Risk Factors Comparison 2025-02-27 to 2024-02-29 Form: 10-K

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The following summary highlights some of the principal risks that could adversely affect our business, financial condition or results of operations. This summary is not complete and the risks summarized below are not the only risks we face. These risks are discussed more fully further below. These risks include, but are not limited to, the following: • We may experience significant quarterly and annual fluctuations in our results of operations due to a number of factors. • Our operating results will be harmed if we are unable to effectively manage and sustain our future growth or scale our operations. • ~~The COVID- 19 pandemic and other global~~ **Global** crises have had and may have in the future a significant adverse effect on our business, financial condition, and results of operations. • We may ~~be unable to effectively manage and sustain our future growth or scale our operations. • We may~~ not be able to manage inventory in an effective and efficient manner, which could adversely affect our results of operations. • ~~We~~ **Although we reported net income for the year ended 2024, we** have incurred losses **in the past** and may not achieve consistent profitability for some time or at all. • Our products and product development programs are based on novel technologies and are inherently risky, which may decrease the chances of regulatory approval and could have a material effect on our financial condition and operating results. • We may not be able to raise the required capital to develop and commercialize our future product candidates and otherwise grow and expand our business. • Current financial market conditions may exacerbate certain risks affecting our business. • We are dependent on our key manufacturing, quality and other management personnel and the loss of any of these individuals could harm our business. • Inflationary pressures and our responses thereto as well as other unfavorable global and regional economic conditions, geopolitical events, and ~~military~~ conflicts, such as repercussions from the ongoing ~~war~~ **conflicts** in Ukraine or the **Middle East region involving** Israel ~~- Hamas war~~. Tensions between China and Taiwan, or an escalation of hostilities in the wider Middle East, could continue to create substantial uncertainty in the global economy and contribute to heightened inflation and supply chain disruptions. • If our manufacturing facility is destroyed or we experience any manufacturing difficulties, disruptions or delays, this could limit supply of our products or adversely affect our ability to conduct clinical trials and our business would be adversely impacted. • Failure of third parties, including **,** for example **,** Matricel GmbH (“ Matricel ”), to manufacture or supply certain components, equipment, disposable devices and other materials used in our MACI or Epicel cell manufacturing processes would impair our cell product development and commercialization. • Because our manufacturing and supply chain are subject to significant regulations, failure by our third- party manufacturers, including Matricel, to comply with the regulatory requirements set forth by the FDA with respect to our products could limit our ability to manufacture commercial products and / or result in the products being subject to restrictions or withdrawn from the market. • **Our financial results could be significantly impacted by uncertainty in U. S. trade policy, including uncertainty surrounding changes in tariffs, trade agreements or other trade restrictions imposed by the U. S. or other governments. •** Failure to achieve the commercial success of NexoBrid in the U. S. • The commercial success of NexoBrid in the U. S. is dependent, in part, on MediWound’ s ability to timely manufacture and supply sufficient quantities of NexoBrid to meet customer demand. To the extent MediWound is unable to manufacture NexoBrid in accordance with the requirements of its BLA approval, or experiences supply chain or other disruptions, whether as a result of the ongoing **conflicts in the Middle East region involving** Israel ~~- Hamas war~~, military or other conflicts between China and Taiwan, or some other event, it could adversely affect the commercial success of NexoBrid. • NexoBrid may not be approved for the treatment of severe burns in other North American markets, outside of the U. S., and NexoBrid may not be accepted in the markets where regulatory approvals have been received. • A cyber security incident could result in a loss of confidential data, give rise to remediation and other expenses, expose us to liability under HIPAA, consumer protection and privacy laws, or other common law theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, and otherwise be disruptive to our business. • **We face risks associated with disruptive technologies, innovation and competition, including artificial intelligence. •** Failure to obtain adequate reimbursement and reimbursement rates for our products could have a material adverse effect on our financial condition and operating results. • Failure to obtain and / or maintain required regulatory approvals would severely limit our ability to sell our products. • Environmental, social and governance matters (“ ESG ”) and any related reporting obligations may adversely impact our business, financial condition and results of operations. • Any changes in the regulatory requirements that affect our products and / or future product candidates could prevent, limit or delay our ability to market or develop new product candidates. • Changes to our products or future product candidates, including ~~the development of an arthroscopic delivery method for MACI, and~~ the use of MACI to treat cartilage defects in the ankle, will require regulatory approvals which could result in the delay of the change being made or, if not approved, prevent any changes from being made. • If any federal or state agency determines that we have promoted the off- label use of our products and / or we have violated anti- kickback or other anti- bribery laws, we may be subject to various penalties, including civil or criminal penalties, and the off- label use of our products may result in injuries that lead to product liability lawsuits, which could be costly to our business. • If MediWound’ s family of patents and proprietary rights covering NexoBrid do not provide substantial protection, our commercialization efforts with respect to NexoBrid could suffer. • Future sales of shares of common stock could have an adverse effect on the market price of such shares. Risk Factors Our operations and financial results are subject to various risks and uncertainties, including those described below, that could adversely affect our business, financial condition, results of operations, cash flows, and trading price of our common stock. The risks and uncertainties described below are not the only ones we face. There may be additional risks and uncertainties that are not known to us or that we do not consider to be material at this time. If the events described in these risks occur, our business, financial

condition, and results of operations would likely suffer. See " Cautionary Note Regarding Forward- Looking Statements " and the risks of our businesses described elsewhere in this Annual Report on Form 10 - K. Risks Related to Our Operations Our quarterly and annual results of operations may fluctuate significantly due to a variety of factors, many of which are outside of our control. This variability may lead to volatility in our stock price as investors and research analysts respond to quarterly fluctuations. In addition, comparing our results of operations on a period- to- period basis, particularly on a sequential quarterly basis, may not be meaningful. You should not rely on our past results as an indication of our future performance. Factors that may affect our results of operations include: • the timing of new orders and revenue recognition for new and prior year orders ; • seasonal buying patterns of our customers ; • volatility in the sales of our products; • volume of revenues; • competitive developments; • changes in third- party coverage and reimbursement for our products; • our ability to supply and meet customer demand for our products; • our ability to increase sales to our existing customers, particularly larger customers ; • our ability to attract new customers ; • our ability to develop and achieve market adoption of our products ; • our ability to continue to successfully commercialize NexoBrid; • the impact of a recession or any other adverse global economic conditions on our business; • the impact of public health crises ~~, such as the COVID- 19 pandemic~~ ; • erosion in margins or significant fluctuations in revenues caused by changing customer demand ; • the timing and cost of hiring personnel and of large expenses such as third- party professional services ; • stock- based compensation expenses, which vary along with changes to our stock price ; • supply chain disruptions or constraints; • fluctuations in foreign currency exchange rates ; and • future accounting pronouncements or changes in accounting rules or our accounting policies. The foregoing factors are difficult to forecast, and these, as well as other factors, could materially adversely affect our quarterly and annual results of operations. There can be no assurance that the level of revenues and profits, if any, achieved by us in any particular fiscal period, will not be significantly lower than in other comparable fiscal periods. Additionally, our expense levels are based, in part, on our expectations as to future revenues. As a result, if future revenues are below expectations, net income or loss may be disproportionately affected by a reduction in revenues, as any corresponding reduction in expenses may not be proportionate to the reduction in revenues. If we fail to achieve our quarterly forecasts, if our forecasts fall below the expectations of investors or research analysts, or if our actual results fail to meet the expectations of investors or research analysts, our stock price may decline. Public health crises ~~, such as the COVID- 19 pandemic,~~ have had, and may in the future have, a significant adverse effect on our business, financial condition, and results of operations. We are subject to public health crises, ~~such as the COVID- 19 pandemic,~~ which ~~has~~ **have** had and may ~~continue to~~ **in the future** have a significant impact on our operations, cash flows and liquidity. The response to **a public health crisis may** ~~the COVID- 19 pandemic negatively affected~~ -- **affect** the global economy, ~~disrupted~~ -- **disrupt** global supply chains, and ~~created~~ - **create** significant disruption in financial and healthcare markets, including U. S. staffing shortages, our ability to access customers, and significant volatility in our results of operations due to the periodic cancellation or delay of elective MACI surgical procedures. Uncertainty caused by pandemics, epidemics, or **other** similar public health crises could lead to prolonged economic downturns and reduce or delay demand for our products, in which case our results of operations could be significantly impacted. The extent to which **a** ~~COVID- 19 or another similar~~ public health crisis impacts our business, results of operations, and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including ~~a resurgence of COVID- 19, including new variants,~~ the timing or effectiveness of vaccine roll- outs globally, the timing of easing of preventative or mitigation measures or mandates, the impact of any variants that emerge, or any impact of a global vaccine roll- out on the global economy. There can be no assurance that we will be able to manage our future growth efficiently or profitably. Our business remains unproven at a large- scale operational level and actual revenue and operating margins, or revenue and margin growth, may be less than expected. If we are unable to scale our production capabilities efficiently or maintain pricing without significant discounting, we may fail to achieve expected operating margins, which would have a material and adverse effect on our operating results. For example, we are planning to move **our cell therapy manufacturing operations** to a larger facility to support our potential growth, but if the ~~construction and~~ customization **and qualification** of such facility is delayed, we may be limited in our ability to meet future demand for our products. Growth may also stress our ability to adequately manage our operations, quality of products, safety and regulatory compliance. If growth significantly decreases it will negatively impact our cash reserves, and we may be required to obtain additional financing, which may increase indebtedness or result in dilution to shareholders. Further, there can be no assurance that we would be able to obtain additional financing on acceptable terms, if at all. If we do not manage inventory in an effective and efficient manner, it could adversely affect our results of operations. Many factors affect the efficient use and planning of inventory of certain components and other materials used in our cell manufacturing process to manufacture our marketed products, such as effectiveness of predicting demand, effectiveness of preparing manufacturing to meet demand, efficiently meeting product demand requirements and expiration of materials in inventory. We may be unable to manage our inventory efficiently, keep inventory within expected budget goals, keep inventory on hand or manage it efficiently, control expired inventory or keep sufficient inventory of materials to meet product demand due to our dependence on third- party suppliers. Finally, we cannot provide assurances that we can keep inventory costs within our target levels. Failure to do so may harm our long- term growth prospects. ~~For~~ **Although we reported net income for** the year ended December 31, ~~2023~~ **2024 , we have incurred losses in the past and may not achieve consistent profitability for some time or at all. For the year ended December 31, 2024** we reported net ~~loss~~ **income** of $ ~~3~~ **10** . ~~2~~ **4** million. Prior to that, with the exception of the year ended December 31, 2020, when we reported net income of $ 2. 9 million, we had incurred net losses each year since our inception. As of December 31, ~~2023~~ **2024** , we had accumulated a deficit of approximately $ ~~403~~ **392** . ~~2~~ **8** million and $ ~~152~~ **156** . ~~6~~ **1** million of cash, cash equivalents and investments. We expect that cash from the sales of our products and existing cash, cash equivalents, investments and available borrowing capacity will be sufficient to support our current operations through at least 12 months following the issuance of the consolidated financial statements included in this Annual Report on Form 10- K. Although we believe we can **continue to** achieve profitability without the need to raise additional capital, we may incur ~~significant~~ operating losses over the next several

years despite sales increasing and margins improving, due to continuing expenses related to research and development, the ~~construction~~ **qualification** of our new ~~corporate headquarters and~~ manufacturing facility, and the expense associated with continuing the commercialization of our approved products. We cannot predict with any certainty the existence or amount of future losses. Our ability to maintain profitability will depend on, among other things, increasing sales of our current products, improving gross margins, successfully commercializing new products **(including the recent commercial launch of MACI Arthro)** , completing the development of our future product candidates, timely initiation and completion of clinical trials, obtaining regulatory approvals, establishing manufacturing, sales and marketing arrangements with third parties, maintaining supplies of key manufacturing components and the possible acquisition and development of additional and complementary products. Therefore, we may not be able to **consistently** achieve or sustain profitability. In the longer term, we may need to raise additional funds in order to continue to complete product development programs and the clinical trials needed to obtain approval for **,** and commercialize **,** our future product candidates, or to capitalize on potential strategic opportunities. We cannot be certain that actual results will not differ materially from our current projections and that current capital will be sufficient to achieve profitability or that funding will be available on favorable terms, if at all. Some of the factors that will impact our ability to raise additional capital and our overall success include: • The ability to maintain our manufacturing facility' s compliance with FDA requirements, including establishment and product fees; • The requirements necessary to maintain in good standing marketing authorizations and licenses from regulatory bodies in the U. S. and other countries; • The liquidity and market volatility of our equity securities; • Regulatory and manufacturing requirements and uncertainties; • Anticipating technological developments by competitors; • The rate and degree of progress of our product development and product lifecycle management initiatives; and • The rate and cadence of the regulatory approvals needed to proceed with clinical development programs. Our products and product development programs are based on novel technologies and are inherently risky, which may decrease the chances of regulatory approval and could have a material adverse effect on our financial condition and operating results. Our products are subject to the inherent risks of failure associated with the development of new products based on novel technologies. The innovative nature of our therapeutics creates significant challenges with regard to product development and optimization, manufacturing, regulatory environment and emerging regulations, third- party reimbursement and market acceptance. Therapeutic advancements are generally ahead of development and release of regulatory guidance and requirements. The lack of established precedents and evolving regulatory policy for novel products can pose significant challenges in product and clinical development, which can decrease the chances of regulatory success. Our products represent new classes of therapy that the marketplace may not understand or accept. Furthermore, the success of our products is dependent on wider acceptance by the medical community. While our products have had some commercial success to date, the broader market may not understand or accept our products. Our products represent new treatments or therapies and compete with a number of more conventional products and therapies manufactured and marketed by others. The nature of our products creates significant challenges with regard to product development and optimization, manufacturing, regulations, and third- party reimbursement. As a result, the commercialization of our current products and the development pathway for our potential new products may be subject to increased scrutiny, as compared to the pathway for more conventional products. The degree of market acceptance of any of our marketed or potential new products will depend on a number of factors, including: • The clinical safety and effectiveness of our products and their demonstrated advantage over alternative treatment methods; • Our ability to demonstrate to healthcare providers that our products provide a therapeutic advancement over standard of care treatment or other competitive products and methods; • Our ability to educate healthcare providers on the autologous use of human tissue, to avoid potential confusion with, and differentiate ourselves from, the ethical controversies associated with human fetal tissue and engineered human tissue; • Our ability to educate healthcare providers on the benefits and appropriate use of enzymatic agents for the removal of eschar in adult **and pediatric** patients suffering from deep partial- thickness and full- thickness thermal burns; • Our ability to educate healthcare providers, patients and payers on the safety and adverse reactions associated with our products; • Our ability to meet supply and demand and develop a group of medical professionals familiar with and committed to the use of our products; and • The cost- effectiveness of our products and the reimbursement policies of government and third- party payers. Market acceptance of any future product candidates, if approved, will not be fully known until after they are launched and may be negatively affected by a ~~potential~~ **potentially** poor safety experience and the track record of other similar products and product candidates. Further, continued market acceptance of Epicel, MACI **, MACI Arthro** and NexoBrid, and any future product candidates that may be approved, depends on our efforts to educate the medical community and third- party payers on the benefits of our products and product candidates and will require significant resources from us. If the medical community or patients do not accept the safety and effectiveness of our products, it could negatively affect our ability to sell those products, which would have a material adverse impact on our business, financial condition and operations. Our success depends, in part, on the commercial success of NexoBrid for the removal of eschar in **adult and pediatric patients with deep partial- thickness and / or full- thickness thermal burns. On December 28, 2022, we announced that the FDA granted a BLA and approved NexoBrid for the removal of eschar in** adults with deep partial- thickness and / or full ~~-~~thickness thermal burns. On ~~December 28~~ **September 20** , ~~2022~~ **2023 , the Company announced the U. S. commercial availability of NexoBrid and subsequently commenced commercial sales of the product. On August 15, 2024** , we announced ~~that~~ the FDA ~~granted a BLA and approved~~ **approval of a pediatric indication for** NexoBrid for ~~the~~ **eschar** removal ~~of eschar~~ in ~~adults~~ **pediatric patients** with deep partial- thickness and / or full **-** thickness thermal burns. ~~On September 20, 2023, the Company announced the U. S. commercial availability of NexoBrid and subsequently commenced commercial sales of the product.~~ We expect that ~~our~~ **the** commercial success **of NexoBrid** and our future NexoBrid- related revenue will depend largely on the medical community' s acceptance of NexoBrid as an important treatment option for patients that are suffering from severe burn injuries and, ultimately, as the standard of care for the removal of eschar. The U. S. medical community' s acceptance of NexoBrid and **our** other ~~of our~~ products will depend upon our ability to demonstrate long- term clinical performance and **the** advantages and cost-

effectiveness of our products. In addition, acceptance of products for the treatment of eschar removal is dependent upon, among other factors, the level of awareness and education of the medical community about the removal of eschar in ~~adults~~ **adult and pediatric patients** with deep partial- thickness and / or full- thickness thermal burns and the existence, effectiveness, safety, and cost effectiveness of our products. Market acceptance and adoption of our products or procedures also depends on the level of **payer** ~~health insurer~~ (including **government payers such as** Medicare) reimbursement to physicians and hospitals for procedures using our products. Negative publicity resulting from incidents involving our products, or similar products, could have a significant adverse effect on the overall acceptance of our products. Market acceptance could be delayed by lack of physician willingness to attend training sessions, by the time required to complete this training, or by state or institutional restrictions on our ability to provide training. If we are unable to gain and / or maintain such support, training services and collaboration, our ability to grow the market for our products may be impacted and we may not be able to increase our revenue enough to achieve or sustain profitability, and our business and operating results may be seriously harmed. Additional factors that may affect our ability to successfully commercialize NexoBrid include: • Our ability and the ability of MediWound to recruit and retain employees with the right expertise and experience, at sufficient numbers; • Our ability to access and develop relationships with key healthcare providers and public health agencies; • Our ability to educate key healthcare providers on the clinical efficacy, cost effectiveness and appropriate use of NexoBrid in the clinical setting; • Our ability to compete successfully as a new entrant in established distribution channels for similar products; • Our ability to maintain sufficient funding to cover the costs and expenses associated with building and operating an effective commercial organization; and • MediWound' s ability to timely manufacture and supply sufficient quantities of NexoBrid to meet customer demand. Failure of our Specialty Pharmacies to enter into written agreements with payers for reimbursement of our products and to obtain adequate reimbursement and reimbursement rates could have a material adverse effect on our financial condition and operating results. We have a limited network of specialty pharmacy distributors for MACI, and we primarily rely on our specialty pharmacy distributors' contracts with third- party payers for reimbursement. Under our distribution agreements with Orsini and AllCare, we assume the credit and collection risk of third- party payers, as Orsini and AllCare dispense MACI and perform the collection activities. We also sell a portion of MACI implants directly to facilities based on prices stated in an approved contract or an applicable purchase order with the facility. Often the contracted rates are tied to the facility' s third- party reimbursement from an underlying insurance provider. We sell Epicel directly to hospitals based on contracted rates stated in an approved contract or an applicable purchase order with the hospital. The hospital is then reimbursed by third- party payers for each patient case, based on a capitated / global payment structure or a negotiated rate of either percent of billed charges or per diem rates. Failing to maintain and obtain written agreements from payers for reimbursement of our products or to obtain adequate reimbursement rates could have a material adverse effect on our financial condition and operating results. In addition, **many** healthcare providers are under pressure to increase profitability and reduce costs. We cannot predict the extent to which reimbursement for our products will be affected by initiatives to reduce costs for healthcare providers. Failure to collect from such payers or to obtain or maintain written agreements with such payers or obtaining lower than estimated reimbursement for our products would adversely affect our business, financial conditions and results of operations. A cyber security incident or data privacy issue could result in a loss of confidential data, give rise to remediation and other expenses, expose us to liability under HIPAA, consumer protection and privacy laws, or other common law theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, and otherwise be disruptive to our business. We collect and store on our networks and work-issued devices sensitive information, including intellectual property and personally identifiable information. The secure maintenance of this information is critical to our business operations. We have implemented multiple layers of security measures, and have developed an enterprise- wide incident response plan, which are designed to protect this confidential data through technology, processes, and our people. We strive to utilize current security technologies, and our defenses are monitored and routinely reviewed by internal and external parties. Despite these efforts, threats from malicious persons and groups, new vulnerabilities, and advanced and increased attacks against our and our service providers' or partners' information systems create risk of cyber security and / or privacy incidents. These threats could include use of harmful malware or ransomware, protected health information leakage from implementing third- party technology to process and share data, and our information technology systems could be compromised by internal and outside parties intent on extracting ransom or information, corrupting data or disrupting business practices. There can be no assurance that we will not be subject to cyber security or privacy incidents that evade our security or privacy measures, result in the loss of personal health information, intellectual property, or other data subject to privacy laws or disrupt our information systems and business. We are focused on developing and enhancing of our controls, processes and practices designed to protect our information systems from attack, damage or unauthorized access **, however, the techniques and sophistication used to conduct cyber- attacks and breaches of information systems frequently change. For example, the deployment of evolving artificial intelligence tools used to identify vulnerabilities and create more deceptive phishing attempts have the potential to not be recognized until such attacks are launched or have been in place for a period of time** . As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures and processes or to investigate and remediate cyber security or privacy vulnerabilities. Although the Company has been subjected to cyber threats and attacks, to date there have been no incidents of which we are aware that have had a material effect on our business or operations. The occurrence of any of these events could result in interruptions, delays, the loss, access, misappropriation, disclosure or corruption of data or intellectual property, liability under privacy, security and consumer protection laws or litigation under these or other laws, including common law theories, and subject us to federal and state governmental inquiries, any of which could have a material adverse effect on our financial position and results of operations and harm our business **reputation. Any of these events could give rise to potential costs and consequences that cannot be estimated or predicted, and which may not be fully insured by our cyber risk insurance policy. For example, the SEC recently adopted rules requiring the**

disclosure of cybersecurity incidents that we determine to be " material, " to be made within four business days of such determination, which can be complex, requiring a number of assumptions based on several factors. It is possible that the SEC may not agree with our determinations, which could result in fines, civil litigation or damage to our reputation. In addition, regulators in the U. S. and globally are also inquiring more about and imposing greater monetary fines for privacy violations. In the last year, the FTC has announced that it will begin enforcing the Health Breach Notification Rule, and has entered into at least one consent order with a different organization that involved a $ 1. 5 million fine. The FTC and many states (including California, Utah, Colorado, Virginia, Connecticut) have specific requirements for collecting and processing certain data including data minimization, data de- identification, opt out rights, deletion and sharing. EU regulation also governs our business. For example, in 2016, the EU adopted a new regulation governing data practices and privacy called the General Data Protection Regulation (" GDPR "), which became effective on May 25, 2018. The GDPR applies to any company established in the EU as well as to those outside the EU if they collect and use personal data in connection with the offering of goods or services to individuals in the EU or the monitoring of their behavior. The GDPR enhances data protection obligations for processors and controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, extensive rights for individuals, including to request access to personal data and to request personal data is erased, and onerous new obligations on services providers, as well as specific contracting requirements applicable to data sharing with service providers. In addition, there are strict restrictions on the transfer of personal data outside of the EU to countries which are not considered by the EU to have equivalent data protection laws, which includes the US. Transfers of data must be legitimized by (i) carrying out risk assessments and (ii) entering into approved forms of agreement between the EU based exporter of the personal data, and the recipient (" importer ") of the personal data. The EU has been greatly focused on this issue since the landmark judgment of in the case of Schrems II handed down by the European Court of Justice in July 2020, and it has become an area for greater scrutiny and enforcement by EU privacy regulators. Non- compliance with the GDPR may result in monetary penalties of up to € 20 million or 4 % of worldwide revenue, whichever is greater. The GDPR is no longer applicable to the UK since the UK left the EU in December 2021. However, it has been replaced by equivalent legislation in the UK, including the UK GDPR and the Data Protection Act 2018. The GDPR (and UK equivalent laws) and other changes in laws or regulations associated with the enhanced protection of certain types of personal data, such as healthcare data or other sensitive information, could greatly increase our cost of providing our products and services or even prevent us from offering certain services in jurisdictions that we may operate in. We rely on complex information technology systems for various critical purposes, including timely delivery of products and maintaining patient confidentiality. If these systems fail or are disrupted, we could lose product sales and our revenue and reputation would suffer. We have developed comprehensive, integrated information technology (" IT ") systems for the intake of physician orders for our products, to track product delivery, and to store patient- related data that we obtain for purposes of manufacturing MACI and Epicel. We rely on these systems to maintain the chain of identity for each autologous product, and to ensure timely delivery of product, prior to expiration. Each of our autologous products has a limited usable life measured in days from the completion of the manufacturing process to patient implant or grafting ~~. Accordingly~~ **, therefore** , maintaining accurate scheduling logistics is critical. ~~In~~ **Accordingly, in** addition **to regularly evaluating and making changes and upgrades to our IT systems** , **we have begun the implementation of a new enterprise resource planning (" ERP ") system. While we follow a disciplined methodology when evaluating and making such changes,** ~~these~~ **there can be no assurances that we will successfully implement such changes, that such changes will occur without disruptions to our operations, that the new or upgraded systems will achieve the desired business objectives or that the internal controls will be effective in preventing misstatements in financial reporting. Any such disruptions, inadequate internal controls or the failure to successfully implement new or upgraded systems such as those referenced above, could have a material adverse effect on our results of operations and could also affect our reputation, our relationship with customers and our products. Furthermore, our** IT systems store and protect the privacy of certain patient information, which is required for the manufacture of our individualized cell therapy products. We have also developed an integrated information technology system for ~~benefit~~ **care** coordination for MACI patients who have opted- in to the My Cartilage Care program, which we use with our ~~benefit~~ **care** coordination contractor and our contracted specialty pharmacies. This system contains patient- related information some of which is accessible by company personnel and healthcare professionals for surgery coordination activities. If any of our systems were to fail or be disrupted for an extended period of time, we could lose product sales and our revenue and reputation would suffer. Similarly, in the event our systems were to be breached by an unauthorized third- party, that party could potentially access the aforementioned patient information, which could cause us to suffer further reputational damage and loss of customer confidence. Any one of these events could cause our business to be materially harmed and our results of operations would be adversely impacted. Our inability to complete our product development activities successfully would materially limit our ability to operate or finance our operations. In order to obtain regulatory approvals necessary to commercialize future product candidates in the U. S. or advancements to our current commercial products, we must conduct adequate and well- controlled clinical trials to demonstrate the safety and effectiveness of those products, in compliance with current regulatory requirements. We may not be able to successfully complete the development of future product candidates or advancements to our current commercial products, or successfully market our technologies or future product candidates. We, and any of our potential collaborators, may encounter problems and delays relating to research and development, regulatory approval and intellectual property rights of relevant technologies and future product candidates. Our research and development programs may not be successful, or our cell therapy technologies and future product candidates may not facilitate the production of cells outside the human body with the expected results. Additionally, our technologies and future product candidates may not prove to be safe and effective in clinical trials, and we may not obtain the requisite regulatory approvals for our product candidates. If any of these events occur, our future prospects may be adversely impacted. We must successfully complete nonclinical and

clinical development to be able to demonstrate safety and efficacy to seek marketing approval of our current or future product candidates. Lack of efficacy and or safety events can lead to the discontinuation of clinical development, and this can occur at any stage of the clinical development program. We may experience numerous unforeseen events during development that can delay or prevent commercialization of our future development candidates. The results of early- stage clinical trials do not ensure success in later clinical trials, and interim results are not necessarily predictive of final results. Data obtained from clinical activities are not always conclusive and may be susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. Additionally, several of our ongoing clinical trials utilize an " open- label " trial design. An " open- label " clinical trial is one where both the patient and investigator know whether the patient is receiving the investigational product candidate or either an existing approved drug or placebo. Most typically, open- label clinical trials test only the investigational product candidate and sometimes may do so at different dose levels. Open- label clinical trials are subject to various limitations that may exaggerate any therapeutic effect as patients in open- label clinical trials are aware when they are receiving treatment. Open- label clinical trials may be subject to a " patient bias " where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. In addition, open- label clinical trials may be subject to an " investigator bias " where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favorably given this knowledge. The results from an open- label trial may not be predictive of future clinical trial results with any of our product candidates for which we include an open- label clinical trial when studied in a controlled environment with a placebo or active control. Our planned clinical trials may not begin or be completed on schedule, if at all. Typically, if a biological product is intended to treat a chronic disease, safety and efficacy data must be gathered over an extended period of time, which can range from six months to three years or more. With respect to any clinical trials affecting our approved products or future development candidates, failures or delays can occur at any stage of the trials, and may be directly or indirectly caused by a variety of factors, including but not limited to: • Delays in securing clinical investigators or trial sites for our clinical trials and their subsequent performance in conducting accurate and reliable trials on a timely basis; • Delays in obtaining IRB and other regulatory approvals to commence a clinical trial; • Slower than anticipated rates of patient recruitment and enrollment in our clinical trials, or failing to reach the targeted number of patients due to competition for patients from other trials; • Limited or no availability of coverage, reimbursement, and adequate payment from health maintenance organizations and other third- party payers for the use of biological products supplied for use in our clinical trials; • Negative or inconclusive results from clinical trials; • Unforeseen adverse effects interrupting, delaying, or halting clinical trials of any future therapeutic product candidates, and possibly resulting in the FDA or other regulatory authorities denying approval of any future therapeutic product candidates; • Unforeseen safety issues; • Approval and introduction of new therapies or changes in standards of practice or regulatory requirements or guidance that render our clinical trial endpoints or the targeting of our proposed indications obsolete; • Inability to monitor patients adequately during or after treatment or problems with investigator or patient compliance with the trial protocols; • Inability to replicate in large, controlled trials safety and efficacy data obtained from a limited number of patients in uncontrolled trials; • Inability or unwillingness of medical investigators to follow our clinical protocols; and • Unavailability of clinical trial supplies. The FDA, the IRBs, and the sponsor monitor the progress of clinical trials and they may suspend or terminate a clinical trial at any time because of concerns related to patient safety or for other considerations. The FDA may impose a clinical hold on our trials because of safety concerns that have arisen for products or product candidates that are similar to our product candidates. Even when successful clinical results are reported for a product from a completed clinical trial, the durability of response may not be sustained over time, or may not be sufficient to support regulatory approval. Our current product development activities include but are not limited to projects directed at expanding clinical indications, increasing the ease of use of our products for our customers, and decreasing the cost of manufacturing our products. These production process changes may alter the functionality of our cells and require various additional levels of experimental and clinical testing and evaluation. Any such testing could lengthen the time before these product enhancements are approved and would be commercially available. We rely on third parties to conduct some of our clinical trials, and their failure to perform their obligations in a timely or competent manner may delay development and / or impact commercialization, if approved, of our current and future product candidates. We use clinical research organizations (" CROs ") to assist in the conduct of our clinical trials. We may face delays outside of our control if these parties do not perform their obligations in a timely or competent fashion, or if we are forced to change service providers. Any third- party that we hire to conduct clinical trials may also provide services to our competitors, which could compromise the performance of their obligations to us. If we experience significant delays in the progress of our clinical trials, the commercial prospects for our current and future product candidates could be harmed and our ability to generate product revenue would be delayed or prevented. In addition, we and any provider that we retain will be subject to GCP requirements. If GCP and other regulatory requirements are not adhered to by us or our third- party providers or clinical investigators, the conduct of the trial may be compromised and the development and commercialization of our current and future product candidates could be delayed or approval may never be obtained. Any failure by a CRO, a clinical trial site, or clinical investigator, or us to successfully accomplish clinical trial monitoring, data collection, safety monitoring and reporting, and data management and other services in a timely manner and in compliance with regulatory requirements could have a material adverse effect on our ability to utilize the trial to obtain regulatory approval or complete clinical development of our product candidates to support regulatory approval. Problems with the timeliness or quality of the work of a CRO or a clinical trial site or clinical investigator may lead us to seek to terminate the relationship and use an alternate provider. However, making such changes may be costly and may delay our trials or affect regulatory approval, and certain contractual restrictions may make such a change difficult or impossible. Additionally, it may be difficult to find a replacement organization that can conduct our trials in an acceptable manner and at an acceptable cost. We face competition in the markets targeted by our products. Many of our competitors have substantially greater resources than we do, and we expect that all of our products will face competition

from existing or future products, which may impact our ability to successfully commercialize our products. All of our products face competition from other surgical procedures as well as existing and future products marketed by large companies. These competitors may successfully market products that compete with our products, identify and bring to market new product candidates earlier than we do, or develop products that are more effective or less costly than our products. These competitive factors could require us to conduct substantial new research and development activities to establish new product targets, which would be costly and time consuming. These activities can adversely impact our ability to effectively commercialize products and achieve revenue and profits. If we do not keep pace with our competitors and with technological and market changes, our products will become less attractive or obsolete and our business may suffer. The markets for our products are highly competitive, subject to rapid technological changes, and vary for different product candidates and processes that directly compete with our products. Our competitors in the medical and biotechnology industries may have superior products, research and development, manufacturing, and marketing capabilities, financial resources or marketing positions. Furthermore, our competitors may have developed, or could in the future develop, new technologies that compete with our products or even render our products obsolete. As a result, these competitors may be able to adapt to the market more quickly, take advantage of acquisitions and other opportunities more readily, devote greater resources to the marketing and sale of their products, adopt more aggressive pricing strategies than we can, and more successfully utilize developing technology, including data analytics, artificial intelligence, and machine learning. To the extent that others develop new technologies that address the targeted application for our products, our business will suffer. Finally, if we are unable to continue to develop and market new products and technologies **(such as our recently commercially launched MACI Arthro)** in a timely manner, the demand for our products may decrease or our products could become obsolete, and our revenue may decline or our growth prospects may be adversely affected **. Increasingly, biopharmaceutical companies are leveraging artificial intelligence, including but not limited to generative artificial intelligence, to streamline business operations. Failure to safely and effectively integrate artificial intelligence tools into our business operations could result in an inability to maintain a competitive edge among industry peers. In particular, such failure could result in an inability to meet industry needs as well as a loss in market share. Further, navigating continually evolving legal and regulatory requirements associated with implementing artificial intelligence tools may require significant resources to help ensure compliance with U. S. law. Presently, we employ limited arrays of artificial intelligence technology in our business, the use of which may introduce us to certain risks including dependency on accurate intelligence performance, potential security breaches, challenges in regulatory compliance, ethical considerations, potential workforce disruption, the risk of intellectual property infringement, and other emerging technology risks. It is conceivable that we might integrate additional artificial intelligence solutions into our information systems in the future, potentially assuming a more critical role in our operations over time. While we have established policies governing the use of artificial technology, and we safeguard our assets, including intellectual property and sensitive information, we cannot ensure that our employees, contractors or other agents would adhere to those policies. Failure or perceived failure by us to address these risks adequately may negatively impact our operations, reputation and financial performance. Additionally, other unforeseen risks stemming from our use and development of artificial intelligence tools and technology may arise in the future that could adversely affect our business, financial condition and results of operations** . Restrictions on the use of animal- derived materials could harm our product development and commercialization efforts. Some of the manufacturing materials and / or components that we use in, and which are critical to, implementation of our technology involve the use of animal- derived products, including fetal bovine serum. Supplier changes or regulatory actions may limit or restrict the availability of such materials for clinical and commercial use for a variety of reasons including contamination or perceived risk of contamination with an adventitious agent, such as bovine spongiform encephalopathy, in one of our suppliers' herds. This may lead to a restricted supply of the serum currently required for our product manufacturing processes. Any restrictions on these materials would impose a potential competitive disadvantage for our products or prevent our ability to manufacture our cell products. The FDA and other regulatory agencies have issued regulations for controls over bovine material in animal feed. These regulations do not appear to affect our ability to purchase the manufacturing materials we currently use. However, regulatory agencies may introduce new regulations that could affect our operations. Our inability to develop or obtain alternative compounds would harm our product development and commercialization efforts. There are certain limitations in the supply of certain animal- derived materials, which may lead to delays in our ability to complete clinical trials or eventually to meet the anticipated market demand for our cell products. If our licensing arrangement with MediWound is unsuccessful, our development of NexoBrid and its associated revenues may be limited. We have entered into a licensing arrangement with MediWound for the development and commercialization of NexoBrid in North America. Collaboration and licensing arrangements pose many risks, including, but not limited to, the following: • collaborations and licensing arrangements may be terminated; • collaborators and licensors may delay clinical trials or post- market studies and prolong clinical development, or under- fund or stop a clinical trial; • expected revenue might not be generated because clinical adoption of the product may be less than predicted; • collaborators and licensors could independently develop, or develop with third parties, products that could compete with our future products despite non- competition provisions; • the terms of our contracts with current or future collaborators and license parties may not be favorable to us in the future; • disputes may arise delaying, or terminating or interrupting the research, development, supply or commercialization of our products or product candidates, or result in significant and costly litigation or arbitration; and • one or more third- party developers could obtain approval for a similar product resulting in unforeseen price competition in connection with the product. ~~Our licensor, MediWound, is dependent on a contract with the U. S. Biomedical Advanced Research and Development Authority to fund development activities of NexoBrid in the U. S. and these contracts may be terminated by BARDA at any time. MediWound has a contract with BARDA valued at up to $ 132. 0 million for the advancement of the development and manufacturing, as well as the procurement, of NexoBrid in the U. S. Under the contract, BARDA agreed to fund up to $ 56. 0~~

~~million of the development costs of NexoBrid required to obtain marketing approval in the U. S., including its pediatric Phase 3 study and its expansion to include U. S. pediatric burn care sites, and has an option to further fund $ 10. 0 million in development activities for other potential NexoBrid indications. BARDA confirmed its previous commitment and has procured NexoBrid for the nation' s emergency stockpile as part of the HHS mission to build national preparedness for public health medical emergencies. The initial BARDA procurement was valued at $ 16. 5 million. In addition, BARDA holds an option to procure additional quantities of NexoBrid through funding of up to $ 50. 0 million. MediWound also was awarded funding for the NexoBrid expanded access treatment (" NEXT ") protocol being conducted under the FDA' s expanded access program. However, the contracts provide that BARDA may terminate the contract at any time, at its convenience, without any further funding obligations. There can be no assurances that BARDA will not terminate the contract. Changes in government budgets and agendas may result in a decreased and de- prioritized emphasis on supporting the development of products for the treatment of severe burns such as NexoBrid. Any reduction or delay in BARDA funding may result in a decrease in planned development activities, including the NEXT study. In addition, the loss of funding may adversely affect MediWound' s ability to complete the required activities to comply with its obligations under the License Agreement. This could lead to a modification of the financial provisions of our agreement or a delay in the continued development of NexoBrid. Further, we cannot provide any assurances as to whether BARDA' s option to fund additional development activities for NexoBrid will be exercised.~~ Risks Related to the Manufacturing and Production of Our Products We rely on MediWound for the manufacture, production, and supply of NexoBrid, and our business, financial condition, and results of operations could be materially adversely affected to the extent the manufacture, production, and supply of NexoBrid is disrupted or delayed. We have entered into exclusive license and supply agreements with MediWound, under which MediWound will manufacture and supply NexoBrid on a unit price basis, which may be increased pursuant to the terms of the agreements. NexoBrid contains an active pharmaceutical ingredient of concentrate of proteolytic enzymes enriched in bromelain. For its part, MediWound has entered into an agreement with Challenge Bioproducts Corporation, Ltd. (" CBC "), through which CBC supplies Bromelain SP, a material derived from pineapple stems, and which is manufactured by CBC at its facility in Taiwan. Once produced, MediWound uses Bromelain SP in the development and manufacture of NexoBrid at its facilities in Israel. The manufacture and production of NexoBrid is a complicated process, and MediWound' s manufacture and supply of the product is subject to various cGMP and other FDA requirements. To the extent the supply of NexoBrid is delayed or disrupted as the result of MediWound' s failure to timely ensure its facilities meet FDA and / or cGMP requirements, our financial condition or results of operations may be adversely affected. Additionally, the escalation of hostilities in ~~Israel or~~ the ~~wider~~ Middle East **region involving Israel**, the initiation of a military conflict between Taiwan and China or the imposition or a trade embargo or blockade affecting Taiwan could negatively affect MediWound' s ability to supply NexoBrid to the U. S. market. ~~The nation of Israel has been embroiled in a periodic and ongoing conflict with certain Palestinian militant groups within its own borders and, at times, with neighboring nations in the Middle East, since the end of the nineteenth century. On October 7, 2023, members of the Palestinian militant group Hamas, operating from within Gaza, launched a series of attacks inside Israel that resulted in the death of over a thousand Israeli citizens and the citizens of other nations. The October 7, 2023 attacks have sparked a wider war between Israel and Hamas, which remains ongoing.~~ We continue to monitor the ongoing ~~conflict~~ **conflicts** in Israel and are in close communication with MediWound leadership. MediWound' s NexoBrid manufacturing operations are continuing and, as of the date of this disclosure, MediWound does not anticipate a **material** disruption to its ongoing supply of commercial NexoBrid to the United States. To the extent the ~~war between~~ **ongoing military conflicts in the Middle East region involving** Israel ~~and Hamas intensifies~~ **intensify** or ~~expands~~ - **expand** ~~to include additional countries or militant groups~~ in the region and MediWound' s facilities in Israel are damaged or destroyed, travel to and from Israel is halted or inhibited, shipments of NexoBrid or NexoBrid related materials are destroyed, or significant key MediWound operational personnel are called to military service, MediWound' s ability to continue to supply NexoBrid to the U. S. market could be disrupted. Further, geopolitical tensions between Taiwan and China have risen steadily ~~in recent months~~ **over the past year**. Although Taiwan has been governed independently from China since 1949, China views Taiwan as part of its territory and has vowed to eventually unify Taiwan with China, using military force if necessary. War or other military conflict in or near Taiwan, pandemics, and certain natural disasters, such as earthquakes, which are commonplace in Taiwan (where CBC is located) may result in the destruction or disruption of CBC' s ability to supply Bromelain SP to MediWound and have downstream implications for our Company. In the event that MediWound is unable to supply us with NexoBrid pursuant to the terms of our supply agreement and we are unable to identify alternative sources of supply for NexoBrid on a timely basis, our operations and business prospects may be materially adversely affected. In addition, even if we identify any such alternative sources of NexoBrid, we could experience delays in testing, evaluating, and validating the new supplier. Qualifying new contract manufacturers and suppliers, and specifically Bromelain SP and NexoBrid manufacturers, is time consuming and might result in unforeseen supply and operations problems. Furthermore, financial or other difficulties faced by MediWound or CBC, or significant changes in demand for the Bromelain SP that CBC supplies MediWound, could limit the availability of NexoBrid to us. Any of these problems or delays could damage our relationships with our customers, adversely affect our reputation and adversely affect our business, financial condition, results of operations, our ability to grow our business, and the market price and liquidity of our shares. We have limited manufacturing capacity and our commercial manufacturing operations in the U. S. depend on one facility. If the facility is destroyed or we experience any manufacturing difficulties, disruptions, or delays, this could limit supply of our products or adversely affect our ability to conduct clinical trials and our business would be adversely impacted. We presently conduct all of our commercial manufacturing operations for MACI and Epicel in the U. S., at one facility located in Cambridge, Massachusetts. **We have entered into a lease agreement for approximately 126, 000 square feet of manufacturing, laboratory and office space in Burlington, Massachusetts, which has been under construction. The Burlington facility is substantially complete, and we are currently utilizing the facility' s office space. Once validated, the facility' s**

manufacturing component will eventually become the primary manufacturing facility for MACI and Epicel. As a result, all of the commercial manufacturing for the U. S. market of our marketed products, MACI and Epicel, **currently** takes place at a single U. S. facility. If regulatory, manufacturing, or other problems require us to discontinue production at **our** ~~the Cambridge~~ facility, we will not be able to supply our products to our patients **until the FDA approved qualification of the Burlington facility** , which would adversely impact our business. If ~~this~~ **the Cambridge** facility, or some or all of the equipment in it, is significantly damaged or destroyed by fire, flood, power loss, catastrophic incident, or similar event, we will not be able to quickly or inexpensively replace our **current** manufacturing capacity **until FDA qualification of the Burlington facility** , and we may not be able to replace our **Cambridge** facility at all. In the event of a temporary or protracted loss of the **Cambridge** facility or critical equipment, we might not be able to transfer manufacturing to a third- party **before FDA qualification of the Burlington facility would permit us to replace and expand our current manufacturing capacity** . Even if we could transfer manufacturing from one facility to a third- party, the shift would likely be expensive and time- consuming, particularly since an alternative facility would need to comply with applicable regulatory and quality standard requirements whereby validation and FDA approval would be required before any products manufactured at that facility could be made commercially available. In addition, we do not currently have a fully automated manufacturing process, which could potentially introduce contaminants to the production process or other problems due to human error. While we do maintain insurance coverage against damage to our property and equipment, if we have underestimated our insurance needs, we will not have sufficient insurance to cover losses above and beyond the limits on our policies. Additionally, any supply interruption could harm our reputation and cause our product sales and profitability to suffer even after such supply interruption is corrected. Failure of third parties, including **,** for example **,** Matricel GmbH, to manufacture or supply certain components, equipment, disposable devices, and other materials used in our MACI or Epicel cell manufacturing processes would impair our cell product development and commercialization. We rely on third parties, including Matricel GmbH (“ Matricel ”) **,** to manufacture and / or supply certain of our devices / manufacturing equipment and to manufacture and / or supply certain components, equipment, disposable devices and other materials used in our cell manufacturing process to manufacture our marketed cell therapy products and to develop our product candidates. In many instances these third parties serve as our sole suppliers. For example, Matricel is the sole supplier of the membrane for MACI. It would be difficult to obtain alternate sources of supply on a short- term basis due to the need for FDA approval of a new supplier. If any of our manufacturers or suppliers fails to perform its respective obligations, or if our supply of certain components, equipment, disposable devices and other materials is limited or interrupted, it could impair our ability to manufacture our products, which would delay our ability to market our commercial products or future product candidates or conduct clinical trials on a timely and cost- competitive basis, if at all. Many of our suppliers are sole or single source suppliers. We do not have long- term supply agreements with many of our third - party sole or single source suppliers of certain components and other materials used in our cell manufacturing process to manufacture our marketed cell therapy products. We purchase our required supply on a purchase order basis, and at any time the third- party suppliers could stop supplying our orders. FDA approval of a new supplier may be required if these materials become unavailable from our current suppliers. Although there may be other suppliers that have equivalent materials that would be available to us, FDA approval of any alternate suppliers, if required, could take several months or a year or more to obtain, if we could obtain such approval at all. Should we need to find alternate manufacturers or suppliers, we will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our product candidate according to the specifications previously submitted to the FDA or another regulatory authority. Any delay, interruption or cessation of production by our third- party suppliers of important materials, any delay in qualifying new materials, if necessary, or any delay associated with the transition to and verification of any new manufacturers or suppliers would prevent or delay our ability to manufacture products. In addition, a supplier’ s variation in a raw material or testing, either unknown to us or incompatible with our manufacturing process, or any other problem with our materials, testing or components, would prevent or delay our ability to manufacture products. These delays may limit our ability to meet demand for our products, which would have a material adverse impact on our business, results of operations and financial condition. We may be unable to establish any agreements with third- party suppliers or to do so on acceptable terms. Even if we are able to establish agreements with third- party suppliers, reliance on third- party suppliers entails additional risks, including the possible breach of the supply agreement by the third- party, and the possible termination or nonrenewal of the agreement by the third- party at a time that is costly or inconvenient for us. In addition, we may not be able to continue our present arrangements with our suppliers, supplement existing relationships, establish and maintain new relationships or be able to identify and obtain the ancillary materials that are necessary to develop our product candidates in the future. Our dependence upon third parties for the supply and manufacture of these items could adversely affect our ability to develop and deliver commercial and commercially feasible products on a timely and competitive basis. Failure by our third- party manufacturers, including Matricel, to comply with the regulatory requirements set forth by the FDA with respect to our products could limit our ability to manufacture commercial products. Third- party manufacturers, such as Matricel, are subject to inspection by the FDA for cGMP compliance, as well as for their ability to manufacture the components, products, or product candidates in compliance with the established process and procedure for the product or product candidate during an inspection. We may compete with other companies for access to these manufacturers’ facilities and may be subject to delays in manufacture if the manufacturers give other clients higher priority than they give to us. If we are unable to secure and maintain third- party manufacturing capacity, the development and sales of our products and product candidates, if approved, and our financial performance may be materially affected. Manufacturers of FDA- regulated products are obligated to operate in accordance with FDA- mandated requirements. A failure of any of our third- party manufacturers to establish and follow cGMP requirements and to document their adherence to such practices may lead to significant delays in the availability of material for clinical trials, may delay or prevent filing or approval of marketing applications for our future product candidates, and may cause delays or interruptions in the availability of our products for commercial distribution. This

could result in higher costs to us or deprive us of potential product revenues. Complying with cGMP, International Conference on Harmonization (“ ICH ”) and other non- U. S. regulatory requirements will require that we expend time, money, and effort in production, recordkeeping, and quality control to assure that the product or product candidate meets applicable specifications and other requirements. We, or our contracted manufacturing facility, must also pass a pre- approval inspection by the FDA for future product candidates, and are subject to routine FDA cGMP inspections. If there is inadequate information to make a determination on the acceptability of a facility, the FDA may defer action on the application until an inspection can be completed. Failure to address any FDA inspection observations in a timely manner, pass pre- approval inspections, or comply with cGMP requirements can result in delays to approvals for future product candidates and / or regulatory action that can limit the ability to manufacture commercial products. As a result, our business, financial condition, and results of operations may be materially harmed. The manufacture of cell therapy products is characterized by inherent risks and challenges and has proven to be a costly endeavor relative to manufacturing other therapeutic products. The manufacture of cell therapy products, such as our products and product candidates, is highly complex and is characterized by inherent risks and challenges such as biological raw material inconsistencies, logistical challenges, significant quality control and assurance requirements, manufacturing complexity, and significant manual processing. Unlike products that rely on chemicals for efficacy, such as most pharmaceuticals, cell therapy products are difficult to characterize due to the inherent variability of biological input materials. When manufacturing autologous cell therapies, the number and composition of the cell population varies from patient- to- patient, in part due to the age of the patient, since the therapy is dependent on patient- specific physiology. Such variability in the number and composition of these cells could adversely affect our ability to manufacture autologous cell therapies in a cost- effective manner and meet acceptable product release specifications for use in a clinical trial or, if approved, for commercial sale. Difficulty in characterizing biological materials or their interactions creates greater risk in the manufacturing process. We attempt to mitigate risks associated with the manufacture of biologics by continuing to improve the characterization of all of our input materials, utilizing multiple vendors for supply of qualified biological materials when possible, and manufacturing some of these materials ourselves. However, there can be no assurance that we will be able to maintain adequate sources of biological materials or that the biological materials that we maintain in inventory will yield finished products that satisfy applicable product release criteria. Our inability to obtain necessary biological materials or to successfully manufacture cell therapy products that incorporate such materials could have a material adverse effect on our results of operations. There can be no assurance that we or any third- party contractors with whom we enter into strategic relationships will be successful in streamlining manufacturing operations and implementing efficient, low- cost manufacturing capabilities and processes that will enable us to meet and / or maintain the quality, price and production standards or production volumes necessary to achieve our growth and profitability objectives as projected, or at all. If any of our manufacturers or suppliers fails to perform its respective obligations, or if our supply of certain components, equipment, disposable devices and other materials is limited or interrupted, ultimately we may be forced to manufacture the materials ourselves, for which we may not have the experience, capabilities or resources. In some cases, the technical skills required to manufacture our products or product candidates may be unique or proprietary to the original manufacturer or supplier, and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back- up or alternate supplier, or we may be unable to transfer such skills at all. Risks Related to Our Regulation by the FDA and other Government Entities Failure to maintain required regulatory approvals would severely limit our ability to sell our products. We must maintain our domestic regulatory approvals to continue to commercialize our products in the U. S. We must demonstrate the safety, purity, and potency, or efficacy, of cell therapy products to obtain FDA regulatory approval prior to marketing in the U. S. Demonstration of safety and efficacy requires the conduct of nonclinical studies and well-controlled clinical trials in compliance with FDA, ICH and applicable local regulations. The FDA regulatory review process to obtain marketing approval is a rigorous process that requires demonstrating the ability to manufacture the product in compliance with cGMP in addition to demonstrating a favorable risk / benefit profile and making certain post- marketing commitments. To date, our product commercialization efforts have been limited to the U. S. In the event we market any products outside of the U. S. in the future, we will be required to maintain our foreign regulatory approvals in compliance with regulatory requirements and applicable local regulations to allow for commercialization outside the U. S. Regulatory requirements outside the U. S. often require additional studies and data to obtain registration and, as a result, approval timelines can also be longer than those in the U. S. The safety, potency, and purity of our products must be monitored to be in compliance with FDA requirements for safety, cGMPs, and all other applicable regulations. This requires adverse event monitoring and reporting to regulatory agencies, as well as submission and approval of any changes in the manufacturing process. Our manufacturing and testing facilities are subject to FDA periodic inspections for compliance with cGMP requirements. Failure to meet regulatory requirements and post-marketing commitments and to maintain cGMP compliance could result in severe and detrimental regulatory actions, including the loss of marketing approval. The price and sale of any of our products may be limited by health insurance coverage and government regulation. Maintaining and growing sales of our products will depend in large part on the availability of adequate coverage and the extent to which third- party payers, including health insurance companies, health maintenance organizations, and government health administration authorities such as the military, Medicare and Medicaid, private insurance plans and managed care programs will pay for the cost of the products and related treatment. Hospitals and other healthcare provider clients that purchase our products typically bill various third- party payers to cover all or a portion of the costs and fees associated with the procedures in which such products are used, sometimes including the cost of the purchase of these products. See section entitled “ Business- Government Regulation- Pharmaceutical Coverage and Reimbursement ”. Many private payers in the U. S. use coverage decisions and payment amounts determined by the Centers for Medicare & Medicaid Services (“ CMS ”), as guidelines in setting their coverage and reimbursement policies. While certain procedures using our products are currently covered by Medicare and other third- party payers, future action by CMS or other government agencies, including the imposition of coverage and reimbursement limitations, may diminish payments to physicians, outpatient centers and / or

hospitals for covered services. Additionally, payers may require us to conduct post- marketing studies in order to demonstrate the cost- effectiveness of our products and current and future product candidates to such payers' satisfaction. Such studies might require us to commit a significant amount of management time and financial and other resources. Our products and future products might not ultimately be considered cost- effective. As a result, we cannot be certain that the procedures performed with our products will be reimbursed at a cost- effective level or reimbursed at all. Furthermore, the healthcare industry in the U. S. has experienced a trend toward cost containment as government and private insurers seek to control healthcare costs by imposing lower payment rates and negotiating reduced contract rates with service providers. Increasingly, third- party payers have attempted to control costs by challenging the prices charged for medical products. Therefore, we cannot be certain that the procedures performed with our products will be reimbursed at a cost- effective level. Nor can we be certain that third- party payers using a methodology that sets amounts based on the type of procedure performed, such as those utilized in many privately managed care systems and by Medicare, will view the cost of our products as justified so as to incorporate such costs into the overall cost of the procedure. Moreover, we are unable to predict what changes will be made to the reimbursement methodologies used by third- party payers in the future. As a result of the continuing evaluation and assessment of these expected payments, our estimates for expected payments could change. We cannot be sure that reimbursement will be available for any product that we commercialize and, if reimbursement is available, the level of such reimbursement. Reimbursement may impact the demand for, or the price of, any product or product candidate for which we obtain marketing approval. Adequate third- party reimbursement might not be available to enable us to maintain price levels sufficient to realize an appropriate return on investment in our products and future product development. If coverage or adequate reimbursement is not available, or if our costs of production increase faster than increases in reimbursement levels, we may not be able to successfully grow the sales of our products or commercialize any current and future product candidates for which marketing approval is obtained. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize any product or product candidate for which we obtain marketing approval. We are subject to significant regulation with respect to the manufacturing of our products. If we are not able to comply with such regulation, our business may be materially harmed. All of those involved in the preparation of our products for commercial sale or clinical trials, including our existing supply contract manufacturers and clinical trial investigators, are subject to extensive and continuing government regulations by the FDA and comparable agencies in other jurisdictions. Components of a finished therapeutic product approved for commercial sale or used in late- stage clinical trials must be manufactured in accordance with cGMPs. These regulations govern manufacturing processes and procedures and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. Our facilities and quality systems and the facilities and quality systems of some or all of our third- party contractors and suppliers are subject to pre- approval and routine FDA inspections for compliance with the applicable regulations as a condition of FDA approval of our products. Generally, if any FDA inspection or audit identifies a failure to comply with applicable regulations or if a violation of our product specifications or applicable regulation occurs independent of such an inspection or audit, we or the FDA may require remedial measures that may be costly and / or time consuming for us or a third- party to implement and that may include the temporary or permanent suspension of a clinical trial or commercial sales, recalls, warning letters, market withdrawals, seizures, placement of a non- U. S. facility on an import alert, or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or third parties with whom we contract could materially harm our business. Environmental, social and governance matters and any related reporting obligations may adversely impact our business, financial condition and results of operations. U. S. and international regulators, customers and investors are increasingly focused on corporate ESG practices and disclosures, and may evaluate our business or other practices according to a variety of ESG targets, standards, and expectations. For example, new domestic and international laws and regulations relating to ESG matters are under consideration or being adopted. ~~The SEC has proposed a rule requiring disclosure of a broad range of climate change- related information and similar laws have been enacted in the State of California and jurisdictions such as the European Union. These, and additional~~ **Additional** legislation which may be passed, may cause us to incur significant additional costs of compliance due to the need for expanded data collection, analysis, and certification with respect to greenhouse gas emissions and other climate change related risks, as well as other ESG topics. Furthermore, the criteria by which our ESG practices, including our initiatives and public goals, are assessed may change due to the evolution of the sustainability landscape, which could result in greater expectations of us and may cause us to undertake costly initiatives to satisfy new criteria. **Additionally, there is an increasing number of state- level anti- ESG initiatives in the U. S. that may conflict with other regulatory requirements or various stakeholders' expectations.** If we are unable to respond effectively to these changes to the sustainability landscape, governments, customers, and investors may conclude that our policies and / or actions with respect to ESG matters are inadequate. If we fail or are perceived to have failed to achieve previously announced public goals or to accurately disclose our progress on such goals or initiatives, our reputation, business, financial condition and results of operations could be adversely impacted **. Additionally, both advocates and opponents to certain ESG matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business** . We could incur significant costs complying with environmental and health and safety requirements, or as a result of liability for contamination or other harm caused by hazardous materials that we use. Our research and development and manufacturing processes involve the use of hazardous materials. We are subject to federal, state, local and foreign environmental requirements, including regulations governing the use, manufacture, handling, storage and disposal of hazardous materials, discharge to air and water, the cleanup of contamination and occupational health and safety matters. We cannot eliminate the risk of contamination or injury resulting from hazardous materials, and we may incur liability as a result of any contamination or injury. Under some environmental laws and regulations, we could also be held responsible for costs relating to any contamination at our past or present facilities and at third- party waste disposal sites where we have sent

waste. These could include costs relating to contamination that did not result from any violation of law, and in some circumstances, contamination that we did not cause. We may incur significant expenses in the future relating to any failure to comply with environmental laws. Any such future expenses or liability could have a significant negative impact on our financial condition. The enactment of stricter laws or regulations, the stricter interpretation of existing laws and regulations or the requirement to undertake the investigation or remediation of currently unknown environmental contamination at our own or at a third- party site may require us to make additional expenditures, which could be material. In order to obtain marketing authorization of any of our current or future product candidates in the U. S., the FDA requires us to submit a BLA or marketing application, which is subject to the agency' s detailed review and the denial of such applications could negatively impact our prospects, financial condition, and future results. Cell therapy and other products require FDA review under an appropriate marketing application prior to commercialization. Future cell and other biologic therapy candidates would be subject to FDA' s biological product requirements and require submission of a BLA. The BLA is a request for permission to introduce, or deliver for introduction, a biologic product into interstate commerce in the U. S. and, once submitted, undergoes a detailed and rigorous review by the FDA. The review process includes, among other requirements, pre- approval inspections of the manufacturing facility. Additionally, approval may rely on post- market commitments. These commitments may include costly activities, such as additional clinical trials, and a failure to meet these commitments can result in negative actions by the FDA, including the withdrawal of the product from the market. Our business, financial condition, results of operation and cash flows could be significantly and negatively affected by substantial governmental regulations. Our products are subject to rigorous regulation by the FDA and numerous other federal, state and foreign governmental authorities. Overall, there appears to be a trend toward more stringent regulation worldwide, and we do not anticipate that this trend will dissipate in the near future. In general, the development, testing, labeling, manufacturing, and marketing of our products is subject to extensive regulation and review by numerous governmental authorities both in the U. S. and abroad. The regulatory process requires the expenditure of significant time, effort and resources to bring new products to market. For example, the FDA approved Epicel as a HUD pursuant to an HDE application. A HUD is a medical device intended to benefit patients in the treatment or diagnosis of a disease or condition that affects not more than 8, 000 individuals in the U. S. per year. Once a HUD receives a HDE from the FDA, the product may be marketed and sold in the U. S. However, IRB approval is required before a HUD can be used at a facility, with the exception of emergency use. The HDE holder is responsible for ensuring that the product is administered only in facilities having an IRB that is constituted and which acts in accordance with the agency' s regulation governing IRBs, including the requirement of continuing review of the use of the device. HUDs are also subject to additional FDA requirements, such as adverse event reporting and the submission of updated information on a periodic basis to demonstrate that the HUD designation is still valid. Failure to meet FDA requirements pertaining to a HUD could result in the suspension or revocation of the HDE. If the HDE for Epicel is suspended or revoked, marketing approval for the product would require the submission and approval of a PMA in order for Epicel to be commercially available. The PMA process is costly, lengthy, and uncertain. A PMA must be supported by extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing, and labeling data to demonstrate to the FDA' s satisfaction the safety and efficacy of the device for its intended use. If the HDE approval for Epicel was withdrawn, and we were unable to obtain premarket approval through the PMA process, we would be unable to market Epicel for sale in the U. S. We are also required to implement and maintain stringent reporting, labeling, and record keeping procedures for our products, both in the U. S., and abroad. Specifically, in the U. S., both before and after a product is commercially released, we have ongoing responsibilities under FDA regulations. Compliance with the FDA' s requirements, including the FDA' s cGMP recordkeeping regulations, labeling and promotional requirements, adverse event reporting regulations, and applicable product tracking and tracing requirements, is subject to continual review and is monitored rigorously through periodic inspections by the FDA and through submission of annual reports. Our failure to comply with federal, state, and foreign governmental regulations could lead to the issuance of warning letters or untitled letters, the imposition of injunctions, suspensions or loss of regulatory approvals, product recalls, placement of non- U. S. manufacturing facilities on an import alert, termination of distribution, product seizures, or civil penalties. In the most extreme cases, criminal sanctions or the closure of our manufacturing facility are possible. In addition, the pharmaceutical, biologic, and medical device industries also are subject to many complex laws and regulations governing Medicare and Medicaid reimbursement, and which target healthcare fraud and abuse. Many of these laws and regulations are subject to interpretation. In many instances, manufacturers and the life science industry do not have the benefit of significant regulatory or judicial interpretation of these laws and regulations. In certain public statements, governmental authorities have taken positions on issues for which little official interpretation was previously available. Some of these positions appear to be inconsistent with common practices within the industry but have not previously been challenged. Various federal and state agencies have become increasingly active in recent years in their investigation and prosecution of various business practices, such as through the enforcement of the federal Anti-kickback Statute, the federal False Claims Act, and the FFDCA and / or similar state laws. Governmental and regulatory actions against us could result in various consequences that could adversely impact our operations, including: • The recall or seizure of products; • The suspension or revocation of the authority necessary for the production or sale of a product; • The suspension of shipments from particular manufacturing facilities, including non- U. S. facilities placed on an import alert; • The imposition of fines and penalties; • The delay of our ability to introduce new products into the market; • Our exclusion or the exclusion of our products from being reimbursed by federal and state healthcare programs (such as military, Medicare, Medicaid, Veterans Administration health programs and / or Civilian Health and Medical Program Uniformed Service, or CHAMPUS); and • Other civil or criminal prosecution or sanctions against us or our officers, directors and employees, such as fines, penalties or imprisonment. Any of these consequences, in combination or alone, or even a public announcement that we are being investigated for possible violations of these laws, could have a material adverse effect on our business, financial condition, results of operations and cash flows. In the U. S., if the FDA were to conclude that we are not in compliance with applicable

laws or regulations or that any of our products are ineffective or pose an unreasonable health risk, the FDA could ban such products; detain or seize adulterated or misbranded products; order the recall, repair, replacement, or refund of payment for certain products, refuse to grant pending applications; refuse to provide certificates to foreign governments for exports; place non- U. S. manufacturing facilities on import alert; and / or require us to notify healthcare professionals and others that the products present unreasonable risks of substantial harm to the public health. The FDA may also impose operating restrictions on a company- wide basis, enjoin and restrain certain violations of applicable law pertaining to our products and assess civil or criminal penalties against our officers, employees, or us. The FDA may also recommend further investigation and prosecution to the U. S. Department of Justice (" DOJ "). Adverse regulatory action, depending on its magnitude, may restrict us from effectively marketing and selling our products. In many of the foreign countries in which our products may be marketed in the future, we will be subject to regulations affecting, among other things, clinical efficacy, product standards, packaging requirements, labeling requirements, import / export restrictions, tariff regulations, and duties and tax requirements. Many of the regulations applicable to our products in these countries, such as the Medicinal Products Directive and the ATMP guidelines governing products in the EU, are similar to those imposed by the FDA. In addition, in many countries the national health or social security organizations of those nations may require our products to be qualified before they can be marketed with the benefit of reimbursement eligibility. Failure to receive or delays in the receipt of relevant foreign qualifications could also be detrimental to our future growth. As both U. S. and foreign government regulators have become increasingly stringent, we may be subject to more rigorous regulation by governmental authorities in the future. Our products and our operations are also often subject to the rules of industrial standards bodies, such as the International Standards Organization (" ISO "). If we fail to adequately address any of these regulations, our business will be harmed. **Our ability to conduct business can be significantly impacted by changes in tariffs, changes or repeals of trade agreements, or the imposition of other trade restrictions or retaliatory actions imposed by various governments. For example, the new U. S. presidential administration has proposed to significantly increase tariffs on foreign imports into the U. S. and as of February 2025, new tariffs were enacted (and are significantly evolving) that significantly increase tariffs on foreign imports into the U. S. Other effects of these changes, including responsive actions from governments, could also have adverse impacts on our financial results. We cannot predict what further action may be taken with respect to tariffs or trade relations between the U. S. and other governments, and any further changes in U. S. or international trade policy could have an adverse impact on our business.** NexoBrid has been designated as an orphan drug in the U. S., but we may be unable to obtain or maintain such a designation or the benefits associated with orphan drug status, including marketing exclusivity, which may cause our revenue to be reduced. Under the Orphan Drug Act, the FDA may grant orphan designation to drugs or biologics intended to treat a rare disease or condition, generally a disease or condition that affects fewer than 200, 000 individuals in the U. S., or affects more than 200, 000 individuals in the U. S. and for which there is no reasonable expectation that the cost of developing and making available the drug or biologic in the U. S for such disease or condition will be recovered from sales in the U. S of such drug or biologic. Orphan drug designation must be requested to and granted by the FDA before submitting a BLA. Among the other benefits of orphan drug designation are opportunities for grant funding towards clinical trial costs, tax credits for certain research, and a waiver of the BLA application user fee. After the FDA grants orphan drug designation, the generic identity of the biologic and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not necessarily convey any advantage in, or shorten the duration of, the regulatory review and approval process. The first BLA applicant to receive FDA approval for a particular product to treat a particular disease with FDA orphan drug designation is entitled to a seven- year exclusive marketing period in the U. S. for that product, for that indication. During the seven- year exclusivity period, the FDA may not approve any other applications to market the same drug for the same disease, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan product to meet the needs of patients with the disease or condition for which the biologic was designated. Orphan drug exclusivity, which would most likely run concurrently with the exclusivity, if any, received from the time of first licensure of a reference product, does not prevent the FDA from approving a different biologic for the same disease or condition, or the same biologic for a different disease or condition. Such a designation may be revoked by the FDA in certain circumstances, such as if the agency finds that the applicant' s request for designation request omitted material information required under the Orphan Drug Act and its implementing regulations. Furthermore, the FDA can waive orphan exclusivity if the applicant is unable to manufacture sufficient supply of the product subject to a period of orphan drug marketing exclusivity. Changes to our products or future product candidates may require regulatory approvals and a denial of such required approval will negatively impact our prospects, financial condition and future results. Changes or modifications to our products or to the manufacturing process of any of our products may require the submission of supplements to our BLAs, HDE application, and INDs. These supplements require the generation of data to support the change, and the review and approval by the FDA to obtain authorization for the change in the commercial product or in the investigational biological product before they can be implemented. Obtaining regulatory approvals for these changes may require the conduct of new studies and the purchase of new equipment to justify the change. This can be costly and time consuming. Regulatory delays can adversely impact our ability to improve our products and to introduce new products in a timely manner, which can be detrimental to our future growth. For example, we are currently ~~evaluating the potential for the arthroscopic delivery of MACI to the cartilage defect – a procedure in which a surgeon can evaluate, prepare and treat the cartilage defect under direct arthroscopic visualization using specialized instruments delivered through a number of smaller incisions or portals. We have designed and are currently developing novel and specialized instruments to be used in and help facilitate such a procedure. We have recently discussed with the FDA a non- clinical regulatory strategy to support the potential inclusion of arthroscopic delivery in MACI' s approved labeling. Specifically, following a Type C meeting with the FDA, we submitted a protocol for a MACI arthroscopic delivery human factors validation~~

~~study, which we conducted and completed during the third quarter of 2023. The FDA is currently to reviewing the data generated during the human factors validation study in the form of a prior approval supplement, which seeks to add instructions for arthroscopic delivery of MACI to the product' s approved labeling. We anticipate the commercial launch of the MACI arthroscopic delivery program during the third quarter of 2024. We also are~~ evaluating the feasibility and potential market opportunity involved in delivering MACI treatment to patients suffering from cartilage damage in the ankle. We believe that this potential lifecycle enhancement and indication expansion for MACI will require conducting an additional randomized clinical trial concerning the product' s use in the ankle. We conducted pre- IND interactions with the FDA concerning our clinical development program for MACI to treat cartilage injuries in the ankle, and based on feedback from the FDA, our team is actively working to finalize our non- clinical testing and propose a clinical development plan / protocol to FDA for review. **We are on track to initiate a MACI Ankle clinical trial later in 2025.** There can be no guarantee that we will receive regulatory approval ~~for the sale and marketing of the arthroscopic administration of MACI or the approval~~ of MACI for treatment of cartilage defects in the ankle ~~in a clinical setting~~. A number of companies have suffered significant setbacks during evaluation due to lack of efficacy or unacceptable safety issues, notwithstanding promising preliminary results. Failure to receive FDA approval or regulatory approval for the ~~arthroscopic administration of MACI or the~~ clinical use of MACI to treat cartilage defects in the ankle in a timely manner or at all, could harm our financial results and results of operations. Even if we obtain such regulatory approval, our ability to successfully market MACI for ~~arthroscopic administration or~~ treatment of cartilage defects in the ankle may be limited. If we cannot commercialize ~~the arthroscopic administration of MACI and other~~ new products or product improvements as planned, our financial results could be harmed. If we or our suppliers fail to comply with ongoing FDA or other foreign regulatory authority requirements, or if we experience unanticipated problems with our products, these products could be subject to restrictions or withdrawal from the market. The manufacturing processes, reporting requirements, post- approval clinical data, and promotional activities for each of our products is subject to continued regulatory reporting and periodic inspections by the FDA, as well as other domestic and foreign regulatory agencies. In particular, we and our suppliers, including MediWound, are required to comply with cGMP and GTP regulations for the manufacture of our products and other regulations which include methods and documentation of production controls, labeling, packaging, storage, and shipment of any product, to name a few. Regulatory agencies such as the FDA enforce the cGMP, GTP, and other regulations through periodic inspections and reporting. For example, the holder of an approved BLA or HDE is obligated to monitor and report adverse events and product failures, including critical deviations and lack of efficacy. A BLA or HDE device holder must maintain regulatory compliance for all aspects of the applicable regulations or the holder can be subject to regulatory action, including the recall or withdrawal of the product from the market. Product manufacturers are subject to payment of annual prescription drug product program user fees and their facilities are subject to periodic inspections by the FDA and other regulatory agencies for compliance with cGMP and other applicable regulations. If at any time we or a regulatory agency discovers a previously unknown safety concern with a product, such as a serious adverse event of unanticipated severity or frequency that cannot be adequately managed and changes the risk- benefit profile of the product, or there are problems with the facility where the product is manufactured, a regulatory agency may impose restrictions relative to that product or the manufacturing facility, including suspension of manufacturing, recall, placement of non- U. S. facilities on an import alert, or the withdrawal of the product from the market. The failure by us or one of our suppliers, including MediWound, to comply with applicable legal statutes and regulations administered by the FDA and other regulatory agencies, or the failure to timely and adequately respond to any adverse inspectional or review observations, or product safety issues, could result in, among other things, any of the following enforcement actions: • Untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties; • Unanticipated expenditures to address or defend such actions; • Client notifications for repair, replacement, or refund of a product; • Recall, detention or seizure of our products; • Operating restrictions or partial suspension or total shutdown of production; • Denial, refusal or delay of our requests for approval of new products or proposed changes to existing products; • Implementation of operating restrictions; • Withdrawal of product approvals that have already been granted; • Refusal to approve a pending marketing application, such as a BLA or supplements to a BLA submitted by us; • Placement of non- U. S. facilities on an import alert; • Refusal to grant export approval for our products; or • Criminal prosecution. If any of these actions were to occur it would harm our reputation and cause our product sales and profitability to suffer, preventing us from generating revenue. Furthermore, our key suppliers or partners may have compliance issues, which could impact our ability to manufacture our products on a timely basis and in the required quantities. Inadequate funding for the FDA and other government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business. The ability of the FDA to review and approve regulatory submissions and new products can be affected by a variety of factors, including government budget and funding levels, the ability to hire and retain key personnel, and statutory, regulatory, and policy changes. The average time to review and approve regulatory submissions at the agency has fluctuated in recent years as a result of some of these factors. In addition, government funding of the SEC and other government agencies on which our operations may depend, including those that fund research and development activities, is subject to the political process, which is inherently unpredictable. Disruptions at the FDA and other agencies may also slow the time necessary to review and / or approve product candidates or changes to existing products, which would adversely affect our business. For example, **the U. S. government has previously shut down and has nearly shut down** several times in recent years ~~, the U~~. **During previous shutdowns** ~~S. government has shut down. As a result~~, certain regulatory agencies, including the FDA, have had to furlough essential employees and stop critical activities ~~in the past~~. If a prolonged government shutdown occurs in the future, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. If the FDA determines that we have marketed or promoted our products for one or more

off- label uses, we may be subject to civil or criminal penalties. Although federal law and the FDA do not restrict licensed healthcare professionals from engaging in the practice of medicine and prescribing and using our products to treat patients with conditions that the physician believes our products are clinically appropriate for, we are prohibited from promoting our products for uses that are inconsistent with the uses that have been approved by the FDA – also known as " off- label " promotion or promotion of " off- label " uses. This means, for example, that we may not make claims about the use of any of our marketed products, including MACI, Epicel, or NexoBrid, which are outside of their approved labeling and indications. Consequently, our sales representatives may not proactively discuss or provide information to healthcare professionals on such off- label uses. Should the FDA determine that our activities constitute off- label promotion, the FDA could bring an action to prevent us from distributing MACI, Epicel, or NexoBrid for the off- label use and could seek to impose fines and penalties on us and our executives. In addition, advertising and promotional materials, including educational and website material, must comply with the FDA' s promotional and advertising regulations in addition to other potentially applicable federal and state laws, and such materials for biologics are subject to submission and review by the FDA. Failure to follow FDA rules and guidelines relating to promotion and advertising can result in, among other things, the FDA' s refusal to approve a product, the suspension or withdrawal of an approved product from the market, product recalls, fines, disgorgement of money, operating restrictions, injunctions and / or criminal prosecutions. If the Office of Inspector General within the Department of Health and Human Services, the DOJ, or another federal or state agency determines that we have promoted the off- label use of our products and / or we have violated anti- kickback laws, we may be subject to various penalties, including civil or criminal penalties, and the off- label use of our products may result in injuries that lead to product liability lawsuits, which could be costly to our business. In addition to FDA restrictions concerning the manner in which we market our products, several other state and federal healthcare laws have been applied by the DOJ and state attorneys general to restrict certain marketing practices in the biopharmaceutical and medical technology industries. While physicians may prescribe products for off- label uses and indications, a company is prohibited from promoting an approved product for uses not consistent with its approved label. In addition, anti- kickback laws generally prohibit a prescription drug manufacturer from soliciting, offering, receiving, or paying any remuneration in order to induce a healthcare professional or another individual or entity to purchase or prescribe a particular drug, biologic, or medical device. If other federal or state regulatory authorities determine that we have engaged in off- label promotion and / or engaged in conduct violative of anti- kickback laws, we may be subject to civil or criminal penalties and could be prohibited from participating in government healthcare programs, such as Medicaid and Medicare. In addition, government agencies or departments could conclude that we have engaged in off- label promotion or violations of anti- kickback laws and, potentially, caused the submission of false claims. Even if we are successful in resolving such matters without incurring penalties, responding to investigations or prosecutions will likely result in substantial costs and could significantly and adversely impact our reputation and divert management' s attention and resources, which could have a material adverse effect on our business, operating results, financial condition, and our ability to finance our operations. In addition, the off- label use of our products may increase the risk of injury to patients, and, in turn, the risk of product liability claims being pursued against us. Product liability claims are expensive to defend and could divert our management' s attention and result in substantial damage awards against us. Health care reform measures and changes in policies, funding, staffing and leadership at the FDA and other agencies could hinder or prevent the commercial success of our products. In the U. S., there have been a number of legislative and regulatory changes to the healthcare system that could affect our future results of operations and the future results of operations of our potential customers. See section entitled " Business — Government Regulation — Healthcare Reform ". Furthermore, there have been and continue to be a number of initiatives at the federal and state levels that seek to reduce healthcare costs. In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act (jointly, the ACA), which includes measures to significantly change the way health care is financed by both governmental and private insurers. These laws, and other state and federal healthcare reform measures may be adopted in the future, any of which may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used. Litigation and legislative efforts to change or repeal ~~IRA~~ **the ACA** may be initiated in the coming months and years, with unpredictable and uncertain results. While we cannot predict what impact on federal reimbursement policies these laws or any replacement law will have in general or specifically on any product we may commercialize in the future, modifications ~~IRA~~ **to the ACA** , subsequent Executive Branch action, or HHS implementation of current laws may result in downward pressure on reimbursement, which could negatively affect market acceptance of new products. Any rebates, discounts, taxes costs or regulatory or systematic changes on healthcare may have a significant effect on our profitability in the future. We cannot predict how the ~~IRA~~ **ACA** will be implemented, whether future litigation will be filed seeking to revise the law, or whether other laws or proposals will be made or adopted, or what impact these efforts may have on us. Individual states have become increasingly aggressive in passing legislation and implementing regulations designed to control product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access, and marketing cost disclosure and transparency measures, and designed to encourage importation from other countries and bulk purchasing. Legally- mandated price controls on payment amounts by third- party payers or other restrictions could harm our business, results of operations, financial condition and prospects. Regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what products and which suppliers will be included in their healthcare programs. This can reduce demand for our products or put pressure on our product pricing, which could negatively affect our business, results of operations, financial condition and prospects. Given recent federal and state government initiatives directed at lowering the total cost of healthcare, the executive branch, Congress and state legislatures will likely continue to focus on healthcare reform and the reform of the Medicare and Medicaid programs. For example, on July 9, 2021, President Biden issued an executive order directing the FDA to, among other things, continue to clarify and improve the approval framework for

biosimilars, including the standards for interchangeability of biological products, facilitate the development and approval of biosimilar and interchangeable products, clarify existing requirements and procedures related to the review and submission of BLAs, and identify and address any efforts to impede biosimilar competition. While we cannot predict the full outcome of any such government action or legislation, it may harm our ability to market our products and generate revenues. Furthermore, regulatory authorities' assessment of the data and results required to demonstrate safety and effectiveness can change over time and can be affected by many factors, such as the emergence of new information, including on other products, changing policies and agency funding, staffing and leadership. We cannot be sure whether future changes to the regulatory environment will be favorable or unfavorable to our business prospects. Our relationships with healthcare providers, physicians, prescribers, purchasers, third- party payers, charitable organizations, and patients will be subject to applicable anti- kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings. Healthcare providers, physicians and third- party payers in the U. S. and elsewhere play a primary role in the recommendation and prescription of biotechnology and biopharmaceutical products. Arrangements with third- party payers and customers can expose biotechnology and biopharmaceutical manufacturers to broadly applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti-Kickback Statute, or AKS, and the federal False Claims Act, or FCA, which may constrain the business or financial arrangements and relationships through which such companies sell, market, and distribute biotechnology and biopharmaceutical products. In particular, the research of our product candidates, as well as the promotion, sales, and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud, kickbacks, self- dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commission (s), certain customer incentive programs, and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of patient recruitment for clinical trials. See the section entitled, " Business — Government Regulation — Other Healthcare Laws ". The distribution of biotechnology and biopharmaceutical products is subject to additional requirements and regulations, including extensive record- keeping, licensing, storage, and security requirements intended to prevent the unauthorized sale of biotechnology and biopharmaceutical products. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance, or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, the exclusion from participation in federal and state healthcare programs, individual imprisonment, reputational harm, and the curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non- compliance with these laws. Further, defending against any such actions can be costly and time consuming, and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. If any of the physicians or other providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment. If any of the above occur, our ability to operate our business and our results of operations could be adversely affected. Tissue- based products are regulated differently in different countries. These requirements may be costly and result in delay or otherwise preclude the distribution of our products in some foreign countries, any of which would adversely affect our ability to generate operating revenues. Tissue based products are regulated differently in different countries. Many foreign jurisdictions have a different, and potentially more difficult, regulatory pathway for human tissue- based products, which may prohibit the distribution of these products until the applicable regulatory agencies grant marketing approval, or licensure. The process of obtaining regulatory approval is lengthy, expensive and uncertain, and we may never seek such approvals, or if we do, we may never obtain those approvals. Furthermore, any adverse events in our clinical trials could negatively impact our products and product candidates. Competitor companies may be able to take advantage of additional FDA guidance and new expedited programs designed for cell therapies to develop and / or commercialize new products in a shorter time period than previously predicted or in certain cases without a BLA. If we cannot remain competitive in light of such developments, our business may suffer. Recognizing the importance of the cell therapy field, Congress included several provisions related to regenerative medicine in the Cures Act, signed into law on December 13, 2016. Building on the FDA' s existing expedited programs available to regenerative medicine products, one of these provisions established a new program to help foster the development and approval of these products: the RMAT designation. On November 16, 2017, the FDA also announced a comprehensive policy framework for the development and oversight of regenerative medicine products, including novel cellular therapies. This framework completes a risk- based regulatory approach that further describes the appropriate pathway for products that contain tissue or cells including more clearly defining which products may be considered only minimally manipulated or for homologous use. With these changes in guidance and expedited programs, competitors may be able to make sales in the U. S. with minimally manipulated or homologous use products without the necessity of a BLA. In addition, competitors may also be able to obtain accelerated approval of new cell therapy products through use of RMAT designation. Risks Related to Intellectual Property If we fail to fulfill our obligations under our intellectual property licenses

with third parties, we could lose license rights that are important to our business. We are a party to intellectual property license agreements with third parties, including our license agreement with MediWound for NexoBrid, and we may enter into additional license agreements in the future. Our existing license agreements impose, and we expect that our future license agreements will impose, various diligence, milestone payment, royalty, insurance and other obligations on us. If we fail to comply with these obligations, our licensors may have the right to terminate these agreements, in which event we may not be able to further develop and market any product that is covered by these agreements. Termination of these licenses or a reduction or elimination of our licensed rights may result in our having to negotiate new or reinstated licenses with less favorable terms. In addition, if these in - licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market, products identical to ours after the expiry of data exclusivity. The occurrence of such events could materially harm our business. If we are unable to protect the confidentiality of our proprietary information and know- how related to our products, our competitive position would be impaired and our business, financial condition and results of operations could be adversely affected. Some of our technology, including our knowledge regarding the processing of our products, is maintained by us as trade secrets. In an effort to protect these trade secrets, we require our employees, consultants, collaborators and advisors to execute confidentiality agreements upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual, or made known to the individual by us during the course of the individual' s relationship with us, be kept confidential and not disclosed to third parties. These agreements, however, may not provide us with adequate protection against improper use or disclosure of confidential information, and these agreements may be breached. A breach of confidentiality could affect our competitive position. In addition, in some situations, these agreements may conflict with, or be subject to, the rights of third parties with whom our employees, consultants, collaborators or advisors have previous employment or consulting relationships. Also, others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets. Adequate remedies may not exist in the event of unauthorized use or disclosure of our confidential information. The disclosure of our trade secrets would impair our competitive position and could have a material adverse effect on our business, financial condition and results of operations. We have no patent protection for Epicel, which could adversely impact Epicel' s competitive position. We have no issued patents or pending patent applications relating to Epicel. While we attempt to protect our proprietary information as trade secrets through certain agreements with our employees, consultants, agents and other organizations to which we disclose our proprietary information, we cannot give any assurance that these agreements will provide effective protection for our proprietary information in the event of unauthorized use or disclosure of such information. If other cultured epidermal autografts are approved and marketed, we will be unable to prevent them from competing with Epicel in the marketplace. We expect that the presence of one or more competing products would reduce our market share and could negatively impact price levels and third- party reimbursement for Epicel, any of which would materially affect our business. If MediWound' s family of patents and proprietary rights covering NexoBrid do not provide substantial protection, then our commercialization efforts with respect to the product could suffer. Through the parties' License Agreement, MediWound has licensed to us a family of patents covering NexoBrid. The commercial success of NexoBrid depends, in part, on MediWound' s ability to obtain and maintain patent protection and trade secret protection for NexoBrid and its uses, as well as our ability to operate without infringing upon the proprietary rights of others. The family of patents that covers NexoBrid specifically includes approximately ~~35~~ **32** granted patents worldwide. However, there can be no assurance that patent applications relating to NexoBrid or related processes or technologies will result in patents being issued, that any patents that have been issued will be adequate to protect that intellectual property or that NexoBrid will enjoy patent protection for any significant period of time. Additionally, any issued patents may be challenged by third parties, and patents that MediWound holds may be found by a judicial authority to be invalid or unenforceable. Other parties may independently develop similar or competing technology or design around any patents that may be issued to or held by MediWound. MediWound' s current patents will eventually expire or they may otherwise cease to provide meaningful competitive advantage, and MediWound may be unable to adequately develop new technologies and obtain future patent protection to preserve our competitive advantage or avoid adverse effects on our business. Some of our issued patents relating to MACI have already expired and others may be insufficient to protect our business. We have issued patents in the U. S. and in certain foreign countries that relate to the combinations of chondrocytes and collagen membranes used in MACI. However, some of these have expired. Other patent filings that include technology relevant to MACI (e. g., its production and / or use of chondrocytes and collagen membranes, surgical devices, and related arthroscopic procedures) include granted patents and pending applications inside and outside the U. S. These granted patents and pending applications, if granted, have already expired or are expected to expire, absent any extensions, between late- 2027 and early- 2043. Whether or not these patent filings are or will be issued patents, they may not be sufficient to protect our product revenue. We may be subject to increased competition and our opportunity to establish or maintain product revenue could be substantially reduced or eliminated if our patents fail to issue or expire, or are revoked. The patents we own may not be of sufficient scope or strength to provide us with significant commercial protection or commercial advantage, and competitors may be able to design around our patents or develop products that provide outcomes that are similar to ours without infringing on our intellectual property rights. In addition, we cannot be certain that patents will be issued from any of our pending patent applications or that the scope of the claims in our pending patent applications will not be significantly narrowed and / or invalidated. If our patents and proprietary rights do not provide substantial protection, then our business and competitive position will suffer. Our success depends in large part on our ability to develop or license intellectual property rights to protect our proprietary products and technologies. This involves complex legal, scientific, and factual questions and uncertainties. We rely upon patent, trade secret, copyright and contract laws to protect proprietary technology and trademark law to protect brand identities. However, we cannot assure you that any patent applications filed by, assigned to, or licensed to us will lead to patents, and that the scope of any of our issued or licensed patents will be sufficiently broad to offer meaningful protection. In addition, our issued patents or patents

licensed to us could be successfully challenged, invalidated, held to be unenforceable, or circumvented so that our patent rights would not create an effective competitive barrier. We also cannot assure you that the inventors of the patents and applications that we own or license were the first to invent or the first to file on the inventions, or that a third- party will not claim ownership in one or more of our patents or patent applications. We cannot assure you that a third- party does not have or will not obtain patents that dominate the patents we own or license now or in the future. Patent law relating to the scope of claims in the biotechnology field is evolving and our patent rights in this country and abroad are subject to this uncertainty. From time to time, the Supreme Court, other federal courts, the U. S. Congress or the U. S. Patent and Trademark Office (" USPTO ") may change the standards of patentability and any such changes could have a negative impact on our business. We cannot assure you that our patent portfolio or our efforts to seek patent protection for our technology and products will not be negatively impacted by the guidance issued by the USPTO, the decisions described above, rulings in other cases, or changes in guidance or procedures issued by the USPTO. There can be no assurance that future decisions of the Supreme Court or other federal courts will not have a negative impact on biotechnology patents generally or the ability of biotechnology companies to obtain or enforce their patents in the future. Such negative decisions by the Supreme Court or other federal courts could have a material adverse effect on our existing patent portfolio and our ability to protect and enforce our intellectual property in the future. Obtaining and maintaining our patent protection depends on compliance with various procedural, document submissions, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can, in many cases, be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non- compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non- payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our products or current and future product candidates, our competitive position would be adversely affected. With respect to MACI, if we are unable to obtain and enforce patents and to protect our trade secrets, others could use our technology to compete with us, which could limit opportunities for us to generate revenues by licensing our technology and selling products. Our success will depend in part on our ability to obtain and enforce patents and maintain trade secrets in the U. S. and in other countries. If we are unsuccessful in obtaining and enforcing patents, our competitors could use our technology and create products that compete with our products, without paying license fees or royalties to us. The preparation, filing, and prosecution of patent applications can be costly and time consuming. Our limited financial resources may not permit us to pursue patent protection of all of our technology and products throughout the world. Even if we are able to obtain issued patents covering our technology or products, we may have to incur substantial legal fees and other expenses to enforce our patent rights in order to protect our technology and products from infringing uses. We may not have the financial resources to finance the litigation required to preserve our patent and trade secret rights. A successful challenge to our trademarks, or to MediWound' s trademarks covering NexoBrid, could force us to rebrand Epicel, MACI or NexoBrid, which could result in a loss of brand recognition and adversely affect our business. We rely on our trademarks to distinguish our products from the products of our competitors, and have registered or applied to register a number of these trademarks. MediWound has additionally registered trademarks with respect to NexoBrid, which we have licensed as part of our License Agreement with MediWound. Third parties may challenge our use of these trademarks. In the event that these trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing these new brands. Intellectual property litigation could harm our business. We may be subject to patent infringement claims that could be costly to defend, which may limit our ability to use disputed technologies, and which could prevent us from pursuing research and development or commercialization of some of our products, require us to pay licensing fees to have freedom to operate and / or result in monetary damages or other liability for us. The success of our business will depend significantly on our ability to operate without infringing patents and other proprietary rights of others. Our cell processing system and cell compositions utilize a wide variety of technologies and we can give no assurance that we have identified or can identify all inventions and patents that may be infringed by development and manufacture of our cell compositions. If the technology that we use infringes a patent held by others, or if the technology utilized by MediWound in development and manufacturing NexoBrid infringes another' s patent, we could be sued for monetary damages by the patent holder or its licensee, or we could be prevented from continuing research, development, and commercialization of products that rely on that technology, unless a license is obtained to use the patent. The cost and availability of a license to a patent cannot be predicted, and the likelihood of obtaining a license at an acceptable cost would be lower if the patent holder or any of its licensees is using the patent to develop or market a product with which any of our existing or future product candidates or our products would compete. If we could not obtain a necessary license, we would need to develop or obtain rights to alternative technologies, which could prove costly and could cause delays in product development, or we could be forced to discontinue the development or marketing of any products that were developed using the technology covered by the patent. Although we have not been subject to any filed patent infringement claims, patents could exist or could be filed which would prohibit or limit our ability to market our products or maintain our competitive position. In the event of an intellectual property dispute, we may be forced to litigate. Such litigation is typically protracted and the results are unpredictable. Intellectual property litigation would divert management' s attention from developing our products and would force us to incur substantial costs regardless of whether we are successful. An adverse outcome could subject us to significant liabilities to third parties including treble damages and the opposing party' s attorneys' fees, and force us to pay significant

license fees and royalties or cease the development and sale of our products and processes. We have hired and expect to continue to hire individuals who have experience in cell culture and cell- based therapeutics and may have confidential trade secret or proprietary information of third parties. We caution these individuals not to use or reveal this third- party information, but we cannot assure you that these individuals will not use or reveal this third- party information. Thus, we could be sued for misappropriation of proprietary information and trade secrets. Such claims are expensive to defend and could divert our attention and could result in substantial damage awards and injunctions that could have a material adverse effect on our business, financial condition or results of operations. We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful and have a material adverse effect on the success of our business. Competitors may infringe our patents or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. Also, third parties may initiate legal proceedings against us to challenge the validity or scope of intellectual property rights we own or control. These proceedings can be expensive and time consuming. Many of our current and potential competitors have the ability to dedicate substantially greater resources to defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that a patent owned by or licensed to us is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on our business, financial condition or results of operations. If we infringe the rights of third parties, we could be prevented from selling products, forced to pay damages, and defend against litigation. If our products, methods, processes and other technologies infringe the proprietary rights of other parties, we could incur substantial costs and we may have to: obtain licenses, which may not be available on commercially reasonable terms, if at all; abandon an infringing product; redesign our products or processes to avoid infringement; stop using the subject matter claimed in the patents held by others; pay damages; and / or defend litigation or administrative proceedings which may be costly whether we win or lose, and which could result in a substantial diversion of our financial and management resources. Intellectual property rights do not necessarily address all potential threats to our competitive advantage. If we are not able to protect our intellectual property rights, our business may be adversely affected. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative: • Others may be able to make products that are the same as or similar to our products or product candidates, but that are not covered by the claims of the patents that we own or have exclusively licensed; • We or any strategic partners might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own or have exclusively licensed; • We might not have been the first to file and / or the first to invent patent applications covering certain of our inventions; • Others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights; • It is possible that our pending patent applications will not lead to issued patents; • Issued patents that we own or have exclusively licensed may not provide us with any competitive advantages, or may be held invalid or unenforceable as a result of legal challenges; • Our competitors might conduct research and development activities in the U. S. and other countries that provide a safe harbor from patent infringement claims for certain research and development activities, as well as in countries where we do not have patent rights, and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; • We may not develop additional proprietary technologies that are patentable; and • The patents of others may have an adverse effect on our business. Others may challenge our patents or other intellectual property rights or sue us for infringement. Risks Related to an Investment in our Common Stock Our common stock price has been volatile and future sales of shares of common stock could have an adverse effect on the market price of such shares. The market price of shares of our common stock has been volatile, ranging in closing price between $ ~~23~~ **32** . ~~85~~ **52** and $ ~~44~~ **59** . ~~56~~ **11** during January 2, ~~2023~~ **2024** through ~~January~~ **December** 31, 2024. The price of our common stock may continue to fluctuate in response to a number of events and factors, ~~such as~~ **including but not limited to** : • Announcements of research activities, business developments, technological innovations or new products by us or our competitors; • Entering into or terminating strategic relationships; • Information related to decisions by regulatory authorities regarding our products or product candidates or other regulatory developments or guidance in both the U. S. and abroad; • Disputes concerning patents or proprietary rights; • Changes in our revenues or expense levels; • Changes in our pricing policies or the pricing policies of our competitors; • Substantial changes in reimbursement practices; • The amount of our cash resources and our ability to obtain additional funding; • Seasonal or other variations in patient demand for MACI, Epicel and NexoBrid; • Demand for and clinical acceptance of our products; • The timing of sales of products and of the introduction of new products; • Public concern regarding the safety, efficacy or other aspects of the products or methodologies we are developing; • Clinical trial results; • News or reports from other cell therapy, regenerative medicine companies, or companies competing for market share in the burn care space; • Actual or threatened litigation or governmental investigations or other major developments in such matters; • Reports by securities analysts; • Status and condition of the global economy, investment markets, regional or global conflicts or other developments that may affect the global supply chain or ability to manufacture and distribute our products; • **Impact of the recent elections in the United States,**

including the potential passage of certain laws, orders and policy decisions; • Public or private sales of additional securities; • Cybersecurity incidents that materially affect our products, services, relationships or competitive conditions; • Loss of key personnel; • A **public health crisis** ~~resurgence of COVID- 19~~ , which may impact our business, operations, prospects and financial condition; • Changes in management or the Board of Directors; and • Concerns related to management transitions. Any of these events may cause the price of our shares to fall, which may adversely affect our business and financing opportunities. In addition, the stock market in general and the market prices for biotechnology companies in particular have experienced significant volatility recently that often has been unrelated to the operating performance or financial conditions of such companies. These broad market and industry fluctuations may adversely affect the trading price of our common stock, regardless of our operating performance or prospects. The sale of our common stock through future equity offerings **and exercises and vestings of equity awards** may cause dilution and could cause the price of our common stock to decline. Sales of our common stock offered through future equity offerings **and sales of our common stock through exercises of stock options and the vesting of restricted stock units** may result in substantial dilution to the interests of other holders of our common stock. The sale of a substantial number of shares of our common stock to investors, or anticipation of such sales, could make it more difficult for us to sell equity or equity- related securities in the future at a time and at a price that we might otherwise wish to effect sales. We have never declared or paid cash dividends on our common stock and do not expect to do so in the foreseeable future. The declaration of dividends is subject to the discretion of our board of directors and will depend on various factors, including our operating results, financial condition, future prospects and any other factors deemed relevant by our board of directors. You should not rely on an investment in our Company if you require dividend income from your investment. The success of your investment will likely depend entirely upon any future appreciation of the market price of our common stock, which is uncertain and unpredictable. There is no guarantee that our common stock will appreciate in value. General Risks The use of our products and future product candidates may expose us to product liability claims, and we may not be able to obtain adequate insurance. As a result, such claims could affect our earnings and financial condition. We face an inherent business risk of exposure to product liability claims in the event that the manufacture and / or use of our products during clinical trials, or after commercialization, result in adverse events. Moreover, we derive the raw materials for MACI and Epicel from patients serving as their own donors, the production process is complex, and the handling requirements are specific. All of these factors increase the likelihood of quality failures and subsequent product liability claims. We may incur material liabilities relating to product liability claims in the future, including product liability claims arising out of the usage of MACI, Epicel or NexoBrid. Additionally, we may not be able to obtain or maintain product liability insurance on acceptable terms with adequate coverage or at all. If we are unable to obtain insurance, or if claims against us substantially exceed our coverage, then our business could be adversely impacted. Excessive insurance costs or uninsured claims would increase our operating loss and adversely affect our financial condition. Whether or not we are ultimately successful in any product liability litigation, such litigation could consume substantial amounts of our financial and managerial resources and could result in, among other things: • Significant awards against us; • Substantial litigation costs; • Recall of the product; • Injury to our reputation; • Withdrawal of clinical trial participants; or • Adverse regulatory action. Any of these consequences could have a material adverse effect on our business, financial condition and results of operations. We may not be able to raise the required capital to develop and commercialize our future product candidates and product enhancements and otherwise grow and expand our business. Notwithstanding the net proceeds we received from previous public offerings, we may require substantial additional capital resources for strategic opportunities. In order to grow and expand our business, to introduce other new product candidates and product enhancements into the marketplace, we may need to raise additional funds. We may also need significant additional funds or a collaborative partner, or both, to finance the research and development activities of future product candidates for additional indications or in additional markets. Our future capital requirements will depend upon many factors, including: • Continued scientific progress in our research, clinical and development programs; • Costs and timing of conducting clinical trials and seeking regulatory approvals; • Competing technological and market developments; • Avoiding infringement and misappropriation of third- party intellectual property; • Obtaining valid and enforceable patents that give us a competitive advantage; • Our ability to establish additional collaborative relationships; • Our ability to scale up our production capabilities for larger quantities of our products; • The effect of commercialization activities and facility improvements and expansions, if and as required; and • Complementary business acquisitions or development opportunities. We may try to access the public or private equity markets if conditions are favorable to complete a financing, even if we do not have an immediate need for additional capital at that time, or whenever we require additional operating capital. In addition, we may seek collaborative relationships, incur debt and access other available funding sources. This additional funding may not be available to us on reasonable terms, or at all. Some of the factors that will impact our ability to raise additional capital and our overall success include: • Our ability to further commercialize our products; • The rate and degree of progress of our product development; • The rate of regulatory approval to proceed with clinical developmental programs; • The level of success achieved in clinical trials; • The requirements necessary for marketing authorization from regulatory bodies in the U. S. and other countries; • The liquidity and market volatility of our equity securities; and • Regulatory and manufacturing requirements and uncertainties, and technological developments by competitors. If adequate funds are not available in the future, we may not be able to develop or enhance our products, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements and we may be required to delay or terminate research and development programs, curtail capital expenditures, and reduce business development and other operating activities, which would have a material adverse impact on our business, financial condition and results of operations. The current credit and financial market conditions may exacerbate certain risks affecting our business. We rely upon third parties for certain aspects of our business, including collaboration partners, wholesale distributors, contract clinical trial providers, contract manufacturers and third- party suppliers. Because of the recent tightening of global credit, volatility in the financial markets, and global inflationary pressures, there may be a delay or disruption in the performance or satisfaction of

commitments to us by these third parties, which could adversely affect our business ~~.~~ We may incur substantial indebtedness.On July 29,2022,we entered into a $ 150.0 million five- year senior secured Revolving Credit Agreement.As of December 31, ~~2024~~ **2023** ,we had no outstanding borrowings under the Revolving Credit Agreement.We may be exposed to the impact of interest rate changes primarily through our borrowing activities.Subject to the limits contained in the Revolving Credit Agreement,we may incur substantial additional debt from time- to- time for general corporate purposes,including,without limitation,acquisitions and capital expenditures,and such other uses as permitted under the Revolving Credit Agreement.If we do so,the risks related to our debt could intensify.Specifically,our debt could have important consequences to our investors,including the following:• making it more difficult for us to satisfy our obligations under the Revolving Credit Agreement;and if we fail to comply with these requirements,an event of default could result;• limiting our ability to obtain additional financing to fund future working capital,capital expenditures,acquisitions,or other general corporate requirements;• requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes,thereby reducing the amount of cash flows available for working capital,capital expenditures,acquisitions and other general corporate purposes;• increasing our vulnerability to general adverse economic and industry conditions;• exposing us to the risk of increased interest rates as borrowings under our Revolving Credit Agreement are subject to floating interest rates based on SOFR,which could increase the cost of servicing our financial instruments and could materially reduce our profitability and cash flows;• limiting our flexibility in planning for and reacting to changes in the industry in which we compete;• placing us at a disadvantage compared to other,less leveraged competitors;and • increasing our cost of borrowing **.** . Our Revolving Credit Agreement contains covenant restrictions that may limit our ability to operate our business. The terms of our Revolving Credit Agreement, contain, and any of our other future debt agreements may contain, covenant restrictions that limit our ability to: (i) incur additional indebtedness (ii) create liens; (iii) consolidate, merge, sell or otherwise dispose of all, or substantially all, of our assets; (iv) sell certain assets; (v) pay dividends on, repurchase or make distributions in respect of capital stock or make other restricted payments; (vi) make certain investments; (vii) repay subordinated indebtedness prior to stated maturity; and (viii) enter into certain transactions with our affiliates. As a result of these covenants, our ability to respond to changes in business and economic conditions and engage in beneficial transactions, including to obtain additional financing as needed, may be restricted. Furthermore, our failure to comply with our debt covenants could result in a default under our Revolving Credit Agreement, which could permit the holders to accelerate our obligation to repay any borrowings. We may incur substantial indebtedness. On..... • increasing our cost of borrowing. Adverse developments affecting financial institutions, companies in the financial services industry or the financial services industry generally, such as actual events or concerns involving liquidity, defaults or non- performance, could adversely affect our operations and liquidity. We regularly maintain cash balances with leading financial institutions in excess of the U. S. Department of Treasury, Federal Deposit Insurance Corporation (“ FDIC ”) insurance limit. Actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market- wide liquidity problems. Our access to our cash and cash equivalents in amounts adequate to finance our operations could be significantly impaired if the financial institutions with which we have arrangements directly face liquidity constraints or failures. In addition, investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any material decline in available funding or our ability to access our cash and cash equivalents could adversely impact our ability to meet our operating expenses, result in breaches of our contractual obligations or result in violations of federal or state wage and hour laws, any of which could have material adverse impacts on our operations and liquidity. Furthermore, should our customers have relationships with financial institutions that fail, this may result in a delay of collecting outstanding receivables, which could have a material adverse effect on our business. We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability, ongoing ~~wars~~ **conflict** between Russia and Ukraine and ~~between~~ **the ongoing conflicts in the Middle East region involving** Israel ~~and Hamas~~ , and ~~record~~ **sustained high levels of** inflation. Our business, financial condition and results of operations could be materially adversely affected by any negative impact on the global economy and capital markets resulting from the ~~war~~ **ongoing conflicts** in Ukraine, the **Middle East Region involving** Israel ~~- Hamas war~~ , geopolitical tensions, or ~~record~~ **sustained high levels of** inflation. U. S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions due **,** in part **,** to the **conflicts in Ukraine and the Middle East region involving Israel. Although the length and impact of the ongoing** conflict in Ukraine and the **Middle East region** ~~Israel- Hamas war. Although the length and impact of the ongoing military conflict in Ukraine and the Israel- Hamas war~~ is highly unpredictable, the geopolitical uncertainty caused by the conflicts has led to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions, which has contributed to ~~record~~ **sustained high levels of** inflation globally. We are continuing to monitor inflation, the situations in Ukraine and Israel and global capital markets and assessing the potential impact on our business. Although, to date, our business has not been materially impacted by the ongoing military conflict between Russia and Ukraine or the ~~Israel- Hamas war~~ **ongoing conflict in the Middle East region** , geopolitical tensions, or ~~record~~ **sustained high levels of** inflation, it is impossible to predict the extent to which our operations will be impacted in the short and long term, or the ways in which such matters may impact our business. The extent and duration of the ~~war~~ **ongoing conflict** in Ukraine and the **Middle East region involving** Israel ~~- Hamas war~~ , geopolitical tensions, ~~record~~ **sustained high levels of** inflation and resulting market disruptions are impossible to predict but could be substantial. Our success depends in large part upon the efforts of our key management and manufacturing and quality staff. The loss of any of these individuals, or our inability to attract and retain highly qualified scientific and management personnel in a timely manner, could materially and adversely affect our business and our future prospects. In the future, we may need to seek additional manufacturing and quality staff members. There is a high demand for

highly trained manufacturing and quality personnel in our industry. We face competition for such personnel from other companies, research and academic institutions and other entities. Although, to date, we have not experienced a material number of departures among our manufacturing staff, we cannot be sure such departures will not occur in the future. We do not know whether we will be able to attract, train and retain highly qualified manufacturing and quality personnel in the future, which could have a material adverse effect on our business, financial condition and results of operations. A loss of one or more of our key personnel could severely and negatively impact our operations. Our key personnel are employed " at- will, " and any of them may elect to pursue other opportunities at any time. We have no present intention of obtaining key man life insurance on any of our key management, manufacturing, quality or other personnel. Efforts to comply with securities laws and regulations require management resources, and we still may fail to comply. If we are not able to comply with such laws and regulations, there may be a material adverse impact on our business, financial conditions and results of operations. As directed by Section 404 of the Sarbanes- Oxley Act of 2002, the SEC adopted rules requiring public companies to include a report of management on their internal controls over financial reporting in their annual reports on Form 10- K. The independent registered public accounting firm auditing our consolidated financial statements is required to attest to the effectiveness of our internal controls over financial reporting. If, in any year, we are unable to conclude that we have effective internal controls over financial reporting or if our independent registered public accounting firm is required to, but is unable to provide us with a report as to the effectiveness of our internal controls over financial reporting, investors could lose confidence in the reliability of our consolidated financial statements, which could result in a decrease in the value of our securities. Our corporate documents and Michigan law contain provisions that may make it more difficult for us to be acquired. Our Board of Directors has the authority, without shareholder approval, to issue additional shares of preferred stock and to fix the rights, preferences, privileges and restrictions of these shares without any further vote or action by our shareholders. Michigan law contains a statute that makes it more difficult for a 10 % shareholder, or its officers, to acquire a company. This authority, together with certain provisions of our charter documents, may have the effect of making it more difficult for a third- party to acquire, or of discouraging a third- party from attempting to acquire, control of our company. This effect could occur even if our shareholders consider the change in control to be in their best interest. Changes to tax legislation and regulations could negatively impact our earnings. We are subject to income taxes in the U. S. In particular, although the passage of the Tax Cuts and Jobs Act of 2017 reduced the U. S. tax rate to 21 percent the law is complex and further regulations and interpretations are still being issued. We could face audit challenges on how we apply the ~~new~~ law that could have a negative impact on our provision for income taxes. In addition, ~~particularly in light of the Biden Administration,~~ our future earnings could be negatively impacted by changes in tax legislation ~~,~~ ~~including a repeal or modification of the Tax Cuts and Jobs Act of 2017~~ , changes in tax rates and tax base such as limiting, phasing- out or eliminating deductions or tax credits, increased taxation of certain excess income from intellectual property, revising tax law interpretations and changes in other tax laws in the U. S. For example, beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development expenditures immediately in the year incurred and requires taxpayers to amortize such expenditures over five years for tax purposes. While the most significant impact of this provision is to the year ended December 31, 2022, the tax year in which the provision took effect, the impact will decline annually over the five- year amortization period. ~~54~~