

A low-angle, close-up photograph of several runners' legs and feet as they jog on a paved track. The focus is sharp on the runner in the foreground, showing their blue shorts and bright green socks. Other runners are visible in the background, slightly out of focus, wearing various colored shorts and shoes. The scene is brightly lit, suggesting a sunny day.

SECOND QUARTER 2021 EARNINGS CALL PRESENTATION

August 5, 2021

ANIKA. RESTORE ACTIVE LIVING.

SAFE HARBOR STATEMENTS

Cautionary Note on Forward-looking Statements

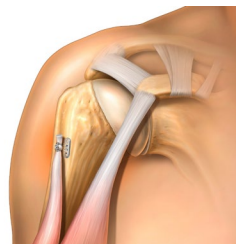
The statements made in, and during the course of, this presentation that are not statements of historical fact, including those related to the Company's commercial capabilities, initiatives and production, its product pipeline and associated timelines, its upcoming corporate milestones, and its growth 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 on our ongoing business, clinical studies and future expectations with respect to its 2021 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.

Q2 2021 HIGHLIGHTS

- ✓ Revenue growth of 24% on recovery from initial COVID impact
 - ✓ Joint Preservation and Restoration revenue up 79% and Joint Pain Management higher by 9%
- ✓ Strong adjusted gross margin¹ of 70%, positive adjusted EBITDA¹ with positive operating cash flow
- ✓ Limited market launch of WristMotion[®] Total Wrist implant with first surgical procedure performed
- ✓ Received 510(k) clearance for reverse shoulder implant system setting the stage for development and expansion of our shoulder implant portfolio in the future
- ✓ Attended first key industry trade events “In-Person” as marketing activity ramps



(1) Non-GAAP measure; see reconciliation schedule at the end of this presentation and as part of the Second Quarter 2021 earnings press release



KEY PRODUCT DEVELOPMENT AND CLINICAL TRIAL TIMELINE

Investments for Growth through 2024



Product

6 Soft Tissue Repair Products

Total WristMotion



Tactoset Expansion



Rotator Cuff System

Category

Soft Tissue

Bone Preserving

Regenerative

Regenerative

Pre-Clinical/Clinical

2021 Pre-clinical Study

U.S. CBER IDE Enrolling; LPO early 2025

U.S. Pilot Enrolling; LPO 1H22 Pivotal to Follow

FDA

510(k) Cleared

510(k) Cleared

Submitting 510(k) in 2021

Submitting 510(k) in 2022

Estimated PMA Filing in 2025

Estimated NDA Filing in 2026

To Market

Launched 4Q20

Limited market launch June 2021
Full market launch Sept 2021

Additional 2022-2024 NPD Projects in Soft Tissue Repair, Regenerative Solutions and Bone Preserving Implants

Investments for Growth 2024+



Hyalofast

Regenerative



Cingal

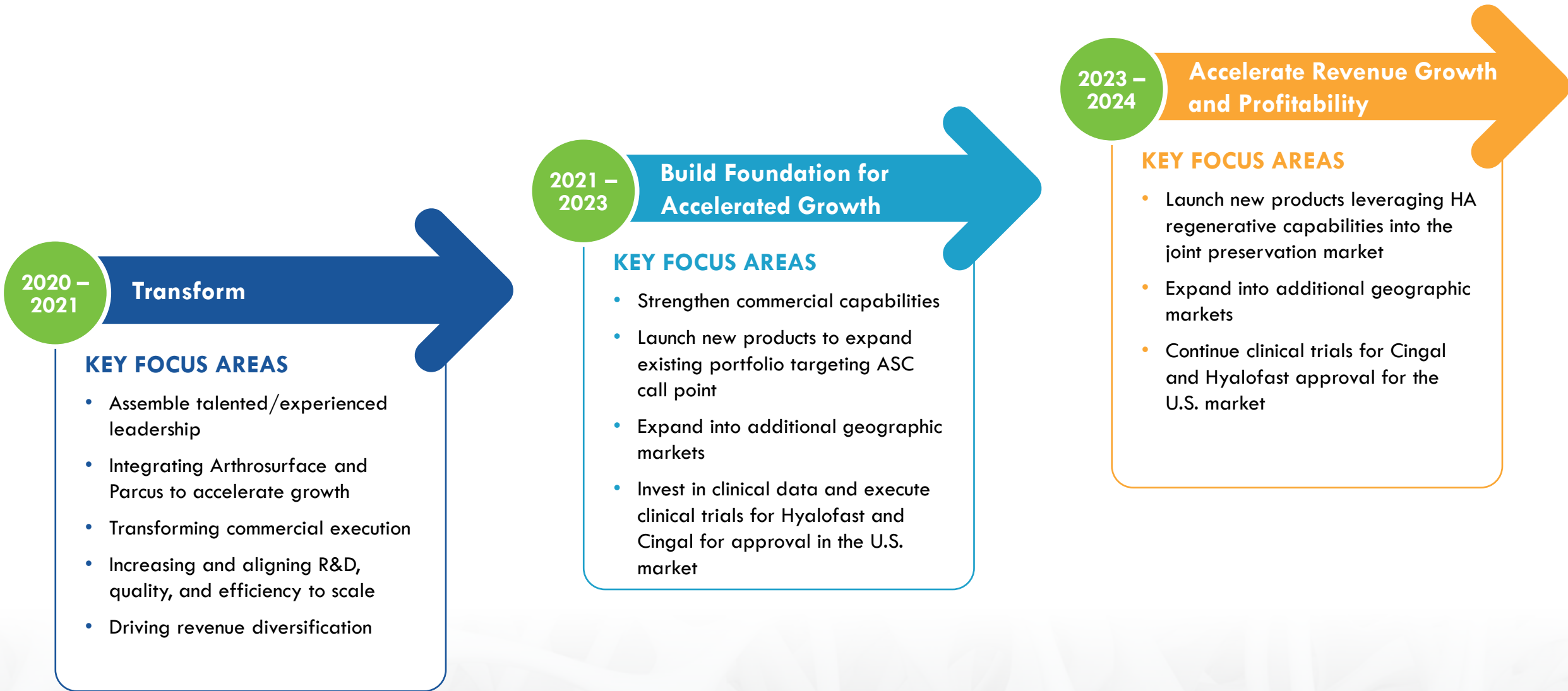
Pain Management

Meaningful Solutions in Early Intervention Orthopedic Care

Delivering New Soft Tissue and Regenerative Solutions Leveraging Proprietary HA Technology

2024 Financial Targets Do Not Include Pipeline Opportunities from Cingal and Hyalofast in U.S.

MULTI-YEAR STRATEGY FOR VALUE CREATION



TRANSFORMATIONAL GROWTH STORY DRIVES SIGNIFICANT STAKEHOLDER VALUE

Strong 2024 Targets to Accelerate Revenue Growth with Growing Profitability; Building Opportunity Set for Beyond

- ✓ Expanded market **opportunity from \$1B to \$8B+**
- ✓ **Continuing to sustain #1 position** in U.S. joint pain management injectables market
- ✓ **Strengthened commercial organization;** will deliver differentiated orthopedic surgical solutions
- ✓ **Robust innovation pipeline leveraging our HA and implant expertise** across early intervention orthopedics
- ✓ Delivering game changing solutions **Hyalofast** and **Cingal** in U.S. for **additional growth beyond 2024**

REFINED 2024 TARGETS

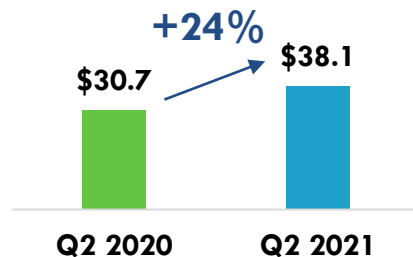
Doubling 2019 Revenue on Mid-Teens Revenue CAGR

Adj. Gross Margin¹ Expands to 70%+

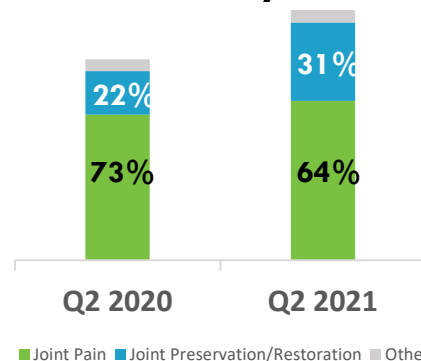
Double-digit Adj. EBITDA^{1,2} Growth Run Rate by 2024; >20% Adj. EBITDA Margin

Q2 2021 FINANCIAL HIGHLIGHTS

Total Revenue



Product Family Revenue



\$97.2 million
Cash Balance as of June 30, 2021

Dollars in millions

- Total revenue increased 24% to \$38.1 million on COVID recovery
 - Joint Preservation and Restoration revenue increased 79% to \$11.9 million
 - Joint Pain Management revenue increased 9% to \$24.3 million
 - Other revenue increased slightly to \$1.9 million
- Gross margin of 55% includes \$3.8 million of acquisition related expenses and \$2.1 million of product rationalization charges; Adjusted gross margin of 70%
- Net income of \$6.5 million, \$0.45 per share; Adjusted net income¹ of \$1.4 million, \$0.09 per share; Adjusted EBITDA¹ of \$6.1 million
 - Net income benefitted by reduction in value of contingent consideration of \$9.8 million, net of tax
- Cash balance of \$97.2 million; operating cash flow of \$4.3 million

2021 REVENUE OUTLOOK

Revenue Growth

TOTAL COMPANY

11% - 14% Growth (up from previous range of 10-13%)

Joint Preservation & Restoration

Upper 20% to Low 30% Growth

Joint Pain Management

Mid Single-digit Growth

Other

Down Low to Mid Single-digit

There remains continued uncertainty in the global market associated with the impact of the COVID pandemic, and the Company's outlook for fiscal 2021 is subject to changing dynamics associated with COVID including vaccine distribution, COVID variants and other related developments.



ON TRACK TO ACHIEVE 2024 TARGET OF DOUBLING 2019 REVENUE

FOCUSED STRATEGY IN JOINT PRESERVATION

01 Anika is laser focused on becoming the leader in joint preservation – one of the highest opportunity spaces in orthopedics

02 2020 was a truly transformational year – completed two acquisitions, significantly progressed integration, launched multiple new products and assembled a world-class team

03 Emerged with a broad, differentiated product portfolio, exciting pipeline, and established commercial team focused on the joint preservation continuum of care

04 Building on robust financial foundation, pivoting to high growth with strong profitability, positioned to exploit organic and inorganic opportunities to drive stakeholder value



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,	
	2021	2020	2021	2020
Revenue	\$ 38,145	\$ 30,678	\$ 72,437	\$ 66,075
Cost of Revenue	17,333	16,936	30,651	31,136
Gross Profit	20,812	13,742	41,786	34,939
Operating expenses:				
Research and development	7,293	4,532	13,654	10,582
Selling, general and administrative	17,989	14,550	36,164	28,981
Goodwill impairment	-	-	-	18,144
Change in fair value of contingent consideration	(13,650)	4,196	(18,470)	(20,326)
Total operating expenses	11,632	23,278	31,348	37,381
Income (loss) from operations	9,180	(9,536)	10,438	(2,442)
Interest and other income (expense), net	(50)	(169)	(93)	110
Income (loss) before income taxes	9,130	(9,705)	10,345	(2,332)
Income taxes	2,599	(1,997)	976	(417)
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Net income (loss) per share:				
Basic	\$ 0.45	\$ (0.54)	\$ 0.65	\$ (0.13)
Diluted	\$ 0.45	\$ (0.54)	\$ 0.64	\$ (0.13)
Weighted average common shares outstanding:				
Basic	14,393	14,199	14,368	14,201
Diluted	14,627	14,199	14,583	14,201



BALANCE SHEET

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

ASSETS	June 30, 2021	December 31, 2020
Current assets:		
Cash, cash equivalents and investments	\$ 97,181	\$ 98,318
Accounts receivable, net	29,426	24,102
Inventories, net	42,857	46,209
Prepaid expenses and other current assets	8,297	8,754
Total current assets	177,761	177,383
Property and equipment, net	49,540	50,613
Right-of-use assets	21,849	22,619
Other long-term assets	18,748	15,420
Intangible assets, net	87,084	91,157
Goodwill	8,149	8,413
Total assets	<u>\$ 363,131</u>	<u>\$ 365,605</u>
		-
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,101	\$ 8,984
Accrued expenses and other current liabilities	16,396	14,793
Contingent consideration	16,870	13,090
Total current liabilities	41,367	36,867
Other long-term liabilities	1,710	1,244
Contingent consideration	70	22,320
Deferred tax liability	13,100	11,895
Lease liabilities	20,080	20,879
Stockholders' equity:		
Preferred stock, \$0.01 par value		-
Common stock, \$0.01 par value	144	143
Additional paid-in-capital	60,699	55,355
Accumulated other comprehensive loss	(4,852)	(4,542)
Retained earnings	230,813	221,444
Total stockholders' equity	286,804	272,400
Total liabilities and stockholders' equity	<u>\$ 363,131</u>	<u>\$ 365,605</u>



RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED EBITDA

Anika Therapeutics, Inc. and Subsidiaries
Reconciliation of GAAP Net Income to Adjusted EBITDA
(in thousands, except per share data)
(unaudited)

<i>in thousands, except per share data</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Interest and other expense (income), net	50	169	93	(110)
(Benefit) provision for income taxes	2,599	(1,997)	976	(417)
Depreciation and amortization	1,716	1,739	3,437	3,412
Share-based compensation	2,797	2,240	5,056	2,033
Product rationalization	2,063	2,892	2,063	2,892
Acquisition related expenses	-	-	-	4,184
Acquisition related intangible asset amortization	1,787	1,996	3,574	3,047
Acquisition related inventory step up	2,208	2,032	4,786	4,123
Goodwill impairment	-	-	-	18,144
Change in fair value of contingent consideration	(13,650)	4,196	(18,470)	(20,326)
Adjusted EBITDA	<u>\$ 6,101</u>	<u>\$ 5,559</u>	<u>\$ 10,884</u>	<u>\$ 15,067</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, except per share data)
(unaudited)

<i>in thousands, except per share data</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 6,531	\$ (7,708)	\$ 9,369	\$ (1,915)
Product rationalization, tax effected	1,590	2,377	1,590	2,377
Acquisition related expenses, tax effected	-	-	-	3,198
Acquisition related intangible asset amortization, tax effected	1,356	1,529	2,754	2,329
Acquisition related inventory step up, tax effected	1,675	1,556	3,688	3,151
Goodwill impairment, tax effected	-	-	-	15,773
Change in fair value of contingent consideration, tax effected	(9,789)	3,474	(15,287)	(17,208)
Adjusted net income	<u>\$ 1,363</u>	<u>\$ 1,228</u>	<u>\$ 2,114</u>	<u>\$ 7,705</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)

<i>in thousands, except per share data</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Diluted earnings (loss) per share (EPS)	\$ 0.45	\$ (0.54)	\$ 0.64	\$ (0.13)
Product rationalization, tax effected	0.11	0.17	0.11	0.17
Acquisition related expenses per share, tax effected	-	-	-	0.23
Acquisition related intangible asset amortization, tax effected	0.09	0.11	0.19	0.16
Acquisition related inventory step up, tax effected	0.11	0.11	0.25	0.22
Goodwill impairment, tax effected	-	-	-	1.10
Change in fair value of contingent consideration, tax effected	(0.67)	0.24	(1.05)	(1.19)
Adjusted diluted EPS	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ 0.14</u>	<u>\$ 0.56</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
(per share data)
(unaudited)

<i>in thousands</i>	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Gross Profit	\$ 20,812	\$ 13,742	\$ 41,786	\$ 34,939
Product rationalization related charges	2,063	1,920	2,063	1,920
Acquisition related intangible asset amortization	1,562	1,758	3,124	2,721
Acquisition related inventory step up	2,208	2,032	4,786	4,123
Adjusted Gross Profit	<u>\$ 26,645</u>	<u>\$ 19,452</u>	<u>\$ 51,759</u>	<u>\$ 43,703</u>
Adjusted Gross Margin	70%	64%	71%	66%

PRODUCT FAMILY REVENUE

Revenue by Product Family
(in thousands, except percentages)
(unaudited)

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2021	%	2020	%	2021	%	2020	%
Joint Pain Management	24,321	64%	\$ 22,247	73%	43,637	60%	\$ 47,730	72%
Joint Preservation and Restoration	11,884	31%	6,622	22%	24,103	33%	14,518	22%
Other	1,940	5%	1,809	5%	4,697	7%	3,827	6%
Total Revenue	38,145	100%	30,678	100%	72,437	100%	66,075	100%

REVENUE BY GEOGRAPHIC REGION

**Total Revenue by Geographic Region
(in thousands, except percentages)
(unaudited)**

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021	%	2020	%	2021	%	2020	%
United States	30,069	79%	\$ 25,133	82%	55,074	76%	\$ 51,438	78%
Europe	5,089	13%	2,910	9%	10,570	15%	8,186	12%
Other	2,987	8%	2,635	9%	6,793	9%	6,451	10%
Total Revenue	\$ 38,145	100%	\$ 30,678	100%	\$ 72,437	100%	\$ 66,075	100%