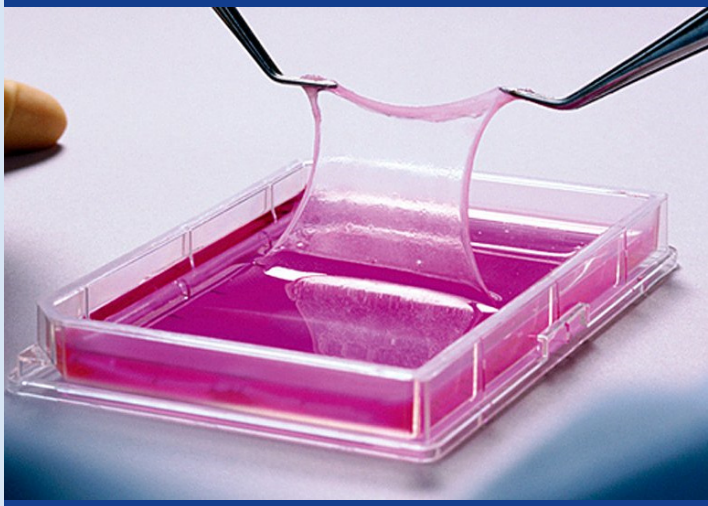
NexoBrid is an investigational product in the U.S. and is not approved for commercial use or sale in the U.S. at this time.

EPICEL OVERVIEW

Epicel is a permanent skin replacement for full thickness burns ≥ 30% of total body surface area

Only FDA-approved permanent skin replacement for adult and pediatric patients with full-thickness burns

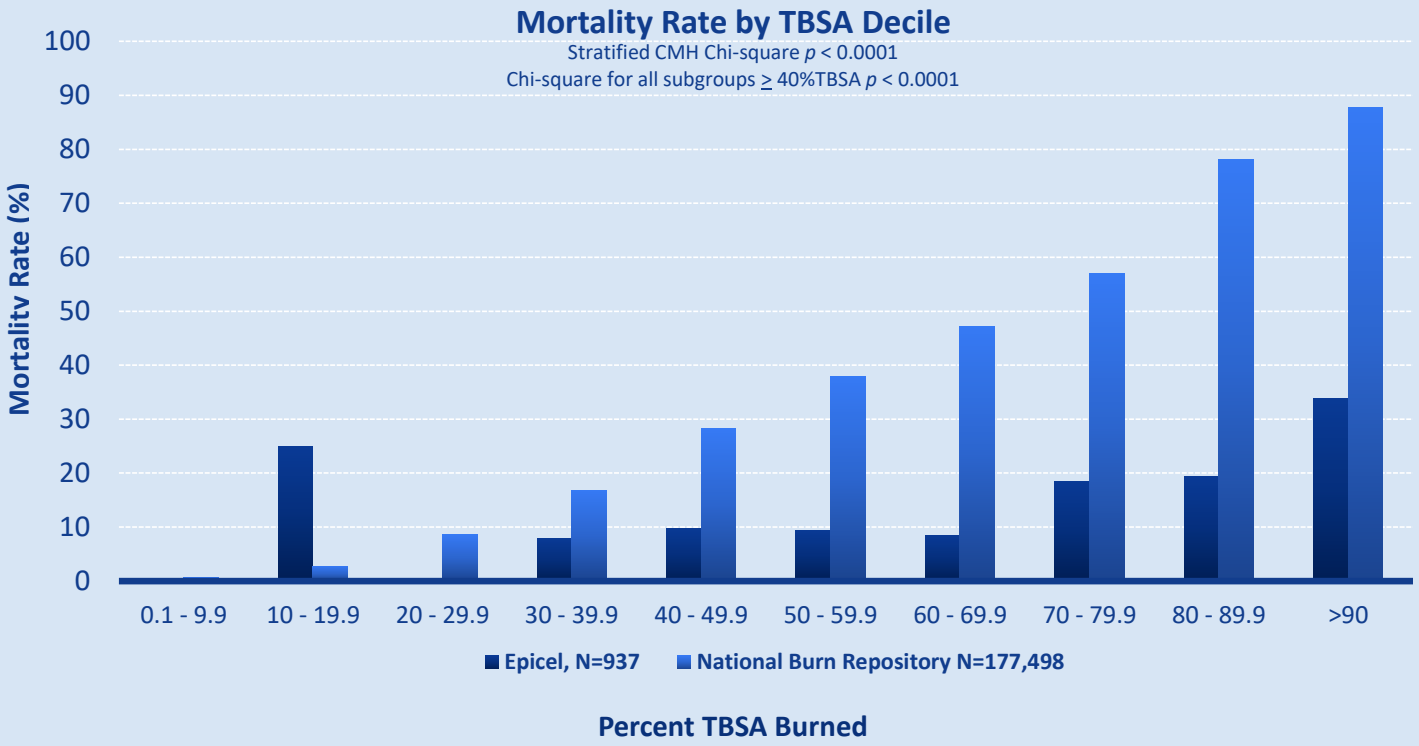
Important treatment option for severe burn patients where little skin is available for autografts



Epicel® (cultured epidermal autografts)

Epicel Production and Administration

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



Epicel® (cultured epidermal autografts)

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.

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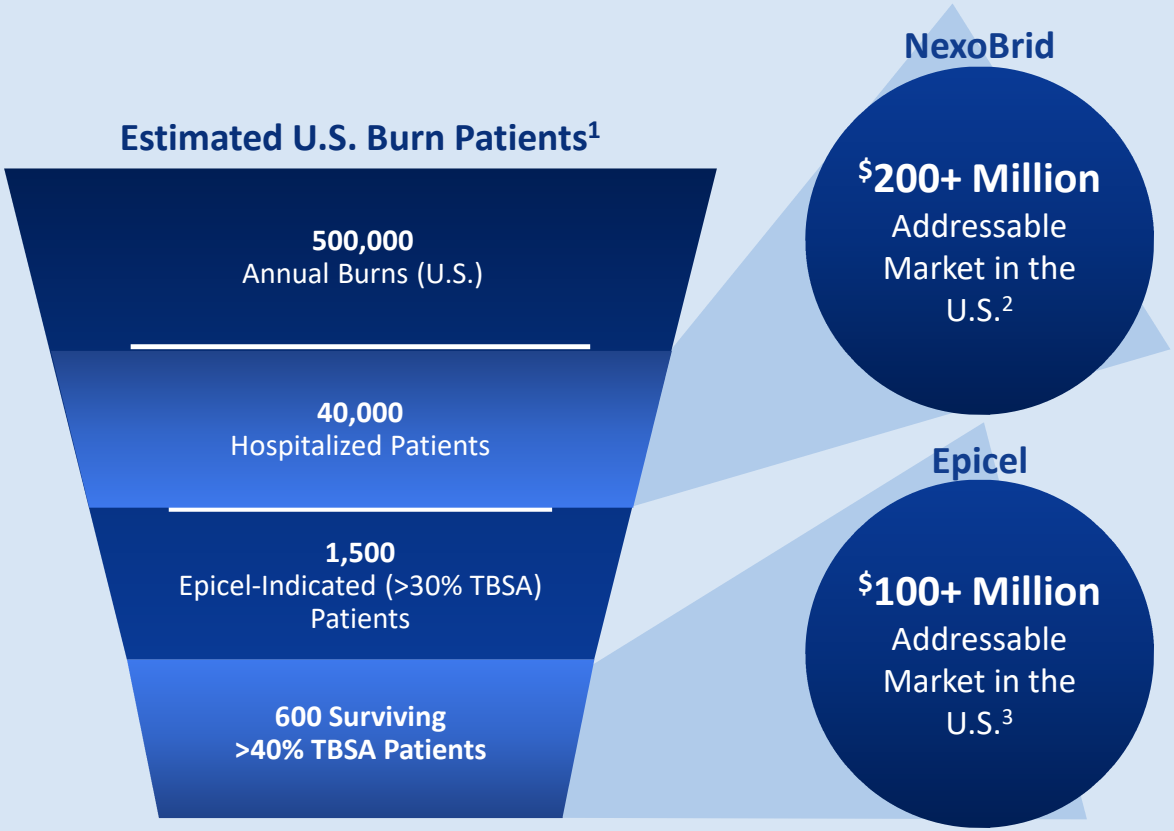
Burn Franchise Addressable Market Opportunity



NexoBrid significantly expands the total addressable market opportunity for Vericel's burn franchise

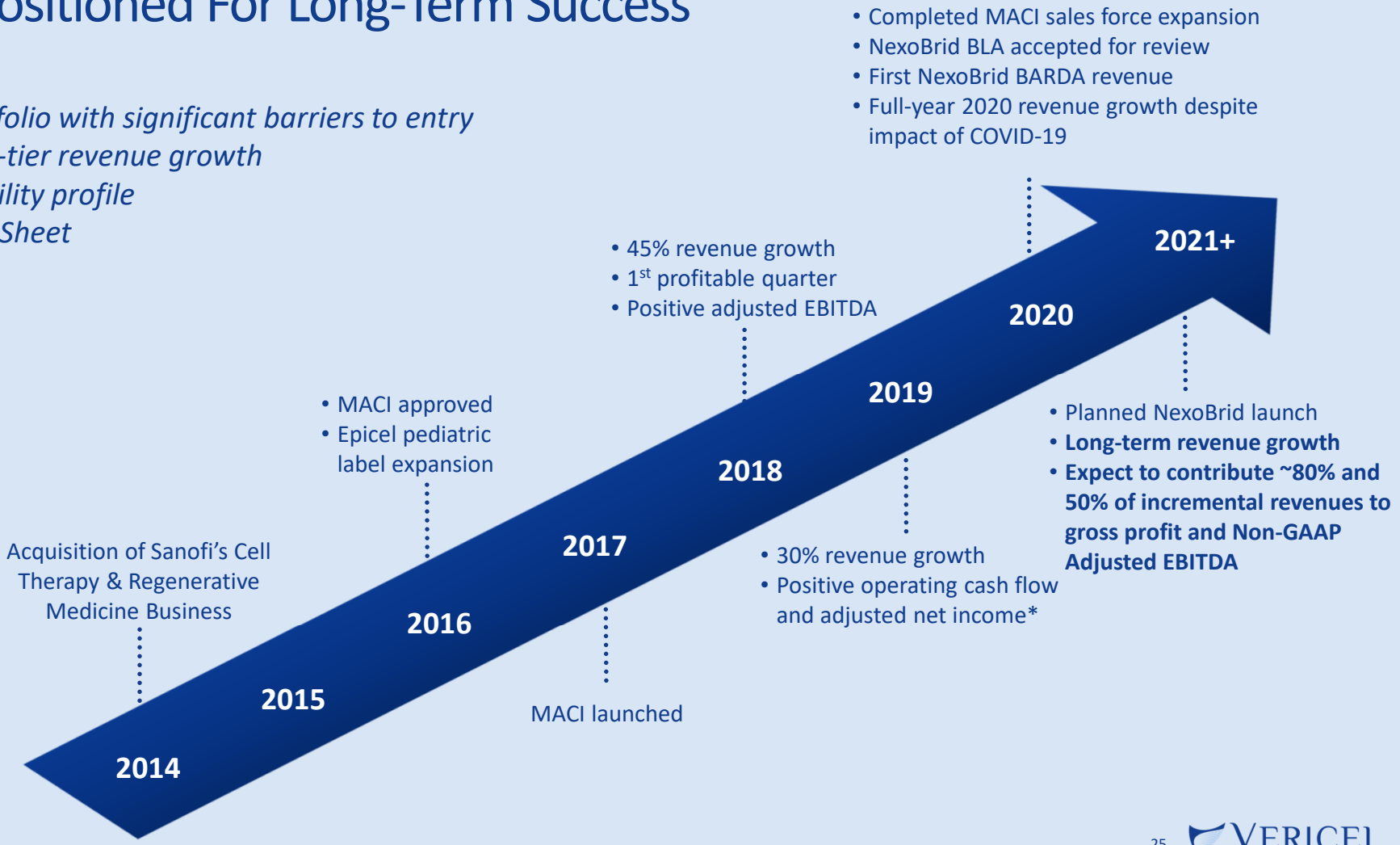
NexoBrid™
Epicel® (cultured epidermal autografts)

[1] 2017 National Burn Repository Report Version 13.
[2] ~90% of hospitalized patients with thermal burns; ~90% of eligible patients are debrided (management estimate); ~10% TBSA for average patient with pricing analysis ongoing; ~85% of TAM in burn centers based on 75% of all hospitalized patients admitted into burn centers (http://ameriburn.org/who-we-are/media/burn-incidence-fact-sheet/) and burn centers having a higher rate of debridement.
[3] Assumes 600 patients x 1.25 (25% re-order rate) x ~70 grafts per order x ~$3,000 per graft.

VERICEL

Vericel is Positioned For Long-Term Success

- *Innovative portfolio with significant barriers to entry*
- *Sustainable top-tier revenue growth*
- *Robust profitability profile*
- *Strong Balance Sheet*

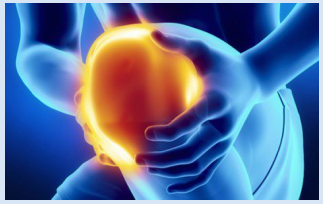


*Excluding $17.5 million NexoBrid license payment.

Strategic Transactions to Maximize Long-Term Value

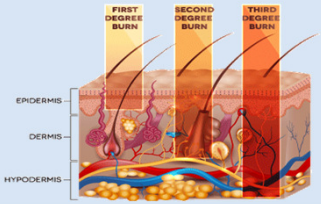
ADVANCED CELL THERAPY DEVELOPMENT AND MANUFACTURING PLATFORM

Sports Medicine Franchise



maci

Severe Burn Care Franchise



Epicel® (cultured epidermal autografts)

NexoBrid

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 is a leader in advanced therapies for the sports medicine and severe burn care markets

INVESTMENT HIGHLIGHTS

maci

Epicel® (cultured epidermal autografts)

NexoBrid™

Innovative Portfolio with Significant Barriers to Entry

Sustainable Revenue Growth in Large Addressable Markets

Attractive Business Model with Robust Profitability Profile

Strong Balance Sheet and Shareholder Base

Balance Sheet and Capital Structure

Balance Sheet Highlights	December 31, 2020
Cash, Cash Equivalents and Short-Term Investments	~$100 million
Debt	$0

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**