

NON-GAAP RECONCILIATION AND SUPPLEMENTAL DATA

STATEMENT OF OPERATIONS

Anika Therapeutics, Inc. and Subsidiaries
 Consolidated Statements of Operations
 (in thousands, except per share data)
 (unaudited)

	For the Three Months Ended March 31,	
	2021	2020
Revenue	34,292	35,397
Cost of Revenue	13,318	14,200
Gross Profit	20,974	21,197
<i>% revenue</i>	61%	60%
Operating expenses:		
Research and development	6,361	6,050
Selling, general and administrative	18,175	14,431
Goodwill impairment	-	18,144
Change in fair value of contingent consideration	(4,820)	(24,522)
Total operating expenses	19,716	14,103
Income (loss) from operations	1,258	7,094
Interest and other income (expense), net	(43)	279
Income (loss) before income taxes	1,215	7,373
Income taxes	(1,623)	1,580
Net income (loss)	\$ 2,838	\$ 5,793
Net income (loss) per share:		
Basic	\$ 0.20	\$ 0.41
Diluted	\$ 0.20	\$ 0.40
Weighted average common shares outstanding:		
Basic	14,343	14,202
Diluted	14,435	14,353



BALANCE SHEET

Anika Therapeutics, Inc. and Subsidiaries
Consolidated Balance Sheets
(in thousands, except per share data)
(unaudited)

ASSETS	March 31, 2021	December 31, 2020
Current assets:		
Cash, cash equivalents and investments	\$ 94,599	\$ 98,318
Accounts receivable, net	26,509	24,102
Inventories, net	42,718	46,209
Prepaid expenses and other current assets	9,648	8,754
Total current assets	173,474	177,383
Property and equipment, net	49,131	50,613
Right-of-use assets	22,325	22,619
Other long-term assets	20,292	15,420
Intangible assets, net	88,986	91,157
Goodwill	8,045	8,413
Total assets	<u>\$ 362,253</u>	<u>\$ 365,605</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,683	\$ 8,984
Accrued expenses and other current liabilities	13,460	14,793
Contingent consideration	24,830	13,090
Total current liabilities	46,973	36,867
Other long-term liabilities	1,583	1,244
Contingent consideration	5,760	22,320
Deferred tax liability	10,738	11,895
Lease liabilities	20,543	20,879
Stockholders' equity:		
Common stock, \$0.01 par value	144	143
Additional paid-in-capital	57,281	55,355
Accumulated other comprehensive loss	(5,051)	(4,542)
Retained earnings	224,282	221,444
Total stockholders' equity	276,656	272,400
Total liabilities and stockholders' equity	<u>\$ 362,253</u>	<u>\$ 365,605</u>



RECONCILIATION TABLES – GAAP NET INCOME TO EBITDA

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Net Income to Adjusted EBITDA
(in thousands, except per share data)
(unaudited)

<i>in thousands, except per share data</i>	For the Three Months Ended March 31,	
	2021	2020
Net income (loss)	\$ 2,838	\$ 5,793
Interest and other expense (income), net	43	(279)
(Benefit) provision for income taxes	(1,623)	1,580
Depreciation and amortization	1,721	1,673
Stock-based compensation	2,259	(207)
Acquisition related expenses	-	4,155
Acquisition related intangible asset amort	1,787	1,088
Acquisition related inventory step up	2,578	2,083
Goodwill impairment	-	18,144
Change in fair value of contingent consideration (benefit)	(4,820)	(24,522)
Adjusted EBITDA	\$ 4,783	\$ 9,508

RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED NET INCOME

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Net Income to Adjusted Net Income
(in thousands, except per share data)
(unaudited)

<i>in thousands, except per share data</i>	For the Three Months Ended March 31,	
	2021	2020
Net income (loss)	\$ 2,838	\$ 5,793
Acquisition related expenses, tax effected	-	3,172
Acquisition related intangible asset amortization, tax effected	1,396	831
Acquisition related inventory step up	2,016	1,590
Goodwill impairment, tax effected	-	15,773
Change in fair value of contingent consideration, tax effected (benefit)	(5,498)	(20,682)
Adjusted net income	\$ 752	\$ 6,477

RECONCILIATION TABLES – GAAP EPS TO ADJUSTED EPS

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share
(per share data)
(unaudited)

<i>in thousands, except per share data</i>	For the Three Months Ended March 31,			
	2021		2020	
Diluted earnings (loss) per share (EPS)	\$	0.20	\$	0.40
Acquisition related expenses per share, tax effected		-		0.22
Acquisition related intangible asset amortization, tax effected		0.10		0.06
Acquisition related inventory step up		0.14		0.11
Goodwill impairment, tax effected		-		1.10
Change in fair value of contingent consideration, tax effected (benefit)		(0.38)		(1.44)
Adjusted diluted EPS	\$	0.06	\$	0.45

PRODUCT FAMILY REVENUE AND GROSS MARGIN

Revenue by Product Family and Gross Margin
(in thousands, except percentages)
(unaudited)

	For the Three Months Ended March 31,			
	2021	%	2020	%
Joint Pain Management	\$ 19,316	56%	\$ 25,483	72%
Joint Preservation and Restoration	12,219	36%	7,896	22%
Other	2,757	8%	2,018	6%
Revenue	34,292	100%	35,397	100%
Gross Profit	\$ 20,974		\$ 21,197	
Gross Margin	61%		60%	

REVENUE BY GEOGRAPHIC REGION

**Total Revenue by Geographic Region
(in thousands, except percentages)
(unaudited)**

	For the Three Months Ended March 31			
	2021	%	2020	%
United States	\$ 25,005	73%	\$ 26,306	74%
Europe	5,480	16%	5,276	15%
Other	3,807	11%	3,815	11%
Total Revenue	<u>\$ 34,292</u>	<u>100%</u>	<u>\$ 35,397</u>	<u>100%</u>