

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 March 31,	
	2024	2023
Revenue	\$ 40,523	\$ 37,924
Cost of Revenue	15,895	15,081
Gross Profit	24,628	22,843
Operating expenses:		
Research and development	8,164	8,400
Selling, general and administrative	21,527	26,996
Total operating expenses	29,691	35,396
Loss from operations	(5,063)	(12,553)
Interest and other income (expense), net	592	539
Loss before income taxes	(4,471)	(12,014)
Provision for (benefit from) income taxes	43	(1,664)
Net loss	\$ (4,514)	\$ (10,350)
Net loss per share:		
Basic	\$ (0.31)	\$ (0.71)
Diluted	\$ (0.31)	\$ (0.71)
Weighted average common shares outstanding:		
Basic	14,698	14,653
Diluted	14,698	14,653

BALANCE SHEET

Consolidated Balance Sheets
(in thousands, except per share data)
(unaudited)

ASSETS	March 31, 2024	December 31, 2023
Current assets:		
Cash and cash equivalents	\$ 68,629	\$ 72,867
Accounts receivable, net	32,077	35,961
Inventories, net	49,408	46,386
Prepaid expenses and other current assets	8,848	8,095
Total current assets	<u>158,962</u>	<u>163,309</u>
Property and equipment, net	46,057	46,198
Right-of-use assets	28,181	28,767
Other long-term assets	17,571	18,672
Deferred tax assets	1,273	1,489
Intangible assets, net	4,297	4,626
Goodwill	7,403	7,571
Total assets	<u>\$ 263,744</u>	<u>\$ 270,632</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 10,022	\$ 9,860
Accrued expenses and other current liabilities	18,438	21,199
Total current liabilities	<u>28,460</u>	<u>31,059</u>
Other long-term liabilities	404	404
Lease liabilities	26,344	26,904
Stockholders' equity:		
Common stock, \$0.01 par value	148	147
Additional paid-in-capital	91,165	90,009
Accumulated other comprehensive loss	(6,315)	(5,943)
Retained earnings	123,538	128,052
Total stockholders' equity	<u>208,536</u>	<u>212,265</u>
Total liabilities and stockholders' equity	<u>\$ 263,744</u>	<u>\$ 270,632</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 March 31,	
	2024	2023
Gross Profit	\$ 24,628	\$ 22,843
Product rationalization related charges	472	-
Acquisition related intangible asset amortization	157	1,562
Adjusted Gross Profit	<u>\$ 25,257</u>	<u>\$ 24,405</u>
Gross Margin	61%	60%
Adjusted Gross Margin	62%	64%

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 March 31,	
	2024	2023
Net loss	\$ (4,514)	\$ (10,350)
Interest and other (income) expense, net	(592)	(539)
Provision for (benefit from) income taxes	43	(1,664)
Depreciation and amortization	1,866	1,764
Stock-based compensation	3,590	3,717
Product rationalization	472	-
Arbitration settlement	-	3,250
Acquisition related intangible asset amortization	197	1,787
Severance costs	839	-
Costs of shareholder activism	601	831
Adjusted EBITDA	<u>\$ 2,502</u>	<u>\$ (1,204)</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,	
	2024	2023
Net loss	\$ (4,514)	\$ (10,350)
Product rationalization, tax effected	477	-
Arbitration settlement, tax effected	-	2,776
Share-based compensation, tax effected	3,624	3,175
Acquisition related intangible asset amortization, tax effected	199	1,526
Severance costs, tax effected	847	-
Costs of shareholder activism, tax effected	607	710
Adjusted net income (loss)	\$ 1,240	\$ (2,163)

Note: Beginning in Q1-2024, adjusted net income and adjusted EPS were revised to exclude stock-based compensation expense, net of tax, and this revised calculation is reflected for all periods presented.

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 March 31,	
	2024	2023
Diluted net loss per share	\$ (0.31)	\$ (0.71)
Product rationalization, tax effected	0.03	-
Arbitration settlement, tax effected	-	0.19
Share-based compensation, tax effected	0.25	0.22
Acquisition related intangible asset amortization, tax effected	0.02	0.11
Severance costs, tax effected	0.06	-
Costs of shareholder activism, tax effected	0.04	0.05
Adjusted diluted net income (loss) per share	<u>\$ 0.09</u>	<u>\$ (0.14)</u>

Note: Beginning in Q1-2024, adjusted net income and adjusted EPS were revised to exclude stock-based compensation expense, net of tax, and this revised calculation is reflected for all periods presented.

REVENUE BY PRODUCT FAMILY

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

	For the Three Months Ended March 31,			
	<u>2024</u>	<u>2023</u>	<u>\$ change</u>	<u>% change</u>
OA Pain Management	\$ 24,318	\$ 22,633	\$ 1,685	7%
Joint Preservation and Restoration	13,841	13,453	388	3%
Non-Orthopedic	<u>2,364</u>	<u>1,838</u>	<u>526</u>	<u>29%</u>
Revenue	<u>\$ 40,523</u>	<u>\$ 37,924</u>	<u>\$ 2,599</u>	<u>7%</u>