

# 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 September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 41,465	\$ 40,264	\$ 123,691	\$ 116,614
Cost of Revenue	16,521	17,485	46,932	47,169
Gross Profit	24,944	22,779	76,759	69,445
Operating expenses:				
Research and development	7,791	7,301	25,105	20,433
Selling, general and administrative	24,827	21,276	75,512	61,745
Total operating expenses	32,618	28,577	100,617	82,178
Loss from operations	(7,674)	(5,798)	(23,858)	(12,733)
Interest and other income (expense), net	635	436	1,735	378
Loss before income taxes	(7,039)	(5,362)	(22,123)	(12,355)
Benefit from income taxes	(463)	(1,187)	(2,456)	(2,404)
Net loss	\$ (6,576)	\$ (4,175)	\$ (19,667)	\$ (9,951)
Net loss per share:				
Basic	\$ (0.45)	\$ (0.29)	\$ (1.34)	\$ (0.68)
Diluted	\$ (0.45)	\$ (0.29)	\$ (1.34)	\$ (0.68)
Weighted average common shares outstanding:				
Basic	14,635	14,603	14,659	14,542
Diluted	14,635	14,603	14,659	14,542

# BALANCE SHEET

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

ASSETS	September 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 70,651	\$ 86,327
Accounts receivable, net	34,682	34,627
Inventories, net	43,724	39,765
Prepaid expenses and other current assets	7,721	8,828
Total current assets	<u>156,778</u>	<u>169,547</u>
Property and equipment, net	45,937	48,279
Right-of-use assets	29,053	30,696
Other long-term assets	18,951	17,219
Deferred tax assets	1,424	1,449
Intangible assets, net	68,762	74,599
Goodwill	7,253	7,339
Total assets	<u>\$ 328,158</u>	<u>\$ 349,128</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 8,251	\$ 9,074
Accrued expenses and other current liabilities	19,813	18,840
Total current liabilities	<u>28,064</u>	<u>27,914</u>
Other long-term liabilities	400	398
Deferred tax liability	1,955	6,436
Lease liabilities	27,253	28,817
Stockholders' equity:		
Common stock, \$0.01 par value	146	146
Additional paid-in-capital	85,852	81,141
Accumulated other comprehensive loss	(6,564)	(6,443)
Retained earnings	191,052	210,719
Total stockholders' equity	<u>270,486</u>	<u>285,563</u>
Total liabilities and stockholders' equity	<u>\$ 328,158</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)**

	<b>For the Three Months Ended Sep 30,</b>		<b>For the Nine Months Ended Sep 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Gross Profit	\$ 24,944	\$ 22,779	\$ 76,759	\$ 69,445
Product rationalization related charges	748	2,636	748	2,636
Acquisition related intangible asset amortization	1,561	1,562	4,684	4,686
Adjusted Gross Profit	<u>\$ 27,253</u>	<u>\$ 26,977</u>	<u>\$ 82,191</u>	<u>\$ 76,767</u>
Unadjusted Gross Margin	60%	57%	62%	60%
Adjusted Gross Margin	66%	67%	66%	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 Sep 30,		For the Nine Months Ended Sep 30,	
	2023	2022	2023	2022
Net loss	\$ (6,576)	\$ (4,175)	\$ (19,667)	\$ (9,951)
Interest and other (income) expense, net	(635)	(436)	(1,735)	(378)
Benefit from income taxes	(463)	(1,187)	(2,456)	(2,404)
Depreciation and amortization	1,755	1,549	5,282	4,980
Stock-based compensation	3,561	3,876	11,428	10,502
Product rationalization	748	2,636	748	2,636
Arbitration settlement	-	-	3,250	-
Acquisition related intangible asset amortization	1,787	1,787	5,361	5,361
Discontinuation of software development project	4,473	-	4,473	-
Costs of shareholder activism	-	-	3,033	-
Adjusted EBITDA	<u>\$ 4,650</u>	<u>\$ 4,050</u>	<u>\$ 9,717</u>	<u>\$ 10,746</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)**

	<b>For the Three Months Ended Sep 30,</b>		<b>For the Nine Months Ended Sep 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net loss	\$ (6,576)	\$ (4,175)	\$ (19,667)	\$ (9,951)
Product rationalization, tax effected	699	2,056	665	1,947
Arbitration settlement, tax effected	-	-	2,889	-
Acquisition related intangible asset amortization, tax effected	1,669	1,394	4,766	3,960
Discontinuation of software development project, tax effected	4,179	-	3,976	-
Costs of shareholder activism, tax effected	-	-	2,696	-
Adjusted net income (loss)	<u>\$ (29)</u>	<u>\$ (725)</u>	<u>\$ (4,674)</u>	<u>\$ (4,044)</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)**

	<b>For the Three Months Ended Sep 30,</b>		<b>For the Nine Months Ended Sep 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Diluted net loss per share	\$ (0.45)	\$ (0.29)	\$ (1.34)	\$ (0.68)
Product rationalization, tax effected	0.05	0.14	0.05	0.13
Arbitration settlement, tax effected	-	-	0.20	-
Acquisition related intangible asset amortization, tax effected	0.11	0.10	0.33	0.27
Discontinuation of software development project, tax effected	0.29	-	0.27	-
Costs of shareholder activism, tax effected	-	-	0.19	-
Adjusted diluted net income (loss) per share	<u>\$ 0.00</u>	<u>\$ (0.05)</u>	<u>\$ (0.32)</u>	<u>\$ (0.28)</u>

# REVENUE BY PRODUCT FAMILY

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

	For the Three Months Ended Sep 30,				For the Nine Months Ended Sep 30,			
	<u>2023</u>	<u>2022</u>	<u>\$ change</u>	<u>% change</u>	<u>2023</u>	<u>2022</u>	<u>\$ change</u>	<u>% change</u>
OA Pain Management	\$ 24,888	\$ 24,476	\$ 412	2%	\$ 76,855	\$ 69,533	\$ 7,322	11%
Joint Preservation and Restoration	13,470	11,821	1,649	14%	39,583	36,055	3,528	10%
Non-Orthopedic	<u>3,107</u>	<u>3,967</u>	<u>(860)</u>	<u>-22%</u>	<u>7,253</u>	<u>11,026</u>	<u>(3,773)</u>	<u>-34%</u>
Revenue	<u>\$ 41,465</u>	<u>\$ 40,264</u>	<u>\$ 1,201</u>	<u>3%</u>	<u>\$ 123,691</u>	<u>\$ 116,614</u>	<u>\$ 7,077</u>	<u>6%</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 \$1.6 million and \$1.2 million for the three months ended September 30, 2023 and 2022, respectively, and \$3.1 million and \$4.6 million for the nine months ended September 30, 2023 and 2022 respectively, and are included within the Non-Orthopedic product family for all periods presented.