

NON-GAAP RECONCILIATION AND SUPPLEMENTAL DATA

STATEMENT OF OPERATIONS

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

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Revenue	\$ 35,821	\$ 32,688	\$ 147,794	\$ 130,457
Cost of Revenue	17,687	15,944	64,851	61,431
Gross Profit	18,134	16,744	82,943	69,026
Operating expenses:				
Research and development	6,000	7,632	27,327	23,431
Selling, general and administrative	20,432	15,179	74,096	60,063
Goodwill impairment	-	24,376	-	42,520
Change in fair value of contingent consideration	825	(12,490)	(21,095)	(28,666)
Total operating expenses	27,257	34,697	80,328	97,348
Income (loss) from operations	(9,123)	(17,953)	2,615	(28,322)
Interest and other expense, net	(47)	(184)	(188)	(302)
Income (loss) before income taxes	(9,170)	(18,137)	2,427	(28,624)
Income taxes	(3,377)	(2,481)	(1,707)	(4,642)
Net income (loss)	\$ (5,793)	\$ (15,656)	\$ 4,134	\$ (23,982)
Net income (loss) per share:				
Basic	\$ (0.40)	\$ (1.10)	\$ 0.29	\$ (1.69)
Diluted	\$ (0.40)	\$ (1.10)	\$ 0.28	\$ (1.69)
Weighted average common shares outstanding:				
Basic	14,438	14,275	14,401	14,222
Diluted	14,438	14,275	14,634	14,222

BALANCE SHEET

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

ASSETS	December 31, 2021	December 31, 2020
Current assets:		
Cash, cash equivalents and investments	\$ 94,386	\$ 98,318
Accounts receivable, net	29,843	24,102
Inventories, net	36,010	46,209
Prepaid expenses and other current assets	8,289	8,754
Total current assets	<u>168,528</u>	<u>177,383</u>
Property and equipment, net	47,602	50,613
Right-of-use assets	20,957	22,619
Other long-term assets	20,285	15,420
Intangible assets, net	82,382	91,157
Goodwill	7,781	8,413
Total assets	<u>\$ 347,535</u>	<u>\$ 365,605</u>
		-
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,633	\$ 8,984
Accrued expenses and other current liabilities	17,847	14,793
Contingent consideration	4,315	13,090
Total current liabilities	<u>29,795</u>	<u>36,867</u>
Other long-term liabilities	1,258	1,244
Contingent consideration	-	22,320
Deferred tax liability	10,157	11,895
Lease liabilities	19,240	20,879
Stockholders' equity:		
Common stock, \$0.01 par value	144	143
Additional paid-in-capital	67,081	55,355
Accumulated other comprehensive loss	(5,718)	(4,542)
Retained earnings	225,578	221,444
Total stockholders' equity	<u>287,085</u>	<u>272,400</u>
Total liabilities and stockholders' equity	<u>\$ 347,535</u>	<u>\$ 365,605</u>

RECONCILIATION TABLES – GAAP GROSS PROFIT TO ADJUSTED GROSS PROFIT AND ADJUSTED GROSS MARGIN

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Gross Profit to Adjusted Gross Profit
(per share data)
(unaudited)

<i>in thousands</i>	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Gross Profit	\$ 18,134	\$ 16,744	\$ 82,943	\$ 69,026
Product rationalization related charges	382	-	2,445	1,920
Acquisition related intangible asset amortization	1,562	1,562	6,248	5,844
Acquisition related inventory step up	221	3,686	6,465	11,082
Adjusted Gross Profit	<u>\$ 20,299</u>	<u>\$ 21,992</u>	<u>\$ 98,101</u>	<u>\$ 87,872</u>
Adjusted Gross Margin	57%	67%	66%	67%

RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED 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 December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Net income (loss)	\$ (5,793)	\$ (15,656)	\$ 4,134	\$ (23,982)
Interest and other expense, net	47	184	188	302
Provision (benefit) for income taxes	(3,377)	(2,481)	(1,707)	(4,642)
Depreciation and amortization	1,943	1,714	7,169	6,844
Share-based compensation	3,166	1,433	11,085	5,386
Product rationalization	382	-	2,445	2,892
IPR&D impairment	600	1,414	600	1,414
Acquisition related expenses	-	-	-	4,168
Acquisition related intangible asset amortization	1,787	1,789	7,148	6,620
Acquisition related inventory step up	221	3,697	6,465	11,082
Goodwill impairment	-	24,376	-	42,520
Change in fair value of contingent consideration	825	(12,490)	(21,095)	(28,666)
Adjusted EBITDA (loss)	\$ (199)	\$ 3,980	\$ 16,432	\$ 23,938

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 December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Net income (loss)	\$ (5,793)	\$ (15,656)	\$ 4,134	\$ (23,982)
Product rationalization, tax effected	311	-	1,830	2,376
IPR&D impairment, tax effected	448	1,414	448	1,414
Acquisition related expenses, tax effected	-	-	-	3,146
Acquisition related intangible asset amortization, tax effected	1,488	1,304	5,386	4,997
Acquisition related inventory step up, tax effected	184	2,696	4,810	8,365
Goodwill impairment, tax effected	-	21,929	-	37,702
Change in fair value of contingent consideration, tax effected	173	(9,999)	(16,979)	(23,872)
Adjusted net (loss) income	<u>\$ (3,189)</u>	<u>\$ 1,687</u>	<u>\$ (371)</u>	<u>\$ 10,146</u>

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 December 31,		For the Years Ended December 31,	
	2021	2020	2021	2020
Diluted earnings (loss) per share (EPS)	\$ (0.40)	\$ (1.10)	\$ 0.28	\$ (1.69)
Product rationalization, tax effected	0.02	-	0.13	0.17
IPR&D impairment, tax effected	0.03	0.10	0.03	0.10
Acquisition related expenses per share, tax effected	-	-	-	0.22
Acquisition related intangible asset amortization, tax effected	0.10	0.09	0.37	0.35
Acquisition related inventory step up, tax effected	0.01	0.19	0.33	0.59
Goodwill impairment, tax effected	-	1.54	-	2.65
Change in fair value of contingent consideration, tax effected	0.01	(0.70)	(1.16)	(1.68)
Adjusted diluted earnings (loss) per share (EPS)	<u>\$ (0.23)</u>	<u>\$ 0.12</u>	<u>\$ (0.02)</u>	<u>\$ 0.71</u>

REVENUE BY PRODUCT FAMILY

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

<i>in thousands</i>	For the Three Months Ended December 31,				For the Years Ended December 31,			
	2021	% of Total	2020	% of Total	2021	% of Total	2020	% of Total
OA Pain Management	\$ 19,713	55%	\$ 16,861	52%	\$ 89,503	61%	\$ 83,029	64%
Joint Preservation and Restoration	13,292	37%	13,135	40%	48,588	33%	39,368	30%
Non-Orthopedic	2,816	8%	2,692	8%	9,703	6%	8,060	6%
Revenue	<u>\$ 35,821</u>	<u>100%</u>	<u>\$ 32,688</u>	<u>100%</u>	<u>\$ 147,794</u>	<u>100%</u>	<u>\$ 130,457</u>	<u>100%</u>