

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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	\$ 38,145	\$ 30,678	\$ 72,437	\$ 66,075
Cost of Revenue	17,333	16,936	30,651	31,136
Gross Profit	20,812	13,742	41,786	34,939
Operating expenses:				
Research and development	7,293	4,532	13,654	10,582
Selling, general and administrative	17,989	14,550	36,164	28,981
Goodwill impairment	-	-	-	18,144
Change in fair value of contingent consideration	(13,650)	4,196	(18,470)	(20,326)
Total operating expenses	11,632	23,278	31,348	37,381
Income (loss) from operations	9,180	(9,536)	10,438	(2,442)
Interest and other income (expense), net	(50)	(169)	(93)	110
Income (loss) before income taxes	9,130	(9,705)	10,345	(2,332)
Income taxes	2,599	(1,997)	976	(417)
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Net income (loss) per share:				
Basic	\$ 0.45	\$ (0.54)	\$ 0.65	\$ (0.13)
Diluted	\$ 0.45	\$ (0.54)	\$ 0.64	\$ (0.13)
Weighted average common shares outstanding:				
Basic	14,393	14,199	14,368	14,201
Diluted	14,627	14,199	14,583	14,201



BALANCE SHEET

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

ASSETS	June 30, 2021	December 31, 2020
Current assets:		
Cash, cash equivalents and investments	\$ 97,181	\$ 98,318
Accounts receivable, net	29,426	24,102
Inventories, net	42,857	46,209
Prepaid expenses and other current assets	8,297	8,754
Total current assets	177,761	177,383
Property and equipment, net	49,540	50,613
Right-of-use assets	21,849	22,619
Other long-term assets	18,748	15,420
Intangible assets, net	87,084	91,157
Goodwill	8,149	8,413
Total assets	<u>\$ 363,131</u>	<u>\$ 365,605</u>
		-
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,101	\$ 8,984
Accrued expenses and other current liabilities	16,396	14,793
Contingent consideration	16,870	13,090
Total current liabilities	41,367	36,867
Other long-term liabilities	1,710	1,244
Contingent consideration	70	22,320
Deferred tax liability	13,100	11,895
Lease liabilities	20,080	20,879
Stockholders' equity:		
Preferred stock, \$0.01 par value		-
Common stock, \$0.01 par value	144	143
Additional paid-in-capital	60,699	55,355
Accumulated other comprehensive loss	(4,852)	(4,542)
Retained earnings	230,813	221,444
Total stockholders' equity	286,804	272,400
Total liabilities and stockholders' equity	<u>\$ 363,131</u>	<u>\$ 365,605</u>



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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Interest and other expense (income), net	50	169	93	(110)
(Benefit) provision for income taxes	2,599	(1,997)	976	(417)
Depreciation and amortization	1,716	1,739	3,437	3,412
Share-based compensation	2,797	2,240	5,056	2,033
Product rationalization	2,063	2,892	2,063	2,892
Acquisition related expenses	-	-	-	4,184
Acquisition related intangible asset amortization	1,787	1,996	3,574	3,047
Acquisition related inventory step up	2,208	2,032	4,786	4,123
Goodwill impairment	-	-	-	18,144
Change in fair value of contingent consideration	(13,650)	4,196	(18,470)	(20,326)
Adjusted EBITDA	<u>\$ 6,101</u>	<u>\$ 5,559</u>	<u>\$ 10,884</u>	<u>\$ 15,067</u>

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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Product rationalization, tax effected	1,590	2,377	1,590	2,377
Acquisition related expenses, tax effected	-	-	-	3,198
Acquisition related intangible asset amortization, tax effected	1,356	1,529	2,754	2,329
Acquisition related inventory step up, tax effected	1,675	1,556	3,688	3,151
Goodwill impairment, tax effected	-	-	-	15,773
Change in fair value of contingent consideration, tax effected	(9,789)	3,474	(15,287)	(17,208)
Adjusted net income	<u>\$ 1,363</u>	<u>\$ 1,228</u>	<u>\$ 2,114</u>	<u>\$ 7,705</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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Diluted earnings (loss) per share (EPS)	\$ 0.45	\$ (0.54)	\$ 0.64	\$ (0.13)
Product rationalization, tax effected	0.11	0.17	0.11	0.17
Acquisition related expenses per share, tax effected	-	-	-	0.23
Acquisition related intangible asset amortization, tax effected	0.09	0.11	0.19	0.16
Acquisition related inventory step up, tax effected	0.11	0.11	0.25	0.22
Goodwill impairment, tax effected	-	-	-	1.10
Change in fair value of contingent consideration, tax effected	(0.67)	0.24	(1.05)	(1.19)
Adjusted diluted EPS	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ 0.14</u>	<u>\$ 0.56</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 June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Gross Profit	\$ 20,812	\$ 13,742	\$ 41,786	\$ 34,939
Product rationalization related charges	2,063	1,920	2,063	1,920
Acquisition related intangible asset amortization	1,562	1,758	3,124	2,721
Acquisition related inventory step up	2,208	2,032	4,786	4,123
Adjusted Gross Profit	<u>\$ 26,645</u>	<u>\$ 19,452</u>	<u>\$ 51,759</u>	<u>\$ 43,703</u>
Adjusted Gross Margin	70%	64%	71%	66%

PRODUCT FAMILY REVENUE

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

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2021	%	2020	%	2021	%	2020	%
Joint Pain Management	24,321	64%	\$ 22,247	73%	43,637	60%	\$ 47,730	72%
Joint Preservation and Restoration	11,884	31%	6,622	22%	24,103	33%	14,518	22%
Other	1,940	5%	1,809	5%	4,697	7%	3,827	6%
Total Revenue	38,145	100%	30,678	100%	72,437	100%	66,075	100%

REVENUE BY GEOGRAPHIC REGION

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021	%	2020	%	2021	%	2020	%
United States	30,069	79%	\$ 25,133	82%	55,074	76%	\$ 51,438	78%
Europe	5,089	13%	2,910	9%	10,570	15%	8,186	12%
Other	2,987	8%	2,635	9%	6,793	9%	6,451	10%
Total Revenue	<u>\$ 38,145</u>	<u>100%</u>	<u>\$ 30,678</u>	<u>100%</u>	<u>\$ 72,437</u>	<u>100%</u>	<u>\$ 66,075</u>	<u>100%</u>