

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information —enter all requested information
1a Name of plan VERICEL CORPORATION 401(K) PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 01/01/1994
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) VERICEL CORPORATION P.O. BOX 376 ANN ARBOR, MI 48106 24 FRANK LLOYD WRIGHT DRIVE LOBBY K ANN ARBOR, MI 48106	2b Employer Identification Number (EIN) 94-3096597 2c Plan Sponsor's telephone number 734-930-5797 2d Business code (see instructions) 339110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/12/2023	JEAN MOLONEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☐ Same as Plan Sponsor FIDELITY MANAGEMENT TRUST COMPANY JEAN MOLONEY 100 CROSBY PARKWAY COVINGTON, KY 41015		3b Administrator's EIN 04-3532603		
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		3c Administrator's telephone number 859-386-4199		
5 Total number of participants at the beginning of the plan year		4b EIN 4d PN		
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">5</td> <td style="width: 90%; text-align: right;">378</td> </tr> </table>	5	378
5	378			
6a(1) Total number of active participants at the beginning of the plan year		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6a(1)</td> <td style="width: 90%; text-align: right;">273</td> </tr> </table>	6a(1)	273
6a(1)	273			
6a(2) Total number of active participants at the end of the plan year		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6a(2)</td> <td style="width: 90%; text-align: right;">303</td> </tr> </table>	6a(2)	303
6a(2)	303			
b Retired or separated participants receiving benefits		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6b</td> <td style="width: 90%; text-align: right;">0</td> </tr> </table>	6b	0
6b	0			
c Other retired or separated participants entitled to future benefits.....		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6c</td> <td style="width: 90%; text-align: right;">115</td> </tr> </table>	6c	115
6c	115			
d Subtotal. Add lines 6a(2) , 6b , and 6c		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6d</td> <td style="width: 90%; text-align: right;">418</td> </tr> </table>	6d	418
6d	418			
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6e</td> <td style="width: 90%; text-align: right;">0</td> </tr> </table>	6e	0
6e	0			
f Total. Add lines 6d and 6e		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6f</td> <td style="width: 90%; text-align: right;">418</td> </tr> </table>	6f	418
6f	418			
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6g</td> <td style="width: 90%; text-align: right;">380</td> </tr> </table>	6g	380
6g	380			
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">6h</td> <td style="width: 90%; text-align: right;">13</td> </tr> </table>	6h	13
6h	13			
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">7</td> <td style="width: 90%;"></td> </tr> </table>	7	
7				
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 2G 2J 2T 2E 2K 3D				
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:				
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)				
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ 0 A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)		

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan VERICEL CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 VERICEL CORPORATION	D Employer Identification Number (EIN) 94-3096597	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY WORKPLACE SERVICES LLC
04-3532603

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY WORKPLACE SERVICES LLC

04-3532603

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
14 24 28 37 64 65	PLAN ADMINISTRATOR	39933	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

STRATEGIC ADVISORS, INC.

04-2654524

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	20121	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan VERICEL CORPORATION 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 VERICEL CORPORATION	D Employer Identification Number (EIN) 94-3096597	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: MIP CL 2		
b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY		
c EIN-PN 04-3022712-024	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 166688
a Name of MTIA, CCT, PSA, or 103-12 IE: MFS MID CP GROWTH CT		
b Name of sponsor of entity listed in (a): WILMINGTON TRUST, N.A.		
c EIN-PN 38-4126294-597	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 235212
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II **Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>VERICEL CORPORATION 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>VERICEL CORPORATION</u>	D Employer Identification Number (EIN) <u>94-3096597</u>	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	562445	655557
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants).....	1c(7)	0	0
(8) Participant loans.....	1c(8)	60259	116027
(9) Value of interest in common/collective trusts.....	1c(9)	129405	401900
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	30902059	27311694
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	31654168	28485178

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	31654168	28485178
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1009507	
(B) Participants	2a(1)(B)	3100860	
(C) Others (including rollovers)	2a(1)(C)	616662	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4727029
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	9066	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	5411	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		14477
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1558741	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1558741
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-32512
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-7939978
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-1672243
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1421625	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1421625
f Corrective distributions (see instructions)	2f		1253
g Certain deemed distributions of participant loans (see instructions)	2g		13815
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	20121	
(4) Other	2i(4)	39933	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		60054
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1496747
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-3168990
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **BDO USA, P.C.**

(2) EIN: **13-5381590**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan VERICEL CORPORATION 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 VERICEL CORPORATION		D Employer Identification Number (EIN) 94-3096597
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	
a	The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a
b	The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b
c	The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:	
a	The corresponding number for the plan year immediately preceding the current plan year.....	15a
b	The corresponding number for the second preceding plan year.....	15b
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:	
a	Enter the number of employers who withdrew during the preceding plan year	16a
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐	

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Vericel Corporation 401(k) Plan

**Financial Statements and
ERISA-Required Supplemental Schedule
Years Ended December 31, 2022 and 2021**

Vericel Corporation 401(k) Plan

Financial Statements and ERISA-Required Supplemental Schedule
Years Ended December 31, 2022 and 2021

Vericel Corporation 401(k) Plan

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ERISA-Required Supplemental Schedule

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2022	18
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Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.



Independent Auditor's Report

The Plan Administrator
Vericel Corporation 401(k) Plan
Ann Arbor, Michigan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Vericel Corporation 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the years then ended, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP).
- The certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Management is responsible for maintaining a current plan instrument, including all plan amendments. Management is also responsible for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For



information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The certified investment information in the supplemental schedule agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

BDO USA, P.C.

September 8, 2023

Financial Statements

Vericel Corporation 401(k) Plan

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2022	2021
Assets		
Investments, at fair value	\$ 28,369,151	\$ 31,593,909
Receivables:		
Notes receivable from participants	116,027	60,259
Net Assets Available for Benefits	\$ 28,485,178	\$ 31,654,168

See accompanying notes to financial statements.

Vericel Corporation 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

<i>Year ended December 31,</i>	2022	2021
Additions		
Investment (loss) income:		
Net (depreciation) appreciation in fair value of investments	\$ (7,972,490)	\$ 2,231,028
Dividends and interest income	1,567,807	2,144,568
Total Investment (Loss) Income	(6,404,683)	4,375,596
Interest income on notes receivable from participants	5,411	5,905
Contributions:		
Participant	3,100,860	2,801,897
Employer	1,009,507	885,257
Rollovers	616,662	160,838
Total Contributions	4,727,029	3,847,992
Total Additions, net of investment loss	(1,672,243)	8,229,493
Deductions		
Benefits paid to participants	1,436,693	2,565,691
Administrative expenses	60,054	84,862
Total Deductions	1,496,747	2,650,553
Net (Decrease) Increase	(3,168,990)	5,578,940
Net Assets Available for Benefits, beginning of year	31,654,168	26,075,228
Net Assets Available for Benefits, end of year	\$ 28,485,178	\$ 31,654,168

See accompanying notes to financial statements.

Vericel Corporation 401(k) Plan

Notes to Financial Statements

1. Description of the Plan

The following description of the Vericel Corporation 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Vericel Corporation (the Company) and its subsidiaries. The Plan was established effective January 1, 1994. The Plan was amended and restated effective October 1, 2021. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The trustee and recordkeeper of the Plan is Fidelity Management Trust Company (the Trustee or Fidelity). The administrator of the Plan is the Company. The Trustee holds all assets of the Plan in accordance with the service provider contract with the Company. The Vericel 401k Committee (the VCC) determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Eligibility

All employees of the Company who have attained age 21 are eligible to become participants in the Plan and to receive Company matching contributions, except for leased employees (as defined in the Plan document). In addition, residents of Puerto Rico and nonresident aliens with no income from U.S. sources, (as defined in the Plan document) are not eligible to participate in the Plan. Prior to October 1, 2021, the effective date of participation is the earlier of the first day of each plan year or the first day of the fourth, seventh, or tenth month of each plan year. Effective October 1, 2021, employees are eligible to participate in the Plan on the first of the month after 30 days of employment.

Contributions

Each year, participants may contribute up to 60% of their eligible compensation, as defined in the Plan document, subject to certain Internal Revenue Service (IRS) limitations. Participants' contributions are withheld from the participants' pay on a pre-tax basis. The Company contributes 100% of the first 3.5% of eligible compensation that a participant contributes to the Plan. Additional amounts may be contributed and allocated by the Company at the discretion of the VCC. During the years ended December 31, 2022 and 2021, the Plan did not receive any additional contributions from the Company that were made at the discretion of the VCC. Participants may also contribute amounts representing distributions from other qualified defined contribution plans (rollover).

Participants direct the investment of their contributions and the Company's contributions into various investment options offered by the Plan.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is increased for any participant contribution, the Company's matching contributions, the Company's discretionary contributions, and an allocation of the Plan's investment earnings. Additionally, each participant's account is charged with withdrawals and an allocation of the Plan's investment losses

Vericel Corporation 401(k) Plan

Notes to Financial Statements

and administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants in the Plan are 100% vested in their own contributions. Participants will vest 100% in their Company matching contributions and discretionary contributions after three years.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their vested account balance reduced by the highest outstanding loan balance in their account during the prior 12-month period. The loans are secured by the balance in the participant's account and bear interest at rates determined by the Company in its capacity as Plan administrator based on the prevailing interest rates charged by financial institutions for loans that would be made under similar circumstances. The interest rate remains fixed throughout the duration of the loan. Principal and interest are paid ratably through payroll deduction over a period of five years or less, unless loans were used to purchase a primary residence, in which case the loan terms may exceed five years. Also, each participant may not have more than one loan outstanding at any time.

Payment of Benefits

Upon disability, retirement, or termination of service, a participant may generally elect to receive a lump-sum amount equal to the value of the participant's account balance. For terminated participants with vested balances greater than \$1,000, but less than \$5,000, their vested balance will be rolled into an IRA with Fidelity unless otherwise elected. Immediate lump-sum distributions are to be made to terminated participants if the participant's vested account balance is \$1,000 or less. Withdrawals from the Plan may also be made upon circumstances of financial hardship, in accordance with provisions specified in the Plan. Participants may also withdraw an amount at age 59½ if certain criteria are met.

Forfeitures

Forfeited non-vested accounts may be used to pay administrative expenses and reduce future Company contributions. For the years ended December 31, 2022 and 2021, the Company did not direct any forfeitures to be allocated to administrative expenses and \$36,035 and \$66,666 was applied to reduce the Company contributions, respectively. At December 31, 2022 and 2021, there were no forfeitures remaining in the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting.

Vericel Corporation 401(k) Plan

Notes to Financial Statements

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires the Plan administrator to use estimates and assumptions that impact the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company determines the Plan's valuation policies utilizing information provided by the Trustee. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income (loss) is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in the fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance. Any accrued but unpaid interest is de minimis. Delinquent participant loans are recorded as deemed distributions and recorded as benefits paid to participants in the statements of changes in net assets available for benefits based on the terms of the Plan document. During the years ended December 31, 2022 and 2021, there were deemed distributions of \$13,815 and \$33,242, respectively.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company, except for certain expenses that are charged to participant accounts, including loan, withdrawal fees, plan administrative fees, and investment management. Certain investment expenses that are charged within investments are presented net of the appreciation (depreciation) in fair value of investments. All other expenses of the Plan were paid by the Company and are excluded from these financial statements.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Subsequent Events

Subsequent events were evaluated through September 8, 2023, which is the date the financial statements were available to be issued. There were no subsequent events impacting the Plan that require recognition or disclosure in the financial statements.

3. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for

Vericel Corporation 401(k) Plan

Notes to Financial Statements

identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at December 31, 2022 and 2021.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds - Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Money Market Fund - The money market fund invests in high-quality short-term securities. In accordance with Rule 2a-7 under the 1940 Act, the money market fund is valued at amortized cost method, which approximates fair value. This method of valuation is designed to enable the money market fund to price its shares at \$1.00 per share, although each money market fund's share price may deviate from \$1.00 per share. The objective of this money market fund is to preserve capital and liquidity and achieve the highest possible current income.

Common/Collective Trust - The common/collective trust (the Fund) is a stable value fund that is composed primarily of fully benefit-responsive investment contracts. Investments in the stable value funds are considered indirect investments in fully benefit-responsive investment contracts, and, therefore, are valued at NAV, which is used as a practical expedient to estimate fair value. There are no unfunded commitments. There are no participant redemption restrictions for this investment and the redemption notice period is applicable only to the Plan. The redemption frequency is daily for participant level transactions. These are direct filing entities.

Vericel Corporation 401(k) Plan

Notes to Financial Statements

Collective Investment Trusts (CITs) - Collective investment trusts are valued at the NAV of units held. The NAV, as provided by the trustee of the CITs, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the CIT less its liabilities. This practical expedient is not used when it is determined to be probable that the CITs will sell for an amount different than the reported NAV. There are no participant redemption restrictions for this investment and the redemption notice period is applicable only to the Plan. There are no unfunded commitments related to these investments. These are direct filing entities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, a summary of the Plan's investments measured at fair value on a recurring basis:

December 31, 2022

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 27,311,694	\$ -	\$ -	\$ 27,311,694
Money market fund	655,557	-	-	655,557
Total Investment, at fair value	\$ 27,967,251	\$ -	\$ -	27,967,251
Investments measured at NAV*:				
Common/collective trust				166,688
Collective investment trust				235,212
				\$ 28,369,151

December 31, 2021

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 30,902,059	\$ -	\$ -	\$ 30,902,059
Money market fund	562,445	-	-	562,445
Total Investment, at fair value	\$ 31,464,504	\$ -	\$ -	31,464,504
Investments measured at NAV*:				
Common/collective trust				129,405
				\$ 31,593,909

* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

4. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set

Vericel Corporation 401(k) Plan

Notes to Financial Statements

forth in ERISA. In the event of termination of the Plan by the Company, all participants would become 100% vested in their accounts.

5. Income Tax Status

The Plan uses a pre-approved plan document sponsored by Fidelity. Fidelity received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved document, as then-designed, satisfies the applicable provisions of the Internal Revenue Code (IRC). The Plan itself has not received a determination letter from the IRS. The Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no IRS examination audits for any tax periods in progress.

6. Certified Investment Information

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, a qualified institution, has certified that the following investment information included in the accompanying financial statements and ERISA-required supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of December 31, 2022 and 2021.
- Investment (loss) income and interest income on notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2022 and 2021.
- Investment information included in the Schedule of Assets (Held at End of Year) as of December 31, 2022, as shown on the ERISA-required supplemental schedule.

At the request of the Plan administrator, the Plan's independent auditors did not perform auditing procedures with respect to this certified investment information, except for comparing such certified investment information to the related investment information included in the financial statements and ERISA-required supplemental schedule.

7. Risks and Uncertainties

The Plan holds various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements and participant account balances.

Vericel Corporation 401(k) Plan

Notes to Financial Statements

8. Related Party and Party-in-Interest Transactions

Certain Plan investments are in funds and accounts that are managed by Fidelity. Participant loan and distribution processing fees are paid to Fidelity by participants. The Plan also issues loans to participants that are secured by the vested balance of the participants' accounts. The Plan paid certain expenses related to Plan operations and investment activity to various service providers. These transactions are party-in-interest transactions, which are exempt from prohibited transaction rules.

ERISA-Required Supplemental Schedule

Vericel Corporation 401(k) Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 94-3096597

Plan No.: 001

December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
Common/Collective Investment Trusts				
*	Fidelity Investments	Managed Income Portfolio CL 2	**	\$ 166,688
	MFS	MFS MID CP GROWTH CT	**	235,212
Total Common/Collective Investment Trusts				401,900
Money Market Fund				
*	Fidelity Investments	FID GOVT MMKT K6	**	655,557
Mutual Funds				
*	Fidelity Investments	FID 500 INDEX	**	4,806,518
*	Fidelity Investments	FID BLUE CHIP GR K6	**	3,036,005
*	Fidelity Investments	FID FREEDOM 2030 K6	**	2,425,189
*	Fidelity Investments	FID FREEDOM 2035 K6	**	2,160,602
*	Fidelity Investments	FID FREEDOM 2045 K6	**	1,819,311
*	Fidelity Investments	FID FREEDOM 2040 K6	**	1,621,393
*	Fidelity Investments	FID FREEDOM 2050 K6	**	1,502,947
*	Fidelity Investments	FID FREEDOM 2025 K6	**	1,493,839
	Columbia	COL DIVIDEND INC I3	**	1,196,212
*	Fidelity Investments	FID US BOND IDX	**	1,028,538
*	Fidelity Investments	FID FREEDOM 2055 K6	**	860,238
*	Fidelity Investments	FID EXTD MKT IDX	**	811,442
*	Fidelity Investments	FID FREEDOM 2010 K6	**	714,647
*	Fidelity Investments	FID LOW-PRICED ST K6	**	700,166
*	Fidelity Investments	FID INTL INDEX	**	666,413
*	Fidelity Investments	FID FREEDOM 2060 K6	**	654,868
*	Fidelity Investments	FID DIVERSFD INTL K6	**	562,811
*	Fidelity Investments	FID FREEDOM 2020 K6	**	457,782
	JPMorgan	JPM EMRG MKTS EQ R6	**	247,603
	PGIM	PGIM HIGH YIELD R6	**	192,648
*	Fidelity Investments	FID FREEDOM 2065 K6	**	65,740
	PGIM	PGIM TOTAL RTN BD R6	**	65,639
	AllianceBernstein	AB SM CAP GRTH Z	**	55,036
	Vanguard	VAN REAL EST IDX ADM	**	54,631
	Vanguard	VAN FTSE SOC IDX ADM	**	53,521
*	Fidelity Investments	FID INFL PR BD IDX	**	49,197
*	Fidelity Investments	FID FREEDOM INC K6	**	8,069
*	Fidelity Investments	FID FREEDOM 2015 K6	**	689
Total Mutual Funds				27,311,694
*	Participant Loans	Loans to participants with interest rates of 4.25% to 8.00% secured by participants' remaining account balances, maturing through 2028.		116,027
Total Investments				\$28,485,178

* Party-in-interest, as defined by ERISA.

** The cost of participant-directed investments is not required to be disclosed.

Vericel Corporation 401(k) Plan

**Financial Statements and
ERISA-Required Supplemental Schedule
Years Ended December 31, 2022 and 2021**

Vericel Corporation 401(k) Plan

Financial Statements and ERISA-Required Supplemental Schedule
Years Ended December 31, 2022 and 2021

Vericel Corporation 401(k) Plan

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Note: Other schedules required by Section 2520.103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.



Independent Auditor's Report

The Plan Administrator
Vericel Corporation 401(k) Plan
Ann Arbor, Michigan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Vericel Corporation 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained certifications from a qualified institution as of December 31, 2022 and 2021, and for the years then ended, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report:

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP).
- The certified investment information in the accompanying financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Management is responsible for maintaining a current plan instrument, including all plan amendments. Management is also responsible for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedule Required by ERISA

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For



information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The certified investment information in the supplemental schedule agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

BDO USA, P.C.

September 8, 2023

Financial Statements

Vericel Corporation 401(k) Plan

Statements of Net Assets Available for Benefits

<i>December 31,</i>	2022	2021
Assets		
Investments, at fair value	\$ 28,369,151	\$ 31,593,909
Receivables:		
Notes receivable from participants	116,027	60,259
Net Assets Available for Benefits	\$ 28,485,178	\$ 31,654,168

See accompanying notes to financial statements.

Vericel Corporation 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

<i>Year ended December 31,</i>	2022	2021
Additions		
Investment (loss) income:		
Net (depreciation) appreciation in fair value of investments	\$ (7,972,490)	\$ 2,231,028
Dividends and interest income	1,567,807	2,144,568
Total Investment (Loss) Income	(6,404,683)	4,375,596
Interest income on notes receivable from participants	5,411	5,905
Contributions:		
Participant	3,100,860	2,801,897
Employer	1,009,507	885,257
Rollovers	616,662	160,838
Total Contributions	4,727,029	3,847,992
Total Additions, net of investment loss	(1,672,243)	8,229,493
Deductions		
Benefits paid to participants	1,436,693	2,565,691
Administrative expenses	60,054	84,862
Total Deductions	1,496,747	2,650,553
Net (Decrease) Increase	(3,168,990)	5,578,940
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Vericel Corporation 401(k) Plan

Notes to Financial Statements

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The trustee and recordkeeper of the Plan is Fidelity Management Trust Company (the Trustee or Fidelity). The administrator of the Plan is the Company. The Trustee holds all assets of the Plan in accordance with the service provider contract with the Company. The Vericel 401k Committee (the VCC) determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Eligibility

All employees of the Company who have attained age 21 are eligible to become participants in the Plan and to receive Company matching contributions, except for leased employees (as defined in the Plan document). In addition, residents of Puerto Rico and nonresident aliens with no income from U.S. sources, (as defined in the Plan document) are not eligible to participate in the Plan. Prior to October 1, 2021, the effective date of participation is the earlier of the first day of each plan year or the first day of the fourth, seventh, or tenth month of each plan year. Effective October 1, 2021, employees are eligible to participate in the Plan on the first of the month after 30 days of employment.

Contributions

Each year, participants may contribute up to 60% of their eligible compensation, as defined in the Plan document, subject to certain Internal Revenue Service (IRS) limitations. Participants' contributions are withheld from the participants' pay on a pre-tax basis. The Company contributes 100% of the first 3.5% of eligible compensation that a participant contributes to the Plan. Additional amounts may be contributed and allocated by the Company at the discretion of the VCC. During the years ended December 31, 2022 and 2021, the Plan did not receive any additional contributions from the Company that were made at the discretion of the VCC. Participants may also contribute amounts representing distributions from other qualified defined contribution plans (rollover).

Participants direct the investment of their contributions and the Company's contributions into various investment options offered by the Plan.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is increased for any participant contribution, the Company's matching contributions, the Company's discretionary contributions, and an allocation of the Plan's investment earnings. Additionally, each participant's account is charged with withdrawals and an allocation of the Plan's investment losses

Vericel Corporation 401(k) Plan

Notes to Financial Statements

and administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants in the Plan are 100% vested in their own contributions. Participants will vest 100% in their Company matching contributions and discretionary contributions after three years.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their vested account balance reduced by the highest outstanding loan balance in their account during the prior 12-month period. The loans are secured by the balance in the participant's account and bear interest at rates determined by the Company in its capacity as Plan administrator based on the prevailing interest rates charged by financial institutions for loans that would be made under similar circumstances. The interest rate remains fixed throughout the duration of the loan. Principal and interest are paid ratably through payroll deduction over a period of five years or less, unless loans were used to purchase a primary residence, in which case the loan terms may exceed five years. Also, each participant may not have more than one loan outstanding at any time.

Payment of Benefits

Upon disability, retirement, or termination of service, a participant may generally elect to receive a lump-sum amount equal to the value of the participant's account balance. For terminated participants with vested balances greater than \$1,000, but less than \$5,000, their vested balance will be rolled into an IRA with Fidelity unless otherwise elected. Immediate lump-sum distributions are to be made to terminated participants if the participant's vested account balance is \$1,000 or less. Withdrawals from the Plan may also be made upon circumstances of financial hardship, in accordance with provisions specified in the Plan. Participants may also withdraw an amount at age 59½ if certain criteria are met.

Forfeitures

Forfeited non-vested accounts may be used to pay administrative expenses and reduce future Company contributions. For the years ended December 31, 2022 and 2021, the Company did not direct any forfeitures to be allocated to administrative expenses and \$36,035 and \$66,666 was applied to reduce the Company contributions, respectively. At December 31, 2022 and 2021, there were no forfeitures remaining in the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan are prepared on the accrual basis of accounting.

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Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires the Plan administrator to use estimates and assumptions that impact the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company determines the Plan's valuation policies utilizing information provided by the Trustee. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income (loss) is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in the fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance. Any accrued but unpaid interest is de minimis. Delinquent participant loans are recorded as deemed distributions and recorded as benefits paid to participants in the statements of changes in net assets available for benefits based on the terms of the Plan document. During the years ended December 31, 2022 and 2021, there were deemed distributions of \$13,815 and \$33,242, respectively.

Administrative Expenses

Administrative expenses of the Plan are paid by the Company, except for certain expenses that are charged to participant accounts, including loan, withdrawal fees, plan administrative fees, and investment management. Certain investment expenses that are charged within investments are presented net of the appreciation (depreciation) in fair value of investments. All other expenses of the Plan were paid by the Company and are excluded from these financial statements.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Subsequent Events

Subsequent events were evaluated through September 8, 2023, which is the date the financial statements were available to be issued. There were no subsequent events impacting the Plan that require recognition or disclosure in the financial statements.

3. Fair Value Measurements

Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for

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identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

There have been no changes in the methodologies used at December 31, 2022 and 2021.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds - Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Money Market Fund - The money market fund invests in high-quality short-term securities. In accordance with Rule 2a-7 under the 1940 Act, the money market fund is valued at amortized cost method, which approximates fair value. This method of valuation is designed to enable the money market fund to price its shares at \$1.00 per share, although each money market fund's share price may deviate from \$1.00 per share. The objective of this money market fund is to preserve capital and liquidity and achieve the highest possible current income.

Common/Collective Trust - The common/collective trust (the Fund) is a stable value fund that is composed primarily of fully benefit-responsive investment contracts. Investments in the stable value funds are considered indirect investments in fully benefit-responsive investment contracts, and, therefore, are valued at NAV, which is used as a practical expedient to estimate fair value. There are no unfunded commitments. There are no participant redemption restrictions for this investment and the redemption notice period is applicable only to the Plan. The redemption frequency is daily for participant level transactions. These are direct filing entities.

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Collective Investment Trusts (CITs) - Collective investment trusts are valued at the NAV of units held. The NAV, as provided by the trustee of the CITs, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the CIT less its liabilities. This practical expedient is not used when it is determined to be probable that the CITs will sell for an amount different than the reported NAV. There are no participant redemption restrictions for this investment and the redemption notice period is applicable only to the Plan. There are no unfunded commitments related to these investments. These are direct filing entities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, a summary of the Plan's investments measured at fair value on a recurring basis:

December 31, 2022

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 27,311,694	\$ -	\$ -	\$ 27,311,694
Money market fund	655,557	-	-	655,557
Total Investment, at fair value	\$ 27,967,251	\$ -	\$ -	27,967,251
Investments measured at NAV*:				
Common/collective trust				166,688
Collective investment trust				235,212
				\$ 28,369,151

December 31, 2021

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 30,902,059	\$ -	\$ -	\$ 30,902,059
Money market fund	562,445	-	-	562,445
Total Investment, at fair value	\$ 31,464,504	\$ -	\$ -	31,464,504
Investments measured at NAV*:				
Common/collective trust				129,405
				\$ 31,593,909

* Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

4. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set

Vericel Corporation 401(k) Plan

Notes to Financial Statements

forth in ERISA. In the event of termination of the Plan by the Company, all participants would become 100% vested in their accounts.

5. Income Tax Status

The Plan uses a pre-approved plan document sponsored by Fidelity. Fidelity received an opinion letter from the IRS, dated June 30, 2020, which states that the pre-approved document, as then-designed, satisfies the applicable provisions of the Internal Revenue Code (IRC). The Plan itself has not received a determination letter from the IRS. The Plan's management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no IRS examination audits for any tax periods in progress.

6. Certified Investment Information

The Plan administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, a qualified institution, has certified that the following investment information included in the accompanying financial statements and ERISA-required supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits as of December 31, 2022 and 2021.
- Investment (loss) income and interest income on notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2022 and 2021.
- Investment information included in the Schedule of Assets (Held at End of Year) as of December 31, 2022, as shown on the ERISA-required supplemental schedule.

At the request of the Plan administrator, the Plan's independent auditors did not perform auditing procedures with respect to this certified investment information, except for comparing such certified investment information to the related investment information included in the financial statements and ERISA-required supplemental schedule.

7. Risks and Uncertainties

The Plan holds various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements and participant account balances.

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Notes to Financial Statements

8. Related Party and Party-in-Interest Transactions

Certain Plan investments are in funds and accounts that are managed by Fidelity. Participant loan and distribution processing fees are paid to Fidelity by participants. The Plan also issues loans to participants that are secured by the vested balance of the participants' accounts. The Plan paid certain expenses related to Plan operations and investment activity to various service providers. These transactions are party-in-interest transactions, which are exempt from prohibited transaction rules.

ERISA-Required Supplemental Schedule

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Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 94-3096597

Plan No.: 001

December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
Common/Collective Investment Trusts				
*	Fidelity Investments	Managed Income Portfolio CL 2	**	\$ 166,688
	MFS	MFS MID CP GROWTH CT	**	235,212
Total Common/Collective Investment Trusts				401,900
Money Market Fund				
*	Fidelity Investments	FID GOVT MMKT K6	**	655,557
Mutual Funds				
*	Fidelity Investments	FID 500 INDEX	**	4,806,518
*	Fidelity Investments	FID BLUE CHIP GR K6	**	3,036,005
*	Fidelity Investments	FID FREEDOM 2030 K6	**	2,425,189
*	Fidelity Investments	FID FREEDOM 2035 K6	**	2,160,602
*	Fidelity Investments	FID FREEDOM 2045 K6	**	1,819,311
*	Fidelity Investments	FID FREEDOM 2040 K6	**	1,621,393
*	Fidelity Investments	FID FREEDOM 2050 K6	**	1,502,947
*	Fidelity Investments	FID FREEDOM 2025 K6	**	1,493,839
	Columbia	COL DIVIDEND INC I3	**	1,196,212
*	Fidelity Investments	FID US BOND IDX	**	1,028,538
*	Fidelity Investments	FID FREEDOM 2055 K6	**	860,238
*	Fidelity Investments	FID EXTD MKT IDX	**	811,442
*	Fidelity Investments	FID FREEDOM 2010 K6	**	714,647
*	Fidelity Investments	FID LOW-PRICED ST K6	**	700,166
*	Fidelity Investments	FID INTL INDEX	**	666,413
*	Fidelity Investments	FID FREEDOM 2060 K6	**	654,868
*	Fidelity Investments	FID DIVERSFD INTL K6	**	562,811
*	Fidelity Investments	FID FREEDOM 2020 K6	**	457,782
	JPMorgan	JPM EMRG MKTS EQ R6	**	247,603
	PGIM	PGIM HIGH YIELD R6	**	192,648
*	Fidelity Investments	FID FREEDOM 2065 K6	**	65,740
	PGIM	PGIM TOTAL RTN BD R6	**	65,639
	AllianceBernstein	AB SM CAP GRTH Z	**	55,036
	Vanguard	VAN REAL EST IDX ADM	**	54,631
	Vanguard	VAN FTSE SOC IDX ADM	**	53,521
*	Fidelity Investments	FID INFL PR BD IDX	**	49,197
*	Fidelity Investments	FID FREEDOM INC K6	**	8,069
*	Fidelity Investments	FID FREEDOM 2015 K6	**	689
Total Mutual Funds				27,311,694
*	Participant Loans	Loans to participants with interest rates of 4.25% to 8.00% secured by participants' remaining account balances, maturing through 2028.		116,027
Total Investments				\$28,485,178

* Party-in-interest, as defined by ERISA.

** The cost of participant-directed investments is not required to be disclosed.