



Q2 2022 EARNINGS CALL PRESENTATION

AUGUST 3, 2022

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 2022 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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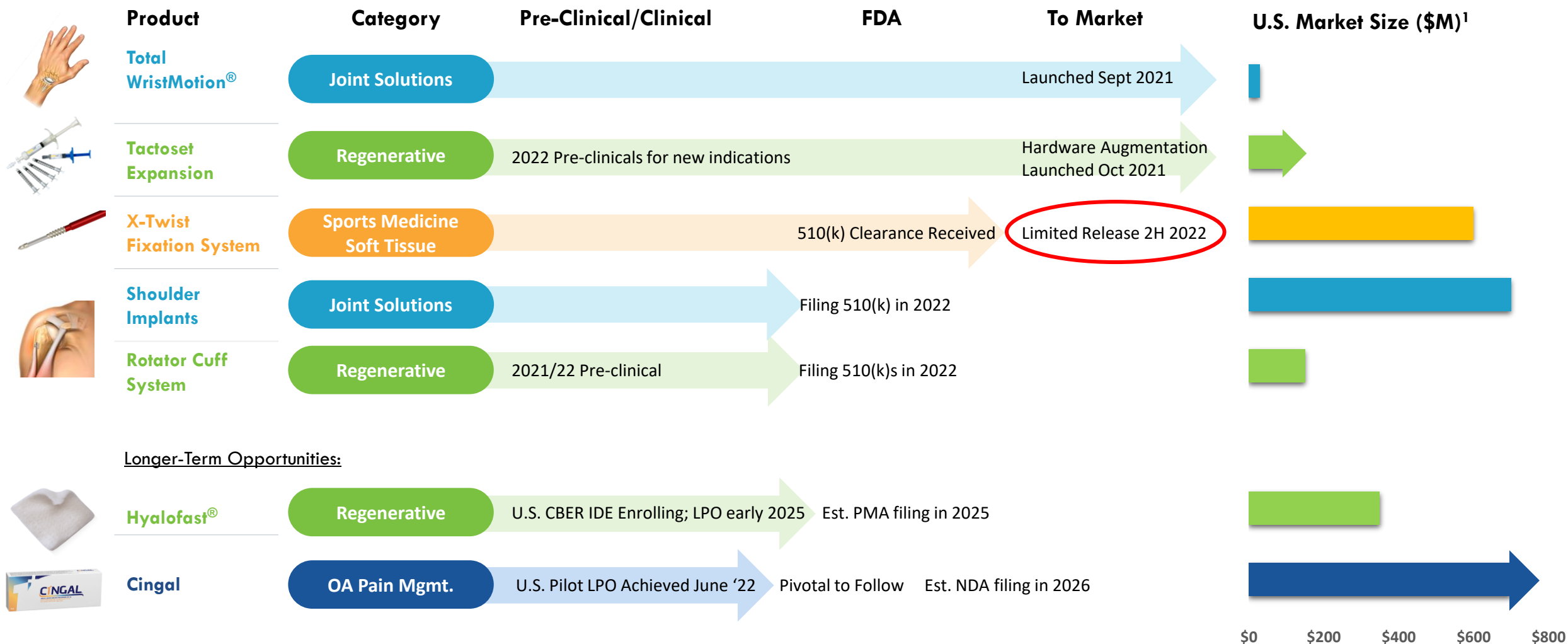
Q2 2022 BUSINESS HIGHLIGHTS

- ✓ Revenue growth of 4%
 - OA Pain Management¹ up 6%
 - Joint Preservation and Restoration up 2%
 - Non-Orthopedic¹ down 6%
- ✓ Received 510(k) clearance for X-Twist™ fixation system for rotator cuff repair and other extremities; limited market release on schedule for 2H 2022
- ✓ Continuing to ramp up Joint Preservation medical education activities, holding multiple in-person events in the U.S. with 270 surgeons trained YTD
- ✓ Tactoset® received coveted ACE award for cutting-edge innovation at the American Orthopaedic Society for Sports Medicine (AOSSM) July meeting
- ✓ Completed last patient follow-up in Cingal® pilot study with data read-out planned for Fall 2022



KEY PRODUCT DEVELOPMENT AND CLINICAL TRIAL TIMELINE

NEW PRODUCT LAUNCHES ACCELERATE GROWTH IN 2023-2024+



Note: Last Patient Out (LPO).

\$0 \$200 \$400 \$600 \$800

¹ SmartTRAK and internal estimates

PROGRESSING ON OUR TRANSFORMATION STRATEGY IN 2022



Sustaining #1 U.S. market share position in OA Pain Management with Monovisc® and Orthovisc®



Commercial execution and focus on delivering value to the Ambulatory Surgery Center (ASC)



Advancing product pipeline in Regenerative, Sports Medicine Soft Tissue and Joint Solutions



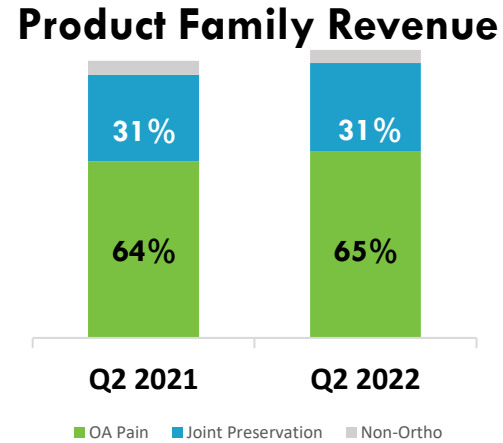
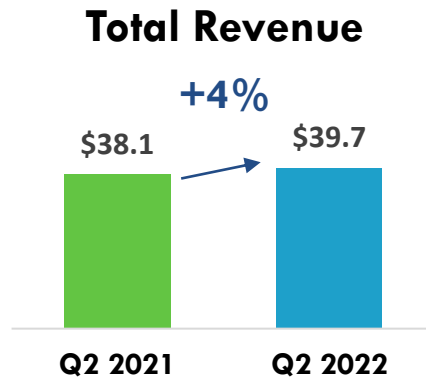
Accelerating in-person medical education programs



Cingal pilot trial data to be available in the fall



Q2 2022 FINANCIAL HIGHLIGHTS



\$91.4 million
Cash Balance as of
June 30, 2022

Dollars in millions

- Total revenue increased 4% to \$39.7 million
 - OA Pain Management revenue of \$25.7 million, up 6%
 - Joint Preservation and Restoration revenue of \$12.1 million, up 2%
 - Non-Orthopedic revenue of \$1.8 million, down 6%
- Gross margin of 63% includes \$1.6 million of non-cash acquisition related expenses; Adjusted gross margin¹ of 67%
- Net loss of (\$2.8) million, (\$0.20) per share; Adjusted net loss¹ of (\$1.6) million, (\$0.12) per share
- Adjusted EBITDA¹ of \$4.4 million
- Operating cash flow of \$3.1 million; cash balance of \$91.4 million and no outstanding debt

2022 REVENUE OUTLOOK

Revenue Growth

TOTAL COMPANY

Up low to mid-single digit percent (toward upper end of range)

Joint Preservation & Restoration

Up mid-single to low-double digit percent

OA Pain Management

Up low-single digit percent

Non-Orthopedic

Down approx. 20% due largely to legacy product rationalization

There remains volatility and uncertainty in the global macroeconomic environment and the Company's outlook for fiscal 2022 is subject to the changing dynamics associated with staffing shortages, supply chain disruption, inflation and other direct and indirect impacts of the COVID pandemic.

SUMMARY

01

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

02

2022 is a foundational year of execution on our product pipeline and commercial strategy to deliver targeted value to the ASC in early intervention orthopedics

03

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

04

Positioning to accelerate revenue growth in 2023 and beyond, growing both EBITDA margin and cash flows

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,	
	2022	2021	2022	2021
Revenue	\$ 39,657	\$ 38,145	\$ 76,350	\$ 72,437
Cost of Revenue	14,795	17,333	29,684	30,651
Gross Profit	24,862	20,812	46,666	41,786
Operating expenses:				
Research and development	6,975	7,293	13,132	13,654
Selling, general and administrative	21,268	17,989	40,469	36,164
Change in fair value of contingent consideration	-	(13,650)	-	(18,470)
Total operating expenses	28,243	11,632	53,601	31,348
(Loss) income from operations	(3,381)	9,180	(6,935)	10,438
Interest and other income (expense), net	96	(50)	(58)	(93)
(Loss) income before income taxes	(3,285)	9,130	(6,993)	10,345
(Benefit from) provision for income taxes	(442)	2,599	(1,217)	976
Net (loss) income	\$ (2,843)	\$ 6,531	\$ (5,776)	\$ 9,369
Net (loss) income per share:				
Basic	\$ (0.20)	\$ 0.45	\$ (0.40)	\$ 0.65
Diluted	\$ (0.20)	\$ 0.45	\$ (0.40)	\$ 0.64
Weighted average common shares outstanding:				
Basic	14,555	14,393	14,511	14,368
Diluted	14,555	14,627	14,511	14,583

BALANCE SHEET

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

ASSETS	June 30, 2022	December 31, 2021
Current assets:		
Cash, cash equivalents and investments	\$ 91,392	\$ 94,386
Accounts receivable, net	32,172	29,843
Inventories, net	35,336	36,010
Prepaid expenses and other current assets	8,956	8,289
Total current assets	167,856	168,528
Property and equipment, net	48,087	47,602
Right-of-use assets	31,607	20,957
Other long-term assets	20,914	20,285
Intangible assets, net	78,490	82,382
Goodwill	7,169	7,781
Total assets	<u>\$ 354,123</u>	<u>\$ 347,535</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,165	\$ 7,633
Accrued expenses and other current liabilities	16,951	17,847
Contingent consideration	4,315	4,315
Total current liabilities	29,431	29,795
Other long-term liabilities	587	1,258
Deferred tax liability	8,220	10,157
Lease liabilities	29,732	19,240
Stockholders' equity:		
Common stock, \$0.01 par value	146	144
Additional paid-in-capital	72,851	67,081
Accumulated other comprehensive loss	(6,646)	(5,718)
Retained earnings	219,802	225,578
Total stockholders' equity	286,153	287,085
Total liabilities and stockholders' equity	<u>\$ 354,123</u>	<u>\$ 347,535</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 June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Gross Profit	\$ 24,862	\$ 20,812	\$ 46,666	\$ 41,786
Product rationalization related charges	-	2,063	-	2,063
Acquisition related intangible asset amortization	1,562	1,562	3,124	3,124
Acquisition related inventory step up	-	2,208	-	4,786
Adjusted Gross Profit	<u>\$ 26,424</u>	<u>\$ 26,645</u>	<u>\$ 49,790</u>	<u>\$ 51,759</u>
Adjusted Gross Margin	67%	70%	65%	71%

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 June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (2,843)	\$ 6,531	\$ (5,776)	\$ 9,369
Interest and other expense, net	(96)	50	58	93
Benefit from income taxes	(442)	2,599	(1,217)	976
Depreciation and amortization	1,933	1,716	3,753	3,437
Stock-based compensation	4,081	2,797	6,626	5,056
Product rationalization	-	2,063	-	2,063
Acquisition related intangible asset amortization	1,787	1,787	3,574	3,574
Acquisition related inventory step up	-	2,208	-	4,786
Change in fair value of contingent consideration	-	(13,650)	-	(18,470)
Adjusted EBITDA	<u>\$ 4,420</u>	<u>\$ 6,101</u>	<u>\$ 7,018</u>	<u>\$ 10,884</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 June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (2,843)	\$ 6,531	\$ (5,776)	\$ 9,369
Product rationalization, tax effected	-	1,590	-	1,590
Acquisition related intangible asset amortization, tax effected	1,219	1,356	2,565	2,754
Acquisition related inventory step up, tax effected	-	1,675	-	3,688
Change in fair value of contingent consideration, tax effected	-	(9,789)	-	(15,287)
Adjusted net (loss) income	<u>\$ (1,624)</u>	<u>\$ 1,363</u>	<u>\$ (3,211)</u>	<u>\$ 2,114</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 June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Diluted (loss) earnings per share (EPS)	\$ (0.20)	\$ 0.45	\$ (0.40)	\$ 0.64
Product rationalization, tax effected	-	0.11	-	0.11
Acquisition related intangible asset amortization, tax effected	0.08	0.09	0.18	0.19
Acquisition related inventory step up, tax effected	-	0.11	-	0.25
Change in fair value of contingent consideration, tax effected	-	(0.67)	-	(1.05)
Adjusted diluted (loss) earnings per share (EPS)	<u>\$ (0.12)</u>	<u>\$ 0.09</u>	<u>\$ (0.22)</u>	<u>\$ 0.14</u>

REVENUE BY PRODUCT FAMILY

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

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	<u>2022</u>	<u>2021</u>	<u>\$ change</u>	<u>% change</u>	<u>2022</u>	<u>2021</u>	<u>\$ change</u>	<u>% change</u>
Joint Pain Management	\$ 25,741	\$ 24,321	\$ 1,420	6%	\$ 48,474	\$ 43,637	\$ 4,837	11%
Joint Preservation and Restoration	12,095	11,884	211	2%	24,234	24,103	131	1%
Non-Orthopedic	1,821	1,940	(119)	-6%	3,642	4,697	(1,055)	-22%
Revenue	<u>\$ 39,657</u>	<u>\$ 38,145</u>	<u>\$ 1,512</u>	<u>4%</u>	<u>\$ 76,350</u>	<u>\$ 72,437</u>	<u>\$ 3,913</u>	<u>5%</u>