

# 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,	
	2022	2021	2022	2021
Revenue	\$ 39,657	\$ 38,145	\$ 76,350	\$ 72,437
Cost of Revenue	14,795	17,333	29,684	30,651
Gross Profit	24,862	20,812	46,666	41,786
Operating expenses:				
Research and development	6,975	7,293	13,132	13,654
Selling, general and administrative	21,268	17,989	40,469	36,164
Change in fair value of contingent consideration	-	(13,650)	-	(18,470)
Total operating expenses	28,243	11,632	53,601	31,348
(Loss) income from operations	(3,381)	9,180	(6,935)	10,438
Interest and other income (expense), net	96	(50)	(58)	(93)
(Loss) income before income taxes	(3,285)	9,130	(6,993)	10,345
(Benefit from) provision for income taxes	(442)	2,599	(1,217)	976
Net (loss) income	\$ (2,843)	\$ 6,531	\$ (5,776)	\$ 9,369
Net (loss) income per share:				
Basic	\$ (0.20)	\$ 0.45	\$ (0.40)	\$ 0.65
Diluted	\$ (0.20)	\$ 0.45	\$ (0.40)	\$ 0.64
Weighted average common shares outstanding:				
Basic	14,555	14,393	14,511	14,368
Diluted	14,555	14,627	14,511	14,583

# BALANCE SHEET

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

ASSETS	June 30, 2022	December 31, 2021
Current assets:		
Cash, cash equivalents and investments	\$ 91,392	\$ 94,386
Accounts receivable, net	32,172	29,843
Inventories, net	35,336	36,010
Prepaid expenses and other current assets	8,956	8,289
Total current assets	<u>167,856</u>	<u>168,528</u>
Property and equipment, net	48,087	47,602
Right-of-use assets	31,607	20,957
Other long-term assets	20,914	20,285
Intangible assets, net	78,490	82,382
Goodwill	7,169	7,781
Total assets	<u>\$ 354,123</u>	<u>\$ 347,535</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 8,165	\$ 7,633
Accrued expenses and other current liabilities	16,951	17,847
Contingent consideration	4,315	4,315
Total current liabilities	<u>29,431</u>	<u>29,795</u>
Other long-term liabilities	587	1,258
Deferred tax liability	8,220	10,157
Lease liabilities	29,732	19,240
Stockholders' equity:		
Common stock, \$0.01 par value	146	144
Additional paid-in-capital	72,851	67,081
Accumulated other comprehensive loss	(6,646)	(5,718)
Retained earnings	219,802	225,578
Total stockholders' equity	<u>286,153</u>	<u>287,085</u>
Total liabilities and stockholders' equity	<u>\$ 354,123</u>	<u>\$ 347,535</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**  
**(in thousands)**  
**(unaudited)**

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Gross Profit	\$ 24,862	\$ 20,812	\$ 46,666	\$ 41,786
Product rationalization related charges	-	2,063	-	2,063
Acquisition related intangible asset amortization	1,562	1,562	3,124	3,124
Acquisition related inventory step up	-	2,208	-	4,786
Adjusted Gross Profit	<u>\$ 26,424</u>	<u>\$ 26,645</u>	<u>\$ 49,790</u>	<u>\$ 51,759</u>
Adjusted Gross Margin	67%	70%	65%	71%

# RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED EBITDA

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

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net (loss) income	\$ (2,843)	\$ 6,531	\$ (5,776)	\$ 9,369
Interest and other expense, net	(96)	50	58	93
Benefit from income taxes	(442)	2,599	(1,217)	976
Depreciation and amortization	1,933	1,716	3,753	3,437
Stock-based compensation	4,081	2,797	6,626	5,056
Product rationalization	-	2,063	-	2,063
Acquisition related intangible asset amortization	1,787	1,787	3,574	3,574
Acquisition related inventory step up	-	2,208	-	4,786
Change in fair value of contingent consideration	-	(13,650)	-	(18,470)
Adjusted EBITDA	<u>\$ 4,420</u>	<u>\$ 6,101</u>	<u>\$ 7,018</u>	<u>\$ 10,884</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)  
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (2,843)	\$ 6,531	\$ (5,776)	\$ 9,369
Product rationalization, tax effected	-	1,590	-	1,590
Acquisition related intangible asset amortization, tax effected	1,219	1,356	2,565	2,754
Acquisition related inventory step up, tax effected	-	1,675	-	3,688
Change in fair value of contingent consideration, tax effected	-	(9,789)	-	(15,287)
Adjusted net (loss) income	<u>\$ (1,624)</u>	<u>\$ 1,363</u>	<u>\$ (3,211)</u>	<u>\$ 2,114</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)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Diluted (loss) earnings per share (EPS)	\$ (0.20)	\$ 0.45	\$ (0.40)	\$ 0.64
Product rationalization, tax effected	-	0.11	-	0.11
Acquisition related intangible asset amortization, tax effected	0.08	0.09	0.18	0.19
Acquisition related inventory step up, tax effected	-	0.11	-	0.25
Change in fair value of contingent consideration, tax effected	-	(0.67)	-	(1.05)
Adjusted diluted (loss) earnings per share (EPS)	\$ (0.12)	\$ 0.09	\$ (0.22)	\$ 0.14

# REVENUE BY PRODUCT FAMILY

**Anika Therapeutics, Inc. and Subsidiaries**  
**Revenue by Product Family**  
(in thousands, except percentages)  
(unaudited)

	<b>For the Three Months Ended June 30,</b>				<b>For the Six Months Ended June 30,</b>			
	<b>2022</b>	<b>2021</b>	<b>\$ change</b>	<b>% change</b>	<b>2022</b>	<b>2021</b>	<b>\$ change</b>	<b>% change</b>
Joint Pain Management	\$ 25,741	\$ 24,321	\$ 1,420	6%	\$ 48,474	\$ 43,637	\$ 4,837	11%
Joint Preservation and Restoration	12,095	11,884	211	2%	24,234	24,103	131	1%
Non-Orthopedic	1,821	1,940	(119)	-6%	3,642	4,697	(1,055)	-22%
Revenue	<u>\$ 39,657</u>	<u>\$ 38,145</u>	<u>\$ 1,512</u>	<u>4%</u>	<u>\$ 76,350</u>	<u>\$ 72,437</u>	<u>\$ 3,913</u>	<u>5%</u>