

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 June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 41,921	\$ 44,302	\$ 82,444	\$ 82,226
Cost of Revenue	14,556	15,330	30,451	30,411
Gross Profit	27,365	28,972	51,993	51,815
Operating expenses:				
Research and development	7,398	8,914	15,562	17,314
Selling, general and administrative	19,806	23,689	41,333	50,685
Total operating expenses	27,204	32,603	56,895	67,999
Income (loss) from operations	161	(3,631)	(4,902)	(16,184)
Interest and other income (expense), net	595	561	1,187	1,100
Income (loss) before income taxes	756	(3,070)	(3,715)	(15,084)
Provision for (benefit from) income taxes	844	(329)	887	(1,993)
Net loss	\$ (88)	\$ (2,741)	\$ (4,602)	\$ (13,091)
Net loss per share:				
Basic	\$ (0.01)	\$ (0.19)	\$ (0.31)	\$ (0.89)
Diluted	\$ (0.01)	\$ (0.19)	\$ (0.31)	\$ (0.89)
Weighted average common shares outstanding:				
Basic	14,839	14,688	14,769	14,671
Diluted	14,839	14,688	14,769	14,671

BALANCE SHEET

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

ASSETS	June 30, 2024	December 31, 2023
Current assets:		
Cash and cash equivalents	\$ 62,822	\$ 72,867
Accounts receivable, net	33,773	35,961
Inventories, net	51,464	46,386
Prepaid expenses and other current assets	6,941	8,095
Total current assets	155,000	163,309
Property and equipment, net	47,685	46,198
Right-of-use assets	27,765	28,767
Other long-term assets	19,524	18,672
Deferred tax assets	1,362	1,489
Intangible assets, net	3,969	4,626
Goodwill	7,350	7,571
Total assets	<u>\$ 262,655</u>	<u>\$ 270,632</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,994	\$ 9,860
Accrued expenses and other current liabilities	16,127	21,199
Total current liabilities	26,121	31,059
Other long-term liabilities	407	404
Lease liabilities	25,789	26,904
Stockholders' equity:		
Common stock, \$0.01 par value	148	147
Additional paid-in-capital	93,156	90,009
Accumulated other comprehensive loss	(6,416)	(5,943)
Retained earnings	123,450	128,052
Total stockholders' equity	210,338	212,265
Total liabilities and stockholders' equity	<u>\$ 262,655</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 June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Gross Profit	\$ 27,365	\$ 28,972	\$ 51,993	\$ 51,815
Product rationalization related charges	-	-	472	-
Acquisition related intangible asset amortization	154	1,561	311	3,123
Adjusted Gross Profit	<u>\$ 27,519</u>	<u>\$ 30,533</u>	<u>\$ 52,776</u>	<u>\$ 54,938</u>
Unadjusted Gross Margin	65%	65%	63%	63%
Adjusted Gross Margin	66%	69%	64%	67%

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 June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	\$ (88)	\$ (2,741)	\$ (4,602)	\$ (13,091)
Interest and other (income) expense, net	(595)	(561)	(1,187)	(1,100)
Provision for (benefit from) income taxes	844	(329)	887	(1,993)
Depreciation and amortization	1,889	1,764	3,755	3,528
Stock-based compensation	3,891	4,150	7,481	7,867
Product rationalization	-	-	472	-
Arbitration settlement	-	-	-	3,250
Acquisition related intangible asset amortization	169	1,787	366	3,574
Discontinuation of software development project	(1,404)	-	(1,404)	-
Severance costs	-	-	839	-
Costs of shareholder activism	1,584	2,202	2,185	3,033
Adjusted EBITDA	<u>\$ 6,290</u>	<u>\$ 6,272</u>	<u>\$ 8,792</u>	<u>\$ 5,068</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 June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	\$ (88)	\$ (2,741)	\$ (4,602)	\$ (13,091)
Product rationalization, tax effected	-	-	514	-
Arbitration settlement, tax effected	-	-	-	2,800
Share-based compensation, tax effected	2,393	3,712	8,154	6,779
Acquisition related intangible asset amortization, tax effected	103	1,598	398	3,080
Discontinuation of software development project, tax effected	(864)	-	(1,530)	-
Severance costs, tax effected	-	-	914	-
Costs of shareholder activism, tax effected	975	1,970	2,381	2,613
Adjusted net income	<u>\$ 2,519</u>	<u>\$ 4,539</u>	<u>\$ 6,229</u>	<u>\$ 2,181</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.

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 June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Diluted net loss per share	\$ (0.01)	\$ (0.19)	\$ (0.31)	\$ (0.89)
Product rationalization, tax effected	-	-	0.03	-
Arbitration settlement, tax effected	-	-	-	0.19
Share-based compensation, tax effected	0.16	0.25	0.55	0.46
Acquisition related intangible asset amortization, tax effected	0.01	0.11	0.03	0.21
Discontinuation of software development project, tax effected	(0.06)	-	(0.10)	-
Severance costs, tax effected	-	-	0.06	-
Costs of shareholder activism, tax effected	0.07	0.14	0.16	0.18
Adjusted diluted net income per share	<u>\$ 0.17</u>	<u>\$ 0.31</u>	<u>\$ 0.42</u>	<u>\$ 0.15</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 June 30,				For the Six Months Ended June 30,			
	2024	2023	\$ change	% change	2024	2023	\$ change	% change
OA Pain Management	\$ 26,658	\$ 29,334	\$ (2,676)	-9%	\$ 50,976	\$ 51,967	\$ (991)	-2%
Joint Preservation and Restoration	13,554	12,660	894	7%	27,395	26,113	1,282	5%
Non-Orthopedic	1,709	2,308	(599)	-26%	4,073	4,146	(73)	-2%
Revenue	<u>\$ 41,921</u>	<u>\$ 44,302</u>	<u>\$ (2,381)</u>	<u>-5%</u>	<u>\$ 82,444</u>	<u>\$ 82,226</u>	<u>\$ 218</u>	<u>0%</u>