

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 September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 40,264	\$ 39,536	\$ 116,614	\$ 111,973
Cost of Revenue	17,485	16,513	47,169	47,164
Gross Profit	22,779	23,023	69,445	64,809
Operating expenses:				
Research and development	7,301	7,673	20,433	21,327
Selling, general and administrative	21,276	17,500	61,745	53,664
Change in fair value of contingent consideration	-	(3,450)	-	(21,920)
Total operating expenses	28,577	21,723	82,178	53,071
(Loss) income from operations	(5,798)	1,300	(12,733)	11,738
Interest and other income (expense), net	436	(48)	378	(141)
(Loss) income before income taxes	(5,362)	1,252	(12,355)	11,597
(Benefit from) provision for income taxes	(1,187)	694	(2,404)	1,670
Net (loss) income	\$ (4,175)	\$ 558	\$ (9,951)	\$ 9,927
Net (loss) income per share:				
Basic	\$ (0.29)	\$ 0.04	\$ (0.68)	\$ 0.69
Diluted	\$ (0.29)	\$ 0.04	\$ (0.68)	\$ 0.68
Weighted average common shares outstanding:				
Basic	14,603	14,429	14,542	14,389
Diluted	14,603	14,647	14,542	14,588

BALANCE SHEET

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

ASSETS	September 30, 2022	December 31, 2021
Current assets:		
Cash, cash equivalents and investments	\$ 87,777	\$ 94,386
Accounts receivable, net	34,168	29,843
Inventories, net	37,237	36,010
Prepaid expenses and other current assets	8,579	8,289
Total current assets	167,761	168,528
Property and equipment, net	47,390	47,602
Right-of-use assets	30,987	20,957
Other long-term assets	18,342	20,285
Intangible assets, net	76,545	82,382
Goodwill	6,721	7,781
Total assets	<u>\$ 347,746</u>	<u>\$ 347,535</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,353	\$ 7,633
Accrued expenses and other current liabilities	17,999	17,847
Contingent consideration	-	4,315
Total current liabilities	26,352	29,795
Other long-term liabilities	474	1,258
Deferred tax liability	6,800	10,157
Lease liabilities	29,183	19,240
Stockholders' equity:		
Common stock, \$0.01 par value	146	144
Additional paid-in-capital	76,661	67,081
Accumulated other comprehensive loss	(7,497)	(5,718)
Retained earnings	215,627	225,578
Total stockholders' equity	284,937	287,085
Total liabilities and stockholders' equity	<u>\$ 347,746</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)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Gross Profit	\$ 22,779	\$ 23,023	\$ 69,445	\$ 64,809
Product rationalization related charges	2,636		2,636	2,063
Acquisition related intangible asset amortization	1,562	1,562	4,686	4,686
Acquisition related inventory step up	-	1,458	-	6,244
Adjusted Gross Profit	\$ 26,977	\$ 26,043	\$ 76,767	\$ 77,802
Unadjusted Gross Margin	57%	58%	60%	58%
Adjusted Gross Margin	67%	66%	66%	69%

RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED EBITDA

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (4,175)	\$ 558	\$ (9,951)	\$ 9,927
Interest and other expense, net	(436)	48	(378)	141
Benefit from income taxes	(1,187)	694	(2,404)	1,670
Depreciation and amortization	1,549	1,789	4,980	5,226
Stock-based compensation	3,876	2,863	10,502	7,919
Product rationalization	2,636	-	2,636	2,063
Acquisition related intangible asset amortization	1,787	1,787	5,361	5,361
Acquisition related inventory step up	-	1,458	-	6,244
Change in fair value of contingent consideration	-	(3,450)	-	(21,920)
Adjusted EBITDA	<u>\$ 4,050</u>	<u>\$ 5,747</u>	<u>\$ 10,746</u>	<u>\$ 16,631</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 September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (4,175)	\$ 558	\$ (9,951)	\$ 9,927
Product rationalization, tax effected	2,056	-	1,947	1,590
Acquisition related intangible asset amortization, tax effected	1,394	1,146	3,960	3,898
Acquisition related inventory step up, tax effected	-	935	-	4,626
Change in fair value of contingent consideration, tax effected	-	(1,865)	-	(17,152)
Adjusted net (loss) income	<u>\$ (725)</u>	<u>\$ 774</u>	<u>\$ (4,044)</u>	<u>\$ 2,889</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 September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Diluted (loss) earnings per share (EPS)	\$ (0.29)	\$ 0.04	\$ (0.68)	\$ 0.68
Product rationalization, tax effected	0.14	-	0.13	0.11
Acquisition related intangible asset amortization, tax effected	0.10	0.08	0.27	0.27
Acquisition related inventory step up, tax effected	-	0.06	-	0.32
Change in fair value of contingent consideration, tax effected	-	(0.13)	-	(1.18)
Adjusted diluted (loss) earnings per share (EPS)	<u>\$ (0.05)</u>	<u>\$ 0.05</u>	<u>\$ (0.28)</u>	<u>\$ 0.20</u>

REVENUE BY PRODUCT FAMILY

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

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	<u>2022</u>	<u>2021</u>	<u>\$ change</u>	<u>% change</u>	<u>2022</u>	<u>2021</u>	<u>\$ change</u>	<u>% change</u>
OA Pain Management	\$ 25,665	\$ 26,153	\$ (488)	-2%	\$ 74,139	\$ 69,790	\$ 4,349	6%
Joint Preservation and Restoration	11,821	11,193	628	6%	36,055	35,296	759	2%
Non-Orthopedic	2,778	2,190	588	27%	6,420	6,887	(467)	-7%
Revenue	<u>\$ 40,264</u>	<u>\$ 39,536</u>	<u>\$ 728</u>	<u>2%</u>	<u>\$ 116,614</u>	<u>\$ 111,973</u>	<u>\$ 4,641</u>	<u>4%</u>