



Q2 2023 EARNINGS CALL

AUGUST 8, 2023



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 the impact of the COVID-19 global pandemic and related developments on our ongoing business, clinical studies and future expectations with respect to its 2023 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 2023 BUSINESS HIGHLIGHTS

- ✓ **Double Digit Q2 Revenue Growth (reported growth up 12%, core¹ growth up 16% vs. Q2 '22)**
 - OA Pain Management² up 22%
 - Joint Preservation and Restoration up 5%
 - Non-Orthopedic² down 33%
- ✓ **OA Pain Management**
 - **Increasing #1 U.S. market share³** position with single-injection Monovisc[®] and multi-injection Orthovisc[®]
 - **Cingal:** Since successfully meeting our latest Phase III Pivotal primary endpoint in 2022, we had a Type-C meeting with the FDA and are continuing to actively engage with them regarding next steps for U.S. regulatory approval; exploring commercial partnerships in the U.S. and select Asian markets
- ✓ **Joint Preservation and Restoration**
 - **RevoMotion** successful limited market release accelerates full market release into September 2023 at the Orthopaedic Summit: Evolving Technologies (OSET)
 - **Hyalofast** Phase III clinical trial fully enrolled; modular PMA submission commencing in 2024 with final PMA module filing in 2025
 - **Integrity** HA-based regenerative rotator cuff patch system received 510(k) clearances for the fixation components and awaiting final 510(k) clearance; Integrity system remains on-track for 2024 launch



CINGAL[®]



Hyalofast[®]



RevoMotion[™]
Reverse Shoulder System



Integrity[™]
Rotator Cuff Patch System

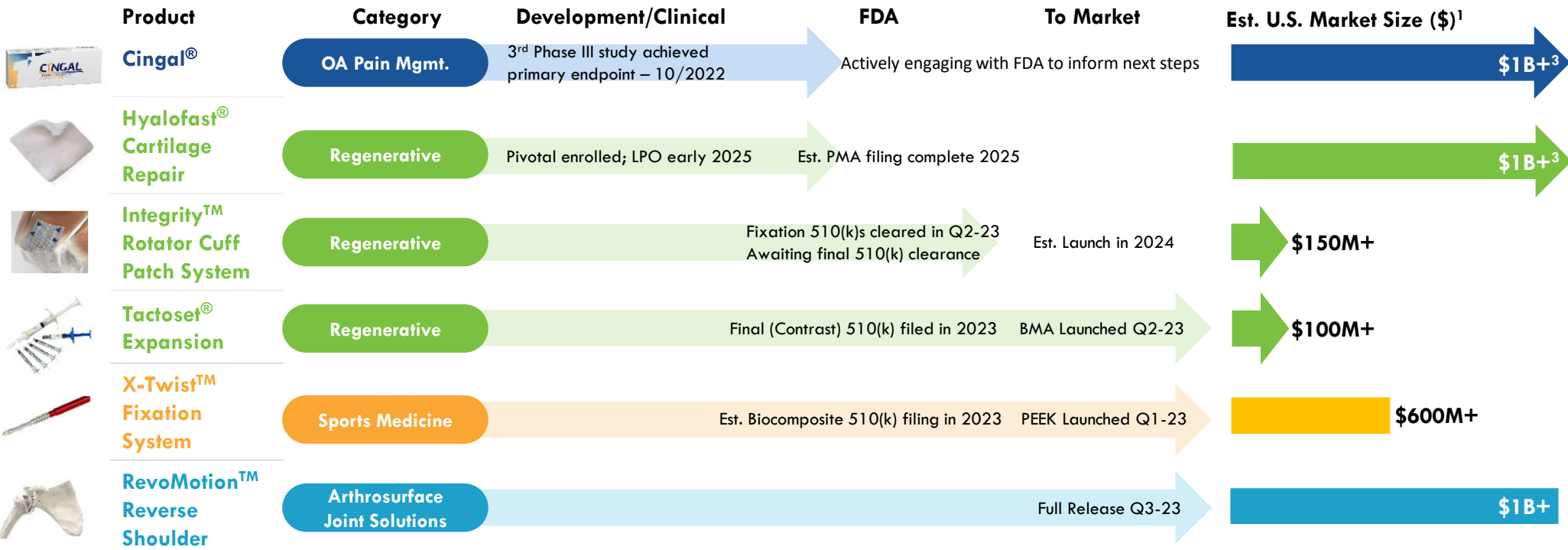
¹ Core revenue growth excludes Non-Orthopedic revenues

² Veterinary revenue historically reported in OA Pain Management is now reported in the Non-Orthopedic product family; the growth rate reflects this classification for both 2023 and 2022

³ SmartTRAK Q1 2023 data

HIGHLY DIFFERENTIATED PIPELINE SOLVES UNMET NEEDS IN EARLY INTERVENTION ORTHOPEDICS

\$3B+ MARKET OPPORTUNITY OPENED BY SUCCESSIVE PRODUCT LAUNCH CADENCE



Note: Last Patient Out (LPO)

¹ SmartTRAK 2023 and internal estimates

² Overall timing is unknown, largely dependent upon nonclinical testing plan and FDA's willingness to accept scientific bridging study

³ SmartTRAK 2023 and internal estimates for market size by 2027

Q2 FY2023 FINANCIAL HIGHLIGHTS

Three months ended June 30,

	2023	2022	Change
OA Pain Management	\$29.3M	\$24.1M	22%
Joint Preservation and Restoration	\$12.7M	\$12.1M	5%
Non-Orthopedic	\$2.3M	\$3.5M	(33%)
Total Revenue	\$44.3M	\$39.7M	12%
Gross Margin/Adjusted Gross Margin¹	65%/69%	63%/67%	2pts/2pts
Operating Expenses	\$32.6M²	\$28.2M	\$4.4M
Net Loss/Adjusted Net Income (loss)¹	(\$2.7M)/\$0.8M	(\$2.8M)/(\$1.6)M	\$0.1M/\$2.4M
Earnings per share/Adjusted EPS¹	(\$0.19)/\$0.06	(\$0.20)/(\$0.12)	\$0.01/\$0.18
Adjusted EBITDA¹	\$6.3M	\$4.4M	\$1.9M
Operating Cash Flow	(\$8.3)M²	\$3.1M	(\$11.4)M
Purchase of Property and Equipment	(\$1.5)M	(\$1.9)M	\$0.4M
Free Cash Flow³	(\$9.8)M	\$1.2M	(\$11.0)M
Ending Cash Balance	\$65.1M		

¹ Non-GAAP measure; see reconciliation schedule at the end of this presentation and as part of the Q2 2023 earnings press release

² Operating Expenses in Q2 2023 include \$2.2M of nonrecurring shareholder activism costs and \$0.5M of other nonrecurring corporate expenses; Operating Cash Flow in Q2 2023 includes payments of \$8.3M for nonrecurring costs associated with shareholder activism, the Parcus arbitration settlement and other nonrecurring corporate expenses

³ Free Cash Flow represents operating cash flow less purchases of property and equipment; it does not include \$5M in Q2 2023 to repurchase stock under Anika's \$20 million authorized repurchase program

2023 REVENUE OUTLOOK - UPDATED

Product Families

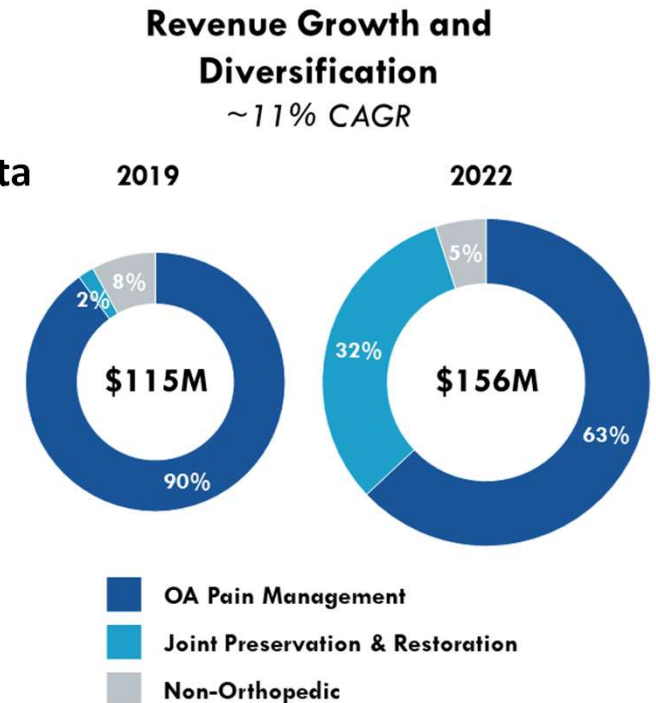
OA Pain Management	\$96 to \$97.5 million (Growth of 4% to 6%)
Joint Preservation and Restoration	\$54 to \$55.5 million (Growth of 7% to 10%)
Non-Orthopedic	\$9.5 to \$10 million (Down ~30%)
Total Company	\$159.5 to \$163 million (Growth of 2% to 4%)

- Effective January 1, 2023, the Company began to report revenue from product sales to veterinary customers within the Non-Orthopedic product family whereas such revenue had been previously reported within the OA Pain Management product family. The Company’s growth outlook reflects this reclassification for both 2023 and 2022.
- Previous outlook provided on May 9, 2023: Total Company \$158 - \$163 million (growth 1% to 4%), OA Pain \$93.5 - \$96 million (growth 2% to 4%), Joint Preservation and Restoration \$55.5 - \$58 million (growth 10% - 15%), Non-Orthopedic approximately \$9 million (down ~35%)



ANIKA'S COMPELLING INVESTMENT THESIS

- Market-leading Position in OA Pain Management
- High Value Cingal, Next-Gen OA Pain Product, with Leading Clinical Data
- Highly Differentiated HA-Based Regenerative Portfolio
- Joint Preservation and Restoration Accelerating Revenue Growth
- Healthy Balance Sheet with No Debt



¹ SmartTRAK and internal estimates

RESTORING ACTIVE LIVING FOR PEOPLE AROUND THE WORLD

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,	
	2023	2022	2023	2022
Revenue	\$ 44,302	\$ 39,657	\$ 82,226	\$ 76,350
Cost of Revenue	15,330	14,795	30,411	29,684
Gross Profit	28,972	24,862	51,815	46,666
<i>% revenue</i>	65%	63%	63%	61%
Operating expenses:				
Research and development	8,914	6,975	17,314	13,132
Selling, general and administrative	23,689	21,268	50,685	40,469
Total operating expenses	32,603	28,243	67,999	53,601
Loss from operations	(3,631)	(3,381)	(16,184)	(6,935)
Interest and other income (expense), net	561	96	1,100	(58)
Loss before income taxes	(3,070)	(3,285)	(15,084)	(6,993)
Benefit from income taxes	(329)	(442)	(1,993)	(1,217)
Net loss	\$ (2,741)	\$ (2,843)	\$ (13,091)	\$ (5,776)
Net loss per share:				
Basic	\$ (0.19)	\$ (0.20)	\$ (0.89)	\$ (0.40)
Diluted	\$ (0.19)	\$ (0.20)	\$ (0.89)	\$ (0.40)
Weighted average common shares outstanding:				
Basic	14,688	14,555	14,671	14,511
Diluted	14,688	14,555	14,671	14,511

BALANCE SHEET

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

ASSETS	June 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 65,071	\$ 86,327
Accounts receivable, net	36,737	34,627
Inventories, net	42,604	39,765
Prepaid expenses and other current assets	7,789	8,828
Total current assets	<u>152,201</u>	<u>169,547</u>
Property and equipment, net	47,988	48,279
Right-of-use assets	29,631	30,696
Other long-term assets	19,390	17,219
Deferred tax assets	1,498	1,449
Intangible assets, net	70,707	74,599
Goodwill	7,467	7,339
Total assets	<u>\$ 328,882</u>	<u>\$ 349,128</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,944	\$ 9,074
Accrued expenses and other current liabilities	15,512	18,840
Total current liabilities	<u>23,456</u>	<u>27,914</u>
Other long-term liabilities	401	398
Deferred tax liability	3,235	6,436
Lease liabilities	27,775	28,817
Stockholders' equity:		
Common stock, \$0.01 par value	147	146
Additional paid-in-capital	82,397	81,141
Accumulated other comprehensive loss	(6,157)	(6,443)
Retained earnings	197,628	210,719
Total stockholders' equity	<u>274,015</u>	<u>285,563</u>
Total liabilities and stockholders' equity	<u>\$ 328,882</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)

	For the Three Months Ended Jun 30,		For the Six Months Ended Jun 30,	
	2023	2022	2023	2022
Gross Profit	\$ 28,972	\$ 24,862	\$ 51,815	\$ 46,666
Acquisition related intangible asset amortization	1,561	1,562	3,123	3,124
Adjusted Gross Profit	<u>\$ 30,533</u>	<u>\$ 26,424</u>	<u>\$ 54,938</u>	<u>\$ 49,790</u>
Unadjusted Gross Margin	65%	63%	63%	61%
Adjusted Gross Margin	69%	67%	67%	65%

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 Jun 30,		For the Six Months Ended Jun 30,	
	2023	2022	2023	2022
Net loss	\$ (2,741)	\$ (2,843)	\$ (13,091)	\$ (5,776)
Interest and other (income) expense, net	(561)	(96)	(1,100)	58
Benefit from income taxes	(329)	(442)	(1,993)	(1,217)
Depreciation and amortization	1,764	1,933	3,528	3,753
Stock-based compensation	4,150	4,081	7,867	6,626
Arbitration settlement	-	-	3,250	-
Acquisition related intangible asset amortization	1,787	1,787	3,574	3,574
Costs of shareholder activism	2,202	-	3,033	-
Adjusted EBITDA	<u>\$ 6,272</u>	<u>\$ 4,420</u>	<u>\$ 5,068</u>	<u>\$ 7,018</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 Jun 30,		For the Six Months Ended Jun 30,	
	2023	2022	2023	2022
Net loss	\$ (2,741)	\$ (2,843)	\$ (13,091)	\$ (5,776)
Arbitration settlement, tax effected	-	-	2,800	-
Acquisition related intangible asset amortization, tax effected	1,598	1,219	3,080	2,565
Costs of shareholder activism, tax effected	1,970	-	2,613	-
Adjusted net income (loss)	<u>\$ 827</u>	<u>\$ (1,624)</u>	<u>\$ (4,598)</u>	<u>\$ (3,211)</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
(per share data)
(unaudited)

	For the Three Months Ended Jun 30,		For the Six Months Ended Jun 30,	
	2023	2022	2023	2022
Diluted net loss per share	\$ (0.19)	\$ (0.20)	\$ (0.89)	\$ (0.40)
Arbitration settlement, tax effected	-	-	0.19	-
Acquisition related intangible asset amortization, tax effected	0.11	0.08	0.21	0.18
Costs of shareholder activism, tax effected	0.14	-	0.18	-
Adjusted diluted net income (loss) per share	<u>\$ 0.06</u>	<u>\$ (0.12)</u>	<u>\$ (0.31)</u>	<u>\$ (0.22)</u>

REVENUE BY PRODUCT FAMILY

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

	For the Three Months Ended Jun 30,				For the Six Months Ended Jun 30,			
	2023	2022	\$ change	% change	2023	2022	\$ change	% change
OA Pain Management	\$ 29,334	\$ 24,093	\$ 5,241	22%	\$ 51,967	\$ 45,058	\$ 6,909	15%
Joint Preservation and Restoration	12,660	12,095	565	5%	26,113	24,234	1,879	8%
Non-Orthopedic	2,308	3,469	(1,161)	-33%	4,146	7,058	(2,912)	-41%
Revenue	<u>\$ 44,302</u>	<u>\$ 39,657</u>	<u>\$ 4,645</u>	<u>12%</u>	<u>\$ 82,226</u>	<u>\$ 76,350</u>	<u>\$ 5,876</u>	<u>8%</u>

Note: Effective January 1, 2023, the Company began to report revenue from product sales to veterinary customers within the Non-Orthopedic product family whereas such revenue had been previously reported within the OA Pain Management product family. Revenue from product sales to veterinary customers amounted to \$1.1 million and \$1.6 million for the three months ended June 30, 2023 and 2022, respectively, and \$1.6 million and \$3.4 million for the six months ended June 30, 2023 and 2022, respectively, and is included within Non-Orthopedic for all periods presented. Revenue from product sales to veterinary customers amounted to \$1.8 million in Q1 2022, \$1.6 million in Q2 2022, \$1.2 million in Q3 2022, \$1.3 million in Q4 2022, \$0.5 million in Q1 2023 and \$1.1 million in Q2 2023.