

A photograph of a large, modern brick building with extensive glass windows, likely an Anika Therapeutics facility. The building is set against a dramatic sky with soft, golden light from a low sun, creating a sunset or sunrise atmosphere. The sky is filled with wispy clouds. In the foreground, there is a paved area and some greenery. A small sign with the word 'ANIKA' is visible near the entrance.

**Anika Therapeutics, Inc.  
Second Quarter 2014  
Investor Conference Call**

**July 31, 2014**



# Safe Harbor Statement

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*The statements made in this presentation which are not statements of historical fact are forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve known and unknown risks, uncertainties and other factors. The words “potential,” “develop,” “promising,” “believe,” “will,” “would,” “expect,” “anticipate,” “intend,” “estimate,” “plan,” “likely,” and other expressions which are predictions of or indicate future events and trends and which do not constitute historical matters identify forward-looking statements, including without limitation management’s discussion of the company’s growth and strategic plans. The Company’s actual results could differ materially from any anticipated future results, performance or achievements described in the forward-looking statements as a result of a number of factors including the results of its research and development efforts and timing of regulatory approvals. Certain other factors that might cause the Company’s actual results to differ materially from those in the forward-looking statements include those set forth under the headings “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013, as well as those described in the Company’s other press releases and SEC filings.*

# Overview

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## Solid second quarter results

- **Total revenue up 26% to \$26.3M**

*Includes \$5M in milestone revenue associated with U.S. license agreement for Monovisc®*

- **Orthobiologics product revenue up 11% year over year**

*Driven by product sales and royalty revenue associated with Monovisc® US launch*

- **Changes in Dermal and Surgical revenue primarily reflect timing of orders**

- **Product revenue up 6% year over year**

*Continue to expect product revenue growth to accelerate in 2H14*

# Income Statement Highlights

## Solid bottom-line performance in Q2 2014

Dollars in millions, except per-share amounts

	Q2 2013	Q2 2014	% Δ
Total Revenue	\$20.8	\$26.3	26%
Product Gross Margin	69%	75%	
Operating Expenses	\$11.4	\$11.1	(3)%
Operating Income	\$9.4	\$15.2	62%
Net Income	\$5.9	\$9.3	58%
Diluted EPS	\$0.40	\$0.60	50%

# Balance Sheet Highlights

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## Increased cash and strong working capital position

(In millions)	12/31/13	6/30/14
Cash & Cash Equivalents	\$63.3	\$84.9
Working Capital	\$85.3	\$112.2
Stockholders' Equity	\$135.6	\$162.4

### **\$22M cash increase**

- U.S. Monovisc<sup>®</sup> milestone payments
- Strong cash from operations
- Exercise of employee stock options

# Orthobiologics Highlights

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## U.S. Monovisc® commercial launch and first domestic sales

- Sales in line with expectations
- Successful CMS meeting in May, and made progress toward achieving a unique reimbursement J-Code
- Marketing strategy maintains brand recognition for Orthovisc® in multiple-injection market while capturing single-injection market share with Monovisc®

# Viscosupplementation Overview

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## Progress on global viscosupplementation market share strategy

- **Strategic goal: achieve 15% global viscosupplementation market share by the end of 2018**
  1. *Leverage U.S. brand leadership to drive global Monovisc<sup>®</sup> and Orthovisc<sup>®</sup> growth*
  2. *Expand international distribution network*
  3. *Launch two new viscosupplementation products in late 2015 to early 2016*

# Advanced Wound Care Franchise Update

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## Progress on global advanced wound care franchise expansion

- Making good progress in strengthening our established international distribution networks
- Expanding into new geographic markets, primarily in the U.S. and South America
- Entered into an exclusive commercial partnership with Medline Industries, Inc. for Hyalomatrix® in the U.S.



# Product Pipeline

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## Focused on Cingal™ and Hyalofast™

- **Cingal**

- Complete clinical trial and submit CE Mark application by year-end 2014 or shortly thereafter
- Preliminary discussions with FDA followed by formal meeting in 2H 2014

- **Hyalofast**

- Continued progress to make available as one-step cartilage repair solution in U.S.
- Completed design of clinical trial protocol and filed synopsis of protocol in pre-submission with FDA

# 2014 Business Outlook

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## Well-positioned for second half 2014

- Executing on strategy to capture share in global viscosupplementation market
- Increased demand for Orthovisc® and Monovisc®
- Cingal™ and Hyalofast™ advancing toward commercialization
- Adding organizational and operational capabilities
- Continue to expect 2014 revenue growth and profitability improvements

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