

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 March 31,	
	2022	2021
Revenue	\$ 36,693	\$ 34,292
Cost of Revenue	14,889	13,318
Gross Profit	21,804	20,974
Operating expenses:		
Research and development	6,157	6,361
Selling, general and administrative	19,201	18,175
Change in fair value of contingent consideration	-	(4,820)
Total operating expenses	25,358	19,716
(Loss) income from operations	(3,554)	1,258
Interest and other expense, net	(154)	(43)
(Loss) income before income taxes	(3,708)	1,215
Income taxes	(775)	(1,623)
Net (loss) income	\$ (2,933)	\$ 2,838
Net (loss) income per share:		
Basic	\$ (0.20)	\$ 0.20
Diluted	\$ (0.20)	\$ 0.20
Weighted average common shares outstanding:		
Basic	14,466	14,343
Diluted	14,466	14,435

BALANCE SHEET

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

ASSETS	March 31, 2022	December 31, 2021
Current assets:		
Cash, cash equivalents and investments	\$ 90,325	\$ 94,386
Accounts receivable, net	29,313	29,843
Inventories, net	35,225	36,010
Prepaid expenses and other current assets	10,459	8,289
Total current assets	165,322	168,528
Property and equipment, net	47,954	47,602
Right-of-use assets	20,517	20,957
Other long-term assets	20,385	20,285
Intangible assets, net	80,436	82,382
Goodwill	7,625	7,781
Total assets	<u>\$ 342,239</u>	<u>\$ 347,535</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,444	\$ 7,633
Accrued expenses and other current liabilities	15,233	17,847
Contingent consideration	4,315	4,315
Total current liabilities	26,992	29,795
Other long-term liabilities	684	1,258
Deferred tax liability	9,956	10,157
Lease liabilities	18,820	19,240
Stockholders' equity:		
Common stock, \$0.01 par value	145	144
Additional paid-in-capital	68,796	67,081
Accumulated other comprehensive loss	(5,799)	(5,718)
Retained earnings	222,645	225,578
Total stockholders' equity	285,787	287,085
Total liabilities and stockholders' equity	<u>\$ 342,239</u>	<u>\$ 347,535</u>

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

Reconciliation of GAAP Gross Profit to Adjusted Gross Profit (in thousands) (unaudited)

	For the Three Months Ended March 31,	
	2022	2021
Gross Profit	\$ 21,804	\$ 20,974
Acquisition related intangible asset amortization	1,562	1,562
Acquisition related inventory step up	-	2,578
Adjusted Gross Profit	<u>\$ 23,366</u>	<u>\$ 25,114</u>
Adjusted Gross Margin	64%	73%

RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED EBITDA

Reconciliation of GAAP Net Income to Adjusted EBITDA
(in thousands)
(unaudited)

	For the Three Months Ended March 31,	
	2022	2021
Net (loss) income	\$ (2,933)	\$ 2,838
Interest and other expense, net	154	43
Benefit from income taxes	(775)	(1,623)
Depreciation and amortization	1,830	1,721
Share-based compensation	2,545	2,259
Acquisition related intangible asset amortization	1,787	1,787
Acquisition related inventory step up	-	2,578
Change in fair value of contingent consideration	-	(4,820)
Adjusted EBITDA	<u>\$ 2,608</u>	<u>\$ 4,783</u>

RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED NET INCOME

**Reconciliation of GAAP Net Income to Adjusted Net Income
(in thousands)
(unaudited)**

	For the Three Months Ended March 31,	
	2022	2021
Net (loss) income	\$ (2,933)	\$ 2,838
Acquisition related intangible asset amortization, tax effected	1,345	1,396
Acquisition related inventory step up, tax effected	-	2,016
Change in fair value of contingent consideration, tax effected	-	(5,498)
Adjusted net (loss) income	<u>\$ (1,588)</u>	<u>\$ 752</u>

RECONCILIATION TABLES – GAAP EPS TO ADJUSTED EPS

**Reconciliation of GAAP Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share
(per share data)
(unaudited)**

	For the Three Months Ended March 31,	
	2022	2021
Diluted (loss) earnings per share (EPS)	\$ (0.20)	\$ 0.20
Acquisition related intangible asset amortization, tax effected	0.09	0.10
Acquisition related inventory step up, tax effected	-	0.14
Change in fair value of contingent consideration, tax effected	-	(0.38)
Adjusted diluted (loss) earnings per share (EPS)	\$ (0.11)	\$ 0.06

REVENUE BY PRODUCT FAMILY

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

For the Three Months Ended March 31,

	<u>2022</u>	<u>2021</u>	<u>\$ change</u>	<u>% change</u>
OA Pain Management	\$ 22,733	\$ 19,316	\$ 3,417	18%
Joint Preservation and Restoration	12,139	12,219	(80)	-1%
Non-Orthopedic	1,821	2,757	(936)	-34%
Revenue	<u>\$ 36,693</u>	<u>\$ 34,292</u>	<u>\$ 2,401</u>	<u>7%</u>