

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 December 31,		For the Twelve Months Ended December 31,	
	2022	2021	2022	2021
Revenue	\$ 39,622	\$ 35,821	\$ 156,236	\$ 147,794
Cost of Revenue	15,491	17,687	62,660	64,851
Gross Profit	24,131	18,134	93,576	82,943
<i>% revenue</i>	<i>61%</i>	<i>51%</i>	<i>60%</i>	<i>56%</i>
Operating expenses:				
Research and development	7,749	6,000	28,182	27,327
Selling, general and administrative	23,049	20,432	84,794	74,096
Change in fair value of contingent consideration	-	825	-	(21,095)
Total operating expenses	30,798	27,257	112,976	80,328
(Loss) income from operations	(6,667)	(9,123)	(19,400)	2,615
Interest and other income (expense), net	276	(47)	654	(188)
(Loss) income before income taxes	(6,391)	(9,170)	(18,746)	2,427
(Benefit from) provision for income taxes	(1,483)	(3,377)	(3,887)	(1,707)
Net (loss) income	\$ (4,908)	\$ (5,793)	\$ (14,859)	\$ 4,134
Net (loss) income per share:				
Basic	\$ (0.34)	\$ (0.40)	\$ (1.02)	\$ 0.29
Diluted	\$ (0.34)	\$ (0.40)	\$ (1.02)	\$ 0.28
Weighted average common shares outstanding:				
Basic	14,640	14,438	14,561	14,401
Diluted	14,640	14,438	14,561	14,634

BALANCE SHEET

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

ASSETS	December 31, 2022	December 31, 2021
Current assets:		
Cash, cash equivalents and investments	\$ 86,327	\$ 94,386
Accounts receivable, net	34,627	29,843
Inventories, net	39,765	36,010
Prepaid expenses and other current assets	8,828	8,289
Total current assets	<u>169,547</u>	<u>168,528</u>
Property and equipment, net	48,279	47,602
Right-of-use assets	30,696	20,957
Other long-term assets	17,219	20,285
Deferred tax assets	1,449	-
Intangible assets, net	74,599	82,382
Goodwill	7,339	7,781
Total assets	<u>\$ 349,128</u>	<u>\$ 347,535</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,074	\$ 7,633
Accrued expenses and other current liabilities	18,840	17,847
Contingent consideration	-	4,315
Total current liabilities	<u>27,914</u>	<u>29,795</u>
Other long-term liabilities	398	1,258
Deferred tax liability	6,436	10,157
Lease liabilities	28,817	19,240
Stockholders' equity:		
Common stock, \$0.01 par value	146	144
Additional paid-in-capital	81,141	67,081
Accumulated other comprehensive loss	(6,443)	(5,718)
Retained earnings	210,719	225,578
Total stockholders' equity	<u>285,563</u>	<u>287,085</u>
Total liabilities and stockholders' equity	<u>\$ 349,128</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 December 31,		For the Twelve Months Ended December 31,	
	2022	2021	2022	2021
Gross Profit	\$ 24,131	\$ 18,134	\$ 93,576	\$ 82,943
Product rationalization related charges	563	382	3,199	2,445
Acquisition related intangible asset amortization	1,560	1,562	6,240	6,248
Acquisition related inventory step up	-	221	-	6,465
Adjusted Gross Profit	<u>\$ 26,254</u>	<u>\$ 20,299</u>	<u>\$ 103,015</u>	<u>\$ 98,101</u>
Unadjusted Gross Margin	61%	51%	60%	56%
Adjusted Gross Margin	66%	57%	66%	66%

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 December 31,		For the Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net (loss) income	\$ (4,908)	\$ (5,793)	\$ (14,859)	\$ 4,134
Interest and other expense, net	(276)	47	(654)	188
Benefit from income taxes	(1,483)	(3,377)	(3,887)	(1,707)
Depreciation and amortization	1,880	1,943	7,340	7,169
Stock-based compensation	3,813	3,166	14,315	11,085
Product rationalization	563	382	3,199	2,445
IPR&D impairment	-	600	-	600
Acquisition related intangible asset amortization	1,786	1,787	7,147	7,148
Acquisition related inventory step up	-	221	-	6,465
Change in fair value of contingent consideration	-	825	-	(21,095)
Adjusted EBITDA	<u>\$ 1,375</u>	<u>\$ (199)</u>	<u>\$ 12,601</u>	<u>\$ 16,432</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 December 31,		For the Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net (loss) income	\$ (4,908)	\$ (5,793)	\$ (14,859)	\$ 4,134
Product rationalization, tax effected	456	311	2,410	1,830
IPR&D impairment, tax effected	-	448	-	448
Acquisition related intangible asset amortization, tax effected	1,446	1,488	5,385	5,386
Acquisition related inventory step up, tax effected	-	184	-	4,810
Change in fair value of contingent consideration, tax effected	-	173	-	(16,979)
Adjusted net (loss) income	<u>\$ (3,006)</u>	<u>\$ (3,189)</u>	<u>\$ (7,063)</u>	<u>\$ (371)</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 December 31,		For the Twelve Months Ended December 31,	
	2022	2021	2022	2021
Diluted (loss) earnings per share (EPS)	\$ (0.34)	\$ (0.40)	\$ (1.02)	\$ 0.28
Product rationalization, tax effected	0.03	0.02	0.17	0.13
IPR&D impairment, tax effected	-	0.03	-	0.03
Acquisition related intangible asset amortization, tax effected	0.10	0.10	0.36	0.37
Acquisition related inventory step up, tax effected	-	0.01	-	0.33
Change in fair value of contingent consideration, tax effected	-	0.01	-	(1.16)
Adjusted diluted (loss) earnings per share (EPS)	<u>\$ (0.21)</u>	<u>\$ (0.23)</u>	<u>\$ (0.49)</u>	<u>\$ (0.02)</u>

REVENUE BY PRODUCT FAMILY

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

	For the Three Months Ended December 31,				For the Twelve Months Ended December 31,			
	2022	2021	\$ change	% change	2022	2021	\$ change	% change
OA Pain Management	\$ 23,748	\$ 19,713	\$ 4,035	20%	\$ 97,887	\$ 89,503	\$ 8,384	9%
Joint Preservation and Restoration	14,347	13,292	1,055	8%	50,401	48,588	1,813	4%
Non-Orthopedic	1,527	2,816	(1,289)	-46%	7,948	9,703	(1,755)	-18%
Revenue	<u>\$ 39,622</u>	<u>\$ 35,821</u>	<u>\$ 3,801</u>	<u>11%</u>	<u>\$ 156,236</u>	<u>\$ 147,794</u>	<u>\$ 8,442</u>	<u>6%</u>

Note: OA Pain Management revenue for the three months ended December 31, 2022 and 2021, includes veterinary product revenue of \$1,297 and \$1,512, respectively. OA Pain Management revenue for the twelve months ended December 31, 2022 and 2021, includes veterinary product revenue of \$5,903 and \$4,419, respectively.