

# 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)

	<b>For the Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenue	\$ 37,924	\$ 36,693
Cost of Revenue	15,081	14,889
Gross Profit	22,843	21,804
<i>% revenue</i>	60%	59%
Operating expenses:		
Research and development	8,400	6,157
Selling, general and administrative	26,996	19,201
Total operating expenses	35,396	25,358
Loss from operations	(12,553)	(3,554)
Interest and other income (expense), net	539	(154)
Loss before income taxes	(12,014)	(3,708)
Benefit from income taxes	(1,664)	(775)
Net loss	\$ (10,350)	\$ (2,933)
Net loss per share:		
Basic	\$ (0.71)	\$ (0.20)
Diluted	\$ (0.71)	\$ (0.20)
Weighted average common shares outstanding:		
Basic	14,640	14,466
Diluted	14,640	14,466

# BALANCE SHEET

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

<b>ASSETS</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Current assets:		
Cash, cash equivalents and investments	\$ 79,737	\$ 86,327
Accounts receivable, net	30,629	34,627
Inventories, net	41,319	39,765
Prepaid expenses and other current assets	<u>8,646</u>	<u>8,828</u>
Total current assets	160,331	169,547
Property and equipment, net	48,803	48,279
Right-of-use assets	30,175	30,696
Other long-term assets	18,131	17,219
Deferred tax assets	1,519	1,449
Intangible assets, net	72,653	74,599
Goodwill	<u>7,462</u>	<u>7,339</u>
Total assets	<u>\$ 339,074</u>	<u>\$ 349,128</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 8,948	\$ 9,074
Accrued expenses and other current liabilities	<u>19,745</u>	<u>18,840</u>
Total current liabilities	28,693	27,914
Other long-term liabilities	399	398
Deferred tax liability	4,114	6,436
Lease liabilities	28,280	28,817
Stockholders' equity:		
Common stock, \$0.01 par value	147	146
Additional paid-in-capital	83,243	81,141
Accumulated other comprehensive loss	(6,171)	(6,443)
Retained earnings	<u>200,369</u>	<u>210,719</u>
Total stockholders' equity	277,588	285,563
Total liabilities and stockholders' equity	<u>\$ 339,074</u>	<u>\$ 349,128</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)

	<b>For the Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Gross Profit	\$ 22,843	\$ 21,804
Acquisition related intangible asset amortization	1,562	1,562
Adjusted Gross Profit	<u>\$ 24,405</u>	<u>\$ 23,366</u>
Unadjusted Gross Margin	60%	59%
Adjusted Gross Margin	64%	64%

# RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED EBITDA

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

	<b>For the Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Net loss	\$ (10,350)	\$ (2,933)
Interest and other (income) expense, net	(539)	154
Benefit from income taxes	(1,664)	(775)
Depreciation and amortization	1,764	1,830
Stock-based compensation	3,717	2,545
Arbitration settlement	3,250	-
Acquisition related intangible asset amortization	1,787	1,787
Costs of shareholder activism	831	-
Adjusted EBITDA	<u>\$ (1,204)</u>	<u>\$ 2,608</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 March 31,	
	2023	2022
Net loss	\$ (10,350)	\$ (2,933)
Arbitration settlement, tax effected	2,776	-
Acquisition related intangible asset amortization, tax effected	1,526	1,345
Shareholder activism costs, tax effected	710	-
Adjusted net (loss) income	<u>\$ (5,338)</u>	<u>\$ (1,588)</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)

	<b>For the Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Diluted loss per share	\$ (0.71)	\$ (0.20)
Arbitration settlement, tax effected	0.19	-
Acquisition related intangible asset amortization, tax effected	0.11	0.09
Costs of shareholder activism, tax effected	0.05	-
Adjusted diluted loss per share	<u>\$ (0.36)</u>	<u>\$ (0.11)</u>

# REVENUE BY PRODUCT FAMILY

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

	<b>For the Three Months Ended March 31,</b>			
	<b>2023</b>	<b>2022</b>	<b>\$ change</b>	<b>% change</b>
OA Pain Management	\$ 22,633	\$ 20,964	\$ 1,669	8%
Joint Preservation and Restoration	13,453	12,139	1,314	11%
Non-Orthopedic	1,838	3,590	(1,752)	-49%
Revenue	<u>\$ 37,924</u>	<u>\$ 36,693</u>	<u>\$ 1,231</u>	<u>3%</u>

Note: Effective January 1, 2023, the Company began to report revenue from product sales to veterinary customers within the Non-Orthopedic product family whereas such revenue had been previously reported within the OA Pain Management product family. Revenue from product sales to veterinary customers amounted to \$0.5 million and \$1.8 million for the three months ended March 31, 2023 and 2022, respectively, and is reflected within Non-Orthopedic for all periods presented.