



# VERICEL

## Q3 2023 RESULTS

NOVEMBER 8, 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

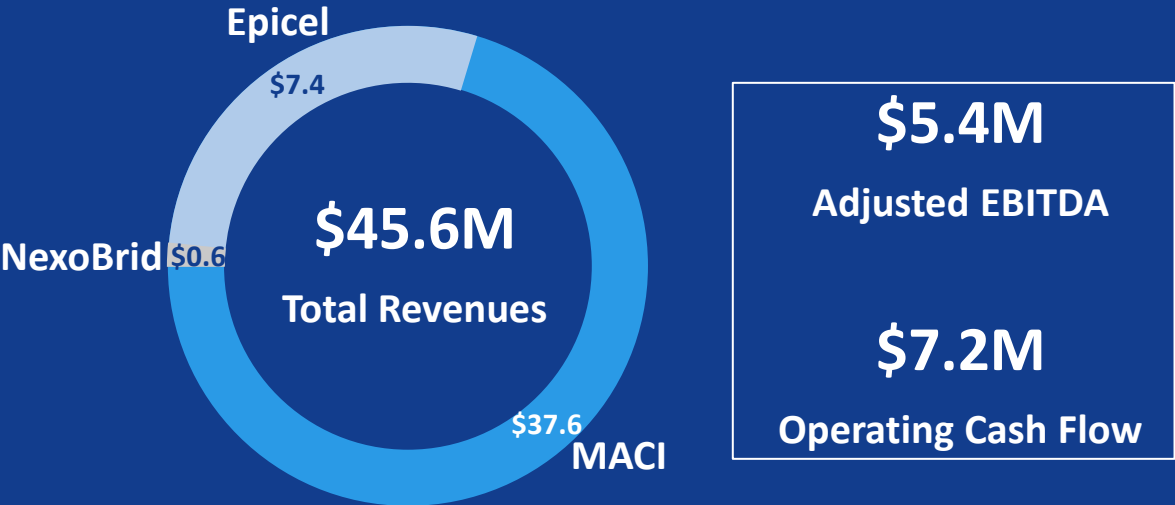
revenue, growth in revenue, market penetration for MACI<sup>®</sup>, Epicel<sup>®</sup>, and NexoBrid<sup>®</sup>, growth in profit, gross margins and operating margins, the ability to continue to scale our manufacturing operations to meet the demand for our cell therapy products, including the timely 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, physician and burn center adoption of NexoBrid, supply chain disruptions or other events affecting MediWound Ltd.’s ability to manufacture and supply NexoBrid to meet customer demand, including but not limited to the ongoing Israel-Hamas war, negative impacts on the global economy and capital markets resulting from the conflict in Ukraine and the Israel-Hamas war, adverse developments affecting financial

institutions, companies in the financial services industry or the financial services industry generally, global geopolitical tensions or record inflation and potential future impacts on our business or the economy generally stemming from a resurgence of COVID-19 or another similar public health emergency.

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.

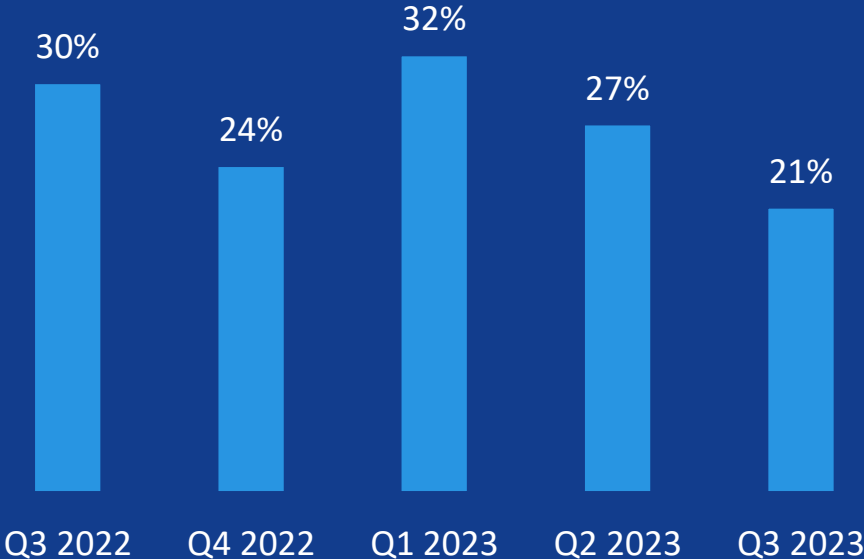
# Q3 2023 Financial Highlights

## Q3 Financial Highlights



Total revenue growth of 18% and 64% growth in adjusted EBITDA

## Recent MACI Growth Rates



MACI year-to-date growth of 26%

# Key Brand and Business Updates

## MACI

- ▶ MACI third-quarter revenue growth of 21%, representing the fifth straight quarter of 20%+ growth
- ▶ Record third-quarter highs for MACI biopsies and the number of surgeons taking biopsies
- ▶ Completed human factors validation study for MACI arthroscopic delivery program during the third quarter, with commercial launch anticipated in the first half of 2024

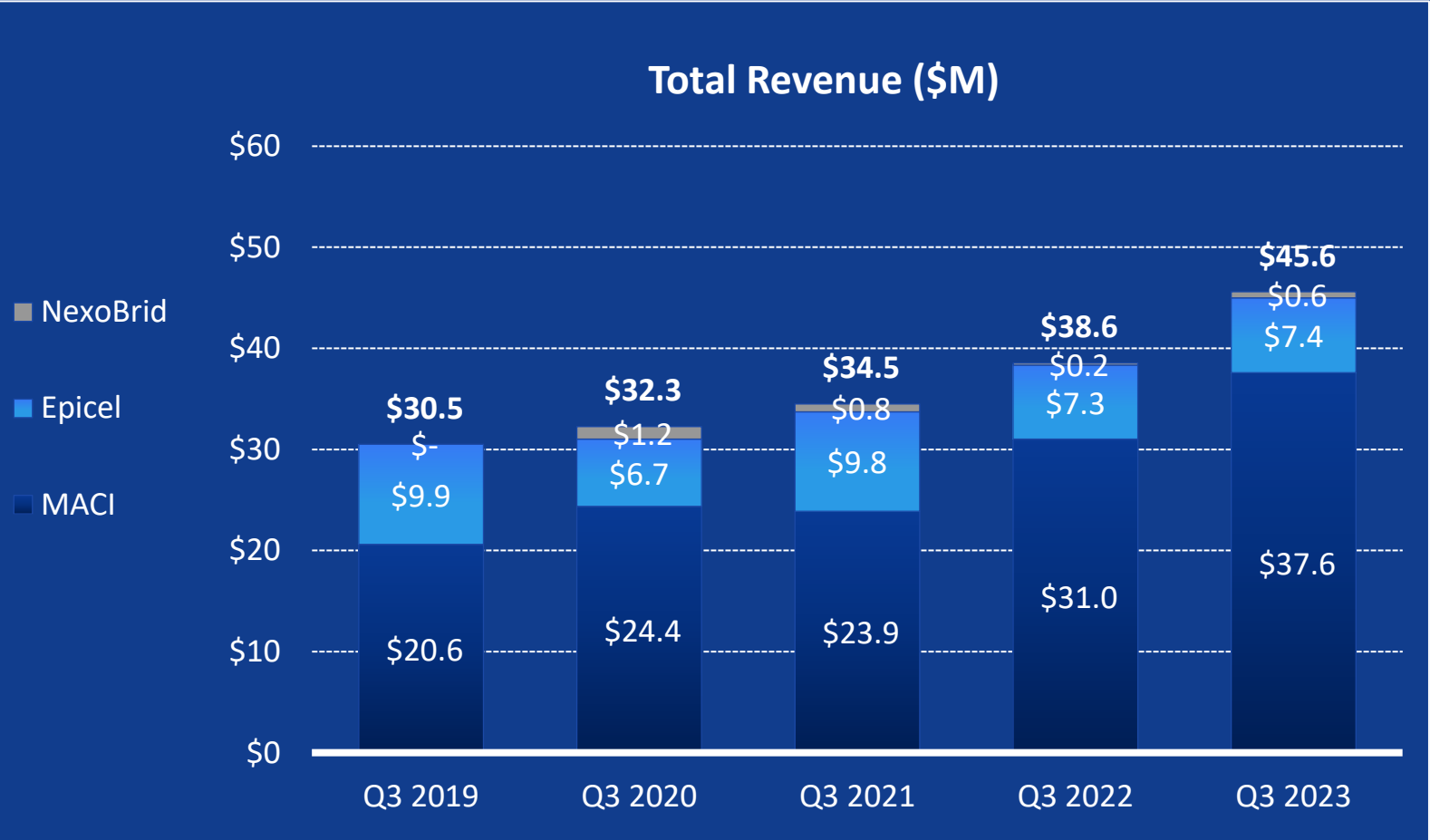
## Burn Care

- ▶ Announced U.S. commercial availability of NexoBrid, significantly expanding the total addressable market for Vericel Burn Care
- ▶ Announced publication of positive results from NexoBrid Phase 3 DETECT study in the *Journal of Burn Care & Research*, demonstrating that treatment with NexoBrid resulted in early complete eschar removal in more than 90% of treated burn patients and reduced the need for surgical excision compared to Gel Vehicle and standard of care

## Corporate Highlights

- ▶ Record third quarter total revenue, representing 18% growth versus the prior year
- ▶ Year-to-date total revenue increased 19% to \$132.5 million
- ▶ 13<sup>th</sup> straight quarter of positive adjusted EBITDA and operating cash flow, with adjusted EBITDA growth of 64% versus the prior year

# Q3 Revenue Details



MACI Third Quarter Net Revenue Increased 21% to \$37.6 Million

# Third-Quarter 2023 Financial Results

Unaudited, amounts in millions except per share amounts	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net Revenue	\$45.6	\$38.6	\$132.5	\$111.7
Gross Profit	30.6	25.2	87.1	71.5
Gross Margin	67%	65%	66%	64%
Research and Development	5.7	5.0	16.1	14.7
Selling, General and Administrative	<u>30.0</u>	<u>27.0</u>	<u>90.1</u>	<u>80.0</u>
Total Operating Expenses	35.7	32.0	106.3	94.7
Operating Income (Loss)	<u>-5.1</u>	<u>-6.8</u>	<u>-19.2</u>	<u>-23.1</u>
Net Income (Loss) Per Share (Diluted)	(\$0.08)	(\$0.14)	(\$0.34)	(\$0.48)
Weighted average shares outstanding (Diluted)	47.6	47.2	47.5	47.1
Adjusted EBITDA	5.4	3.3	11.6	9.3
Adjusted EBITDA Margin	12%	9%	9%	8%
Stock-based compensation included in Operating and Net Income (Loss)	7.9	9.1	25.4	29.4

- ▷ Q3 2023 Operating Cash Flow of \$7.2 million
- ▷ ~\$149 million in cash, restricted cash and investments as of September 30, 2023, and no debt

# Increasing 2023 Full-Year Revenue Guidance

↑ Total net revenue of **\$192.5–\$197.5 million**

↑ ❖ MACI revenue of **\$160–\$164 million**

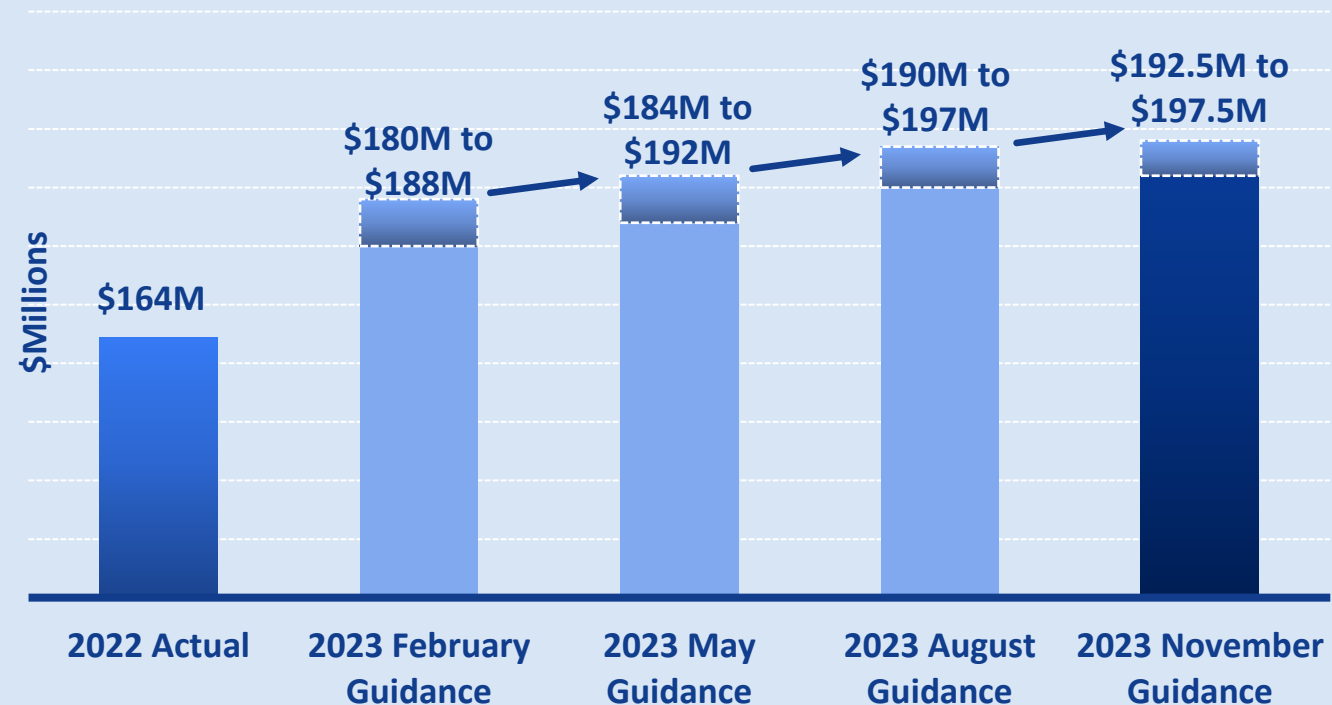
↑ ❖ Burn Care revenue of **\$32.5–\$33.5 million**

Gross margin in the **high-60% range**

Adjusted EBITDA margin in the **mid-teens % range**

↑ *Increased since previous guidance*

## 2023 Net Revenue Guidance



# VERICEL Q3 2023 FINANCIAL RESULTS

APPENDIX



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

Adjusted EBITDA (In Thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Net Loss (GAAP)</b>	\$ (3,660)	\$ (6,577)	\$ (16,175)	\$ (22,631)
Stock-based compensation expense	7,924	9,104	25,416	29,443
Depreciation and amortization	1,154	1,014	3,483	2,942
Net interest income	(1,112)	(237)	(2,752)	(435)
Income tax expense (benefit)	(286)	21	(286)	21
Pre-occupancy lease expense	1,424	-	1,899	-
<b>Adjusted EBITDA (Non-GAAP)</b>	\$ 5,444	\$ 3,325	\$ 11,585	\$ 9,340

# Vericel Capitalization Table

Capitalization (as of September 30, 2023)	Shares
Common Stock	47,683,818
Options Outstanding	6,859,409
Unvested Restricted Stock Units	942,882
<b>Total</b>	<b><u>55,486,109</u></b>