



Q2 2024 EARNINGS CALL

AUGUST 8, 2024



Anika. Restore Active Living.™

SAFE HARBOR STATEMENTS

Cautionary Note on Forward-looking Statements

The statements made in, and during the course of, this presentation that are not statements of historical fact, including those related to the Company's commercial capabilities, initiatives and production, its product pipeline and associated timelines, its upcoming corporate milestones, and its growth strategy and projections, are forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements in "believe," "will," "would," "expect," "anticipate," "intend," "estimate," "plan," "likely," and other expressions, which are predictions of, or indicate future events and trends, and which do not constitute historical matters, identify forward-looking statements, including, without limitation, relating to our ongoing business, clinical studies and future expectations with respect to its 2024 business objectives and financial performance, those statements related to the Company's product pipeline, the regulatory status, including plans for expanded indications, of the Company's products, the market potential of the Company's products, and management's discussion of the Company's growth and strategic plans. The Company's actual results could differ materially from any anticipated future results, performance or achievements described in the forward-looking statements as a result of a number of factors, both known and unknown, including, without limitation, future strategic decisions made by the Company, the results of its research and development efforts and the timing of regulatory approvals.

Cautionary Note on Non-GAAP Financial Measures

This presentation refers to certain non-GAAP financial measures. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, calculated and presented in accordance with GAAP, is available under the "Quarterly Results" tab in the Investor Relations section of the Company's website at www.anika.com.

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Q2 2024 BUSINESS HIGHLIGHTS

REVENUE AS EXPECTED WITH 15% ADJUSTED EBITDA MARGINS

- ✓ **Overall Revenue Lower by 5%, Driven by Timing of US OA Pain Orders**
 - Joint Preservation and Restoration up 7%, driven primarily by Integrity™ Implant System and X-Twist
 - OA Pain Management revenue lower by 9%, driven by higher shipments in Q2 2023
 - Non-Orthopedic revenue down 26%, in line with prior guidance
- ✓ **Full Market Release of Integrity Expands Growing Regenerative Solutions Portfolio**
 - Integrity Implant System, our regenerative hyaluronic acid (HA)-based patch system for the augmentation of rotator cuff and other tendon repairs, now in full market release; Over 300 successful cases completed by over 60 surgeons in the shoulder and foot/ankle during limited market release
 - Hyalofast® modular PMA submission on-track; Plan to file the first module by end of 2024, final clinical module in 2025, and launch in the US by 2026
- ✓ **Leadership in OA Pain Driven by International Growth**
 - International OA Pain revenue grew 17% year-to-date across Cingal®, Monovisc® and Orthovisc® on market share gains and new country expansion
 - Maintained US market leadership with Monovisc and Orthovisc; Continue to work with FDA to bring Cingal to US market
- ✓ **Executing on Re-Focused Business Strategy and Enhancing Capital Allocation**
 - Realizing operating expense savings resulting in 73% growth in adjusted EBITDA year-to-date
 - Initiated new \$40 million stock re-purchase program



Integrity™
Implant System

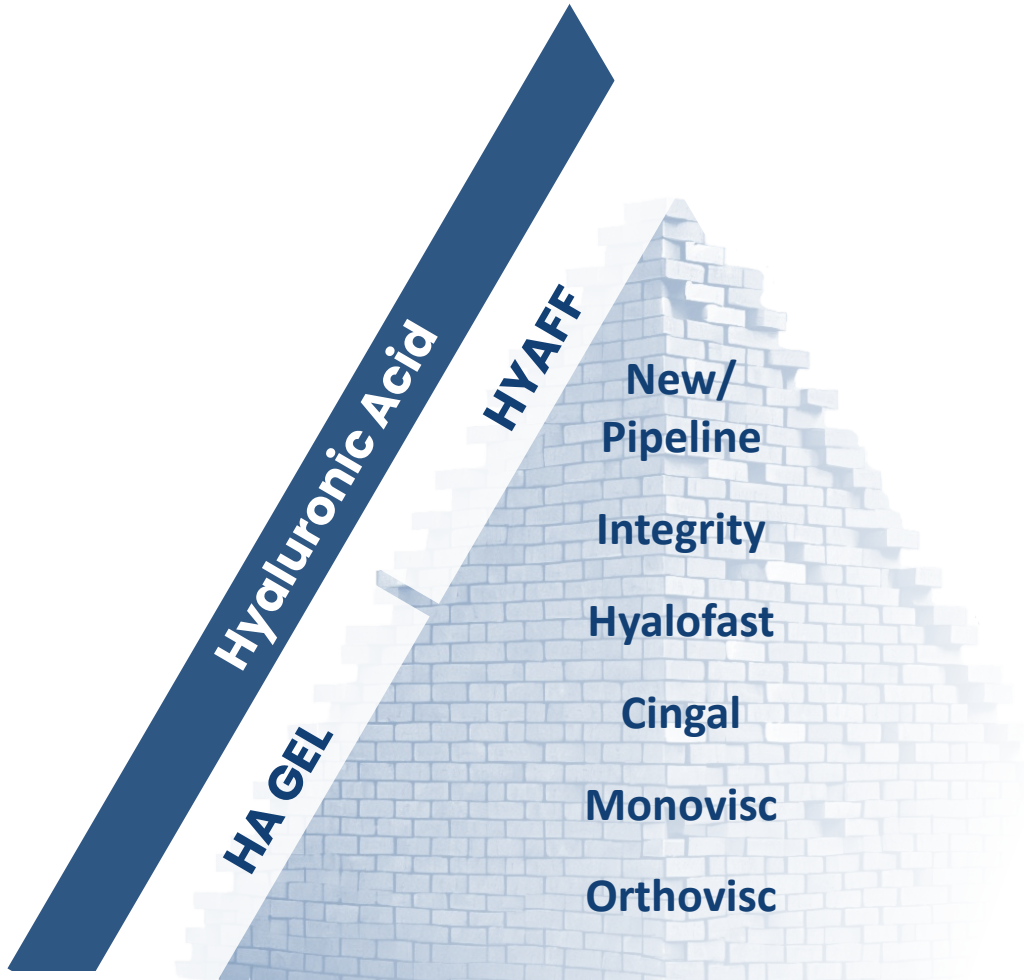


Hyalofast®



Cingal®

DIFFERENTIATED HA TECHNOLOGY IS CORE TO REGENERATIVE PORTFOLIO



- **Integrity – Launched in July 2024**

- Knitted hyaluronic acid-based (Hyaff/PET) scaffold for rotator cuff and other tendon repairs
- Superior regenerative properties and strength compared to collagen scaffolds
- Renewed pipeline in progress leveraging core differentiated technology



Integrity™
Implant System

- **Hyalofast – US Launch expected by 2026**

- Single-stage, off-the-shelf, non-woven Hyaff scaffold for cartilage repair
- Sold in over 35 countries outside the US
- 1st PMA module filing in 2024, final clinical module in 2025, launch by 2026



Hyalofast®

- **Cingal – US Regulatory Efforts Progressing**

- Fast-acting, long-lasting, non-opioid OA pain injection product
- Combination of hyaluronic acid and a steroid (TH)
- Sold in over 40 countries outside the US
- Continued interaction with FDA on non-clinical work toward NDA filing



Cingal®

Q2 FY2024 FINANCIAL HIGHLIGHTS

\$MM unless noted

Three months ended June 30,

| | 2024 | 2023 | Change |
|--|-----------------|-----------------|----------------------|
| OA Pain Management | \$26.7 | \$29.3 | (\$2.7), (9%) |
| Joint Preservation and Restoration | \$13.5 | \$12.7 | \$0.8, +7% |
| Non-Orthopedic | \$1.7 | \$2.3 | (\$0.6), (26%) |
| Total Revenue | \$41.9 | \$44.3 | (\$2.4), (5%) |
| Gross Margin/Adjusted Gross Margin ¹ | 65%/66% | 65%/69% | 0pt/(3pts) |
| Research and Development | \$7.4 | \$8.9 | (\$1.5) |
| Selling, General and Administrative | \$19.8 | \$23.7 | (\$3.9) |
| Total Operating Expenses | \$27.2 | \$32.6 | (\$5.4) |
| Net Loss/Adjusted Net Income (loss) ¹ | (\$0.1)/\$2.5 | (\$2.7)/\$4.5 | \$2.6/(\$2.0) |
| Earnings per share/Adjusted EPS ¹ | (\$0.01)/\$0.17 | (\$0.19)/\$0.31 | \$0.18/(\$0.14) |
| Adjusted EBITDA ¹ /Adjusted EBITDA ¹ % | \$6.3/15% | \$6.3/14% | \$0/1pt |
| Operating Cash Flow | (\$1.1) | (\$8.3) | \$7.2 |
| Purchase of Property and Equipment | (\$3.4) | (\$1.5) | (\$1.9) |
| Free Cash Flow ² | (\$4.5) | (\$9.8) | \$5.3 |
| Ending Cash Balance | \$62.8 | | |

2Q24 Highlights

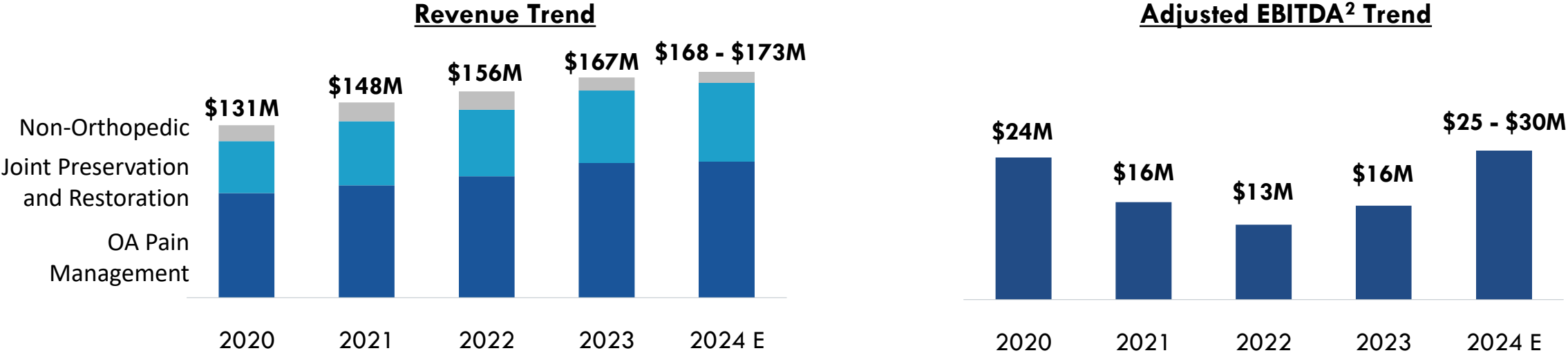
- Lower OA Pain driven by 2Q23 sales timing offset partially by +19% international growth
- Joint Preservation +7% led by Integrity and X-Twist™
- 2Q24 first full quarter of cost savings following 1Q24 restructuring activities
- On track to deliver \$10M annualized cost savings
- 15% Adjusted EBITDA margin
- Operating Cash Flows up \$7.2M driven by improved profitability
- Higher capital expenditures to support OA Pain and Regenerative Solutions growth

¹ Non-GAAP measure; see reconciliation schedule at the end of this presentation and as part of the Q2 2024 earnings press release

² Free Cash Flow represents operating cash flow less purchases of property and equipment

2024 FULL YEAR GUIDANCE - UNCHANGED

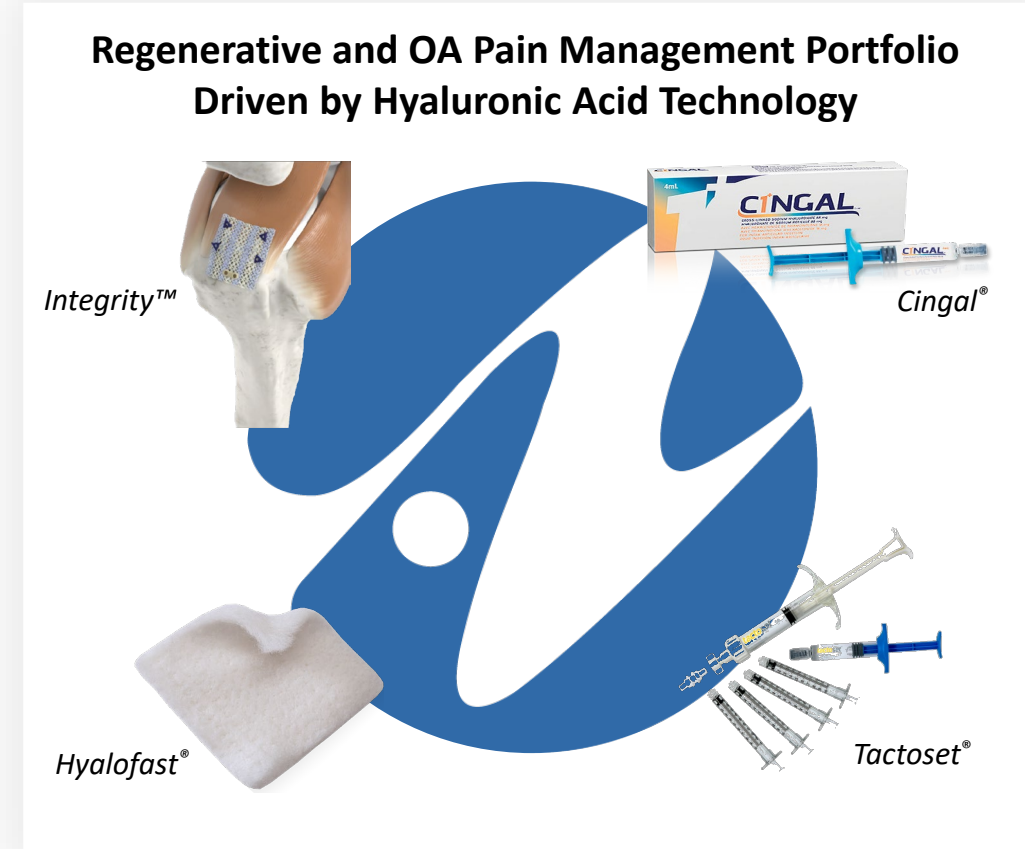
| FY2024 Guidance ¹ | | |
|---|--|----------------|
| Total Revenue | \$168 to \$173M | +1% to +4% |
| OA Pain Management | \$102 to \$104M | 0% to +2% |
| Joint Preservation and Restoration | \$58 to \$60.5M | +6% to +10% |
| Non-Orthopedic | \$8 to \$8.5M | (14%) to (19%) |
| Adjusted EBITDA²/ Adjusted EBITDA² % | Towards the lower end of the previous \$25 to \$30M range/ ~15% | |



(1) Variances represent year over year change
 (2) Non-GAAP measure; see reconciliation schedule at the end of this presentation and as part of the Q2 2024 earnings press release

ANIKA IS POSITIONED FOR SIGNIFICANT VALUE CREATION

- Expanding our HA Regenerative Solutions portfolio with the full market release of Integrity
- Leadership in OA Pain Management driven by international growth
- Executing on re-focused business strategy and enhancing capital allocation



TAKING DECISIVE ACTION TO REFOCUS OUR STRATEGY FOR ORDERLY VALUE MAXIMIZATION

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 | <u>155,000</u> | <u>163,309</u> |
| 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 | <u>26,121</u> | <u>31,059</u> |
| 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 | <u>210,338</u> | <u>212,265</u> |
| 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> |