

NON-GAAP RECONCILIATION AND SUPPLEMENTAL DATA

2024 FULL YEAR GUIDANCE – PRIOR REVENUE CLASSIFICATION

	Prior FY2024 Guidance ¹		Updated FY2024 Guidance ^{1,3}	
Total Revenue	\$168 to \$173M	+1% to +4%	\$117 to \$121M	(3%) to 0%
OA Pain Management	\$102 to \$104M	0% to +2%	\$98.5 to \$100.5M	(1%) to (3%)
Joint Preservation and Restoration	\$58 to \$60.5M	+6% to +10%	N/A	N/A
Regenerative Solutions (included in Joint Preservation and Restoration)	N/A	N/A	\$10.5 to \$11.5M	+18% to +29%
Non-Orthopedic	\$8 to \$8.5M	(14%) to (19%)	\$8 to \$9M	(9%) to (19%)
Adjusted EBITDA²/ Adjusted EBITDA² %	Towards the lower end of the previous \$25 to \$30M range/ ~15%		\$16 to \$18M	

(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 Q3 2024 earnings press release

(3) Assumes results of ArthroSurface and Parcus Medical are not included in Continuing Operations, still to be finalized during the fourth quarter 2024

STATEMENT OF OPERATIONS

Anika Therapeutics, Inc. and Subsidiaries
 Consolidated Statements of Operations
 (In thousands, except per share data)
 (unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 38,753	\$ 41,465	\$ 121,197	\$ 123,691
Cost of Revenue	37,313	16,521	67,764	46,932
Gross Profit	1,440	24,944	53,433	76,759
Operating expenses:				
Research and development	7,244	7,791	22,806	25,105
Selling, general and administrative	19,112	24,827	60,445	75,512
Impairment of long-lived assets	3,101	-	3,101	-
Total operating expenses	29,457	32,618	86,352	100,617
Loss from operations	(28,017)	(7,674)	(32,919)	(23,858)
Interest and other income (expense), net	406	635	1,593	1,735
Loss before income taxes	(27,611)	(7,039)	(31,326)	(22,123)
Provision for (benefit from) income taxes	2,307	(463)	3,194	(2,456)
Net loss	\$ (29,918)	\$ (6,576)	\$ (34,520)	\$ (19,667)
Net loss per share:				
Basic	\$ (2.03)	\$ (0.45)	\$ (2.34)	\$ (1.34)
Diluted	\$ (2.03)	\$ (0.45)	\$ (2.34)	\$ (1.34)
Weighted average common shares outstanding:				
Basic	14,768	14,635	14,769	14,659
Diluted	14,768	14,635	14,769	14,659

BALANCE SHEET

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

ASSETS	September 30, 2024	December 31, 2023
Current assets:		
Cash and cash equivalents	\$ 62,368	\$ 72,867
Accounts receivable, net	28,357	35,961
Inventories, net	39,629	46,386
Prepaid expenses and other current assets	5,752	8,095
Total current assets	<u>136,106</u>	<u>163,309</u>
Property and equipment, net	44,572	46,198
Right-of-use assets	27,208	28,767
Other long-term assets	11,310	18,672
Deferred tax assets	1,472	1,489
Intangible assets, net	3,081	4,626
Goodwill	7,656	7,571
Total assets	<u>\$ 231,405</u>	<u>\$ 270,632</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,805	\$ 9,860
Accrued expenses and other current liabilities	18,688	21,199
Total current liabilities	<u>25,493</u>	<u>31,059</u>
Other long-term liabilities	806	404
Lease liabilities	25,242	26,904
Stockholders' equity:		
Common stock, \$0.01 par value	147	147
Additional paid-in-capital	91,886	90,009
Accumulated other comprehensive loss	(5,701)	(5,943)
Retained earnings	93,532	128,052
Total stockholders' equity	<u>179,864</u>	<u>212,265</u>
Total liabilities and stockholders' equity	<u>\$ 231,405</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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Gross Profit	\$ 1,440	\$ 24,944	\$ 53,433	\$ 76,759
Product rationalization related charges	-	748	472	748
Writedown of inventories	23,438	-	23,438	-
Acquisition related intangible asset amortization	153	1,561	464	4,684
Adjusted Gross Profit	<u>\$ 25,031</u>	<u>\$ 27,253</u>	<u>\$ 77,807</u>	<u>\$ 82,191</u>
Unadjusted Gross Margin	4%	60%	44%	62%
Adjusted Gross Margin	65%	66%	64%	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)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	\$ (29,918)	\$ (6,576)	\$ (34,520)	\$ (19,667)
Interest and other (income) expense, net	(406)	(635)	(1,593)	(1,735)
Provision for (benefit from) income taxes	2,307	(463)	3,194	(2,456)
Depreciation and amortization	2,045	1,755	5,800	5,282
Stock-based compensation	3,394	3,561	10,875	11,428
Product rationalization	-	748	472	748
Arbitration settlement	-	-	-	3,250
Acquisition related intangible asset amortization	143	1,787	509	5,361
Impairment/writedown of assets	27,401	-	27,401	-
Discontinuation of software development project	-	4,473	(1,404)	4,473
Non-recurring professional fees	465	-	465	-
Severance costs	-	-	839	-
Costs of shareholder activism	-	-	2,185	3,033
Adjusted EBITDA	\$ 5,431	\$ 4,650	\$ 14,223	\$ 9,717

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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	\$ (29,918)	\$ (6,576)	\$ (34,520)	\$ (19,667)
Product rationalization, tax effected	-	699	392	665
Arbitration settlement, tax effected	-	-	-	2,889
Share-based compensation, tax effected	2,820	3,327	9,037	10,159
Acquisition related intangible asset amortization, tax effected	119	1,669	423	4,767
Impairment/writedown of assets, tax effected	22,770	-	22,770	-
Discontinuation of software development project, tax effected	-	4,179	(1,167)	3,976
Non-recurring professional fees, tax effected	386	-	386	-
Severance costs, tax effected	-	-	697	-
Costs of shareholder activism, tax effected	-	-	1,816	2,696
Adjusted net income	<u>\$ (3,822)</u>	<u>\$ 3,298</u>	<u>(165)</u>	<u>\$ 5,485</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 September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Diluted net loss per share	\$ (2.03)	\$ (0.45)	\$ (2.34)	\$ (1.33)
Product rationalization, tax effected	-	0.05	0.03	0.05
Arbitration settlement, tax effected	-	-	-	0.20
Share-based compensation, tax effected	0.19	0.23	0.61	0.69
Acquisition related intangible asset amortization, tax effected	0.01	0.11	0.03	0.32
Impairment/writedown of assets, tax effected	1.55	-	1.55	-
Discontinuation of software development project, tax effected	-	0.29	(0.08)	0.27
Non-recurring professional fees, tax effected	0.03	-	0.02	-
Severance costs, tax effected	-	-	0.05	-
Costs of shareholder activism, tax effected	\$ -	-	0.12	0.18
Adjusted diluted net income per share	<u>\$ (0.25)</u>	<u>\$ 0.23</u>	<u>\$ (0.01)</u>	<u>\$ 0.37</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 September 30,				For the Nine Months Ended September 30,			
	2024	2023	\$ change	% change	2024	2023	\$ change	% change
OA Pain Management	\$ 24,428	\$ 24,888	\$ (460)	-2%	\$ 75,404	\$ 76,855	\$ (1,451)	-2%
Joint Preservation and Restoration	11,950	13,470	(1,520)	-11%	39,345	39,583	(238)	-1%
Non-Orthopedic	2,375	3,107	(732)	-24%	6,448	7,253	(805)	-11%
Revenue	\$ 38,753	\$ 41,465	\$ (2,712)	-7%	\$ 121,197	\$ 123,691	\$ (2,494)	-2%