

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.