

# 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,	
	2023	2022	2023	2022
Revenue	\$ 42,971	\$ 39,622	\$ 166,662	\$ 156,236
Cost of Revenue	16,642	15,491	63,574	62,660
Gross Profit	26,329	24,131	103,088	93,576
Operating expenses:				
Research and development	7,585	7,749	32,690	28,182
Selling, general and administrative	20,335	23,049	95,847	84,794
Impairment of intangible assets	62,190	-	62,190	-
Total operating expenses	90,110	30,798	190,727	112,976
Loss from operations	(63,781)	(6,667)	(87,639)	(19,400)
Interest and other income (expense), net	577	276	2,312	654
Loss before income taxes	(63,204)	(6,391)	(85,327)	(18,746)
Benefit from income taxes	(204)	(1,483)	(2,660)	(3,887)
Net loss	\$ (63,000)	\$ (4,908)	\$ (82,667)	\$ (14,859)
Net loss per share:				
Basic	\$ (4.30)	\$ (0.34)	\$ (5.64)	\$ (1.02)
Diluted	\$ (4.30)	\$ (0.34)	\$ (5.64)	\$ (1.02)
Weighted average common shares outstanding:				
Basic	14,647	14,640	14,656	14,561
Diluted	14,647	14,640	14,656	14,561

# BALANCE SHEET

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

ASSETS	December 31, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 72,867	\$ 86,327
Accounts receivable, net	35,961	34,627
Inventories, net	46,386	39,765
Prepaid expenses and other current assets	8,095	8,828
Total current assets	<u>163,309</u>	<u>169,547</u>
Property and equipment, net	46,198	48,279
Right-of-use assets	28,767	30,696
Other long-term assets	18,672	17,219
Deferred tax assets	1,489	1,449
Intangible assets, net	4,626	74,599
Goodwill	7,571	7,339
Total assets	<u>\$ 270,632</u>	<u>\$ 349,128</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 9,860	\$ 9,074
Accrued expenses and other current liabilities	21,199	18,840
Total current liabilities	<u>31,059</u>	<u>27,914</u>
Other long-term liabilities	404	398
Deferred tax liability	-	6,436
Lease liabilities	26,904	28,817
Stockholders' equity:		
Common stock, \$0.01 par value	147	146
Additional paid-in-capital	90,009	81,141
Accumulated other comprehensive loss	(5,943)	(6,443)
Retained earnings	128,052	210,719
Total stockholders' equity	<u>212,265</u>	<u>285,563</u>
Total liabilities and stockholders' equity	<u>\$ 270,632</u>	<u>\$ 349,128</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 December 31,</b>		<b>For the Twelve Months Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Gross Profit	\$ 26,329	\$ 24,131	\$ 103,088	\$ 93,576
Product rationalization related charges	-	563	748	3,199
Acquisition related intangible asset amortization	1,560	1,560	6,244	6,240
Adjusted Gross Profit	<u>\$ 27,889</u>	<u>\$ 26,254</u>	<u>\$ 110,080</u>	<u>\$ 103,015</u>
Unadjusted Gross Margin	61%	61%	62%	60%
Adjusted Gross Margin	65%	66%	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)

	<b>For the Three Months Ended December 31,</b>		<b>For the Twelve Months Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net loss	\$ (63,000)	\$ (4,908)	\$ (82,667)	\$ (14,859)
Interest and other (income) expense, net	(577)	(276)	(2,312)	(654)
Benefit from income taxes	(204)	(1,483)	(2,660)	(3,887)
Depreciation and amortization	1,787	1,880	7,069	7,340
Stock-based compensation	3,815	3,813	15,243	14,315
Product rationalization	-	563	748	3,199
Arbitration settlement	-	-	3,250	-
Acquisition related intangible asset amortization	1,787	1,786	7,148	7,147
Impairment of intangible assets	62,190	-	62,190	-
Discontinuation of software development project	-	-	4,473	-
Costs of shareholder activism	-	-	3,033	-
Adjusted EBITDA	<u>\$ 5,798</u>	<u>\$ 1,375</u>	<u>\$ 15,515</u>	<u>\$ 12,601</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)

	<b>For the Three Months Ended December 31,</b>		<b>For the Twelve Months Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net loss	\$ (63,000)	\$ (4,908)	\$ (82,667)	\$ (14,859)
Product rationalization, tax effected	-	456	725	2,410
Arbitration settlement, tax effected	-	-	3,148	-
Acquisition related intangible asset amortization, tax effected	1,781	1,446	6,926	5,386
Impairment of intangible assets, tax effected	61,991	-	60,250	-
Discontinuation of software development project, tax effected	-	-	4,333	-
Costs of shareholder activism, tax effected	-	-	2,938	-
Adjusted net income (loss)	<u>\$ 772</u>	<u>\$ (3,006)</u>	<u>\$ (4,347)</u>	<u>\$ (7,063)</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**  
**(in thousands, except per share data)**  
**(unaudited)**

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2023	2022	2023	2022
Diluted net loss per share	\$ (4.30)	\$ (0.34)	\$ (5.64)	\$ (1.02)
Product rationalization, tax effected	-	0.03	0.05	0.17
Arbitration settlement, tax effected	-	-	0.21	-
Acquisition related intangible asset amortization, tax effected	0.12	0.10	0.47	0.36
Impairment of intangible assets, tax effected	4.23	-	4.11	-
Discontinuation of software development project, tax effected	-	-	0.30	-
Costs of shareholder activism, tax effected	-	-	0.20	-
Adjusted diluted net income (loss) per share	<u>\$ 0.05</u>	<u>\$ (0.21)</u>	<u>\$ (0.30)</u>	<u>\$ (0.49)</u>
Stock-based compensation, tax effected	3,803	3,088	14,767	10,783
Stock-based compensation (EPS impact)	\$ 0.26	\$ 0.21	\$ 1.01	\$ 0.74

# 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,			
	<u>2023</u>	<u>2022</u>	<u>\$ change</u>	<u>% change</u>	<u>2023</u>	<u>2022</u>	<u>\$ change</u>	<u>% change</u>
OA Pain Management	\$ 25,072	\$ 22,451	\$ 2,621	12%	\$ 101,927	\$ 91,984	\$ 9,943	11%
Joint Preservation and Restoration	15,296	14,347	949	7%	54,879	50,402	4,477	9%
Non-Orthopedic	<u>2,603</u>	<u>2,824</u>	<u>(221)</u>	<u>-8%</u>	<u>9,856</u>	<u>13,850</u>	<u>(3,994)</u>	<u>-29%</u>
Revenue	<u>\$ 42,971</u>	<u>\$ 39,622</u>	<u>\$ 3,349</u>	<u>8%</u>	<u>\$ 166,662</u>	<u>\$ 156,236</u>	<u>\$ 10,426</u>	<u>7%</u>