



# First Quarter 2019 Earnings Call Presentation

May 2, 2019

Nasdaq: ANIK

# Safe Harbor Statements

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## 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, 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 in the Investor Relations section of the Company's website at [www.anikatherapeutics.com](http://www.anikatherapeutics.com).

# Foundation for Long-Term Growth

*2019: A Transformational Year for Anika*



Recruiting and retaining high-end talent to drive innovation and a culture of achievement across the organization



Innovative therapies developed & commercialized to meet the needs of our patients across the continuum of orthopedic and regenerative therapies



Driving growth and profitability to deliver maximum value for our shareholders

# Expanding R&D & Commercial Infrastructure

*Strengthening Foundation for Long-Term Value Creation*



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**R&D:** Added VP of Research & Development to accelerate pipeline and leverage technology platform

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**U.S. Commercial:** Added VP of U.S. Sales to lead the launch and build out of hybrid commercial model

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**International Commercial:** Continued to strengthen infrastructure under VP of International Sales to accelerate OUS expansion efforts

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# CINGAL U.S. FDA Update

*Next Generation Osteoarthritis Therapy*



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Met with the U.S. FDA in Q1 2019; additional Phase III clinical trial required to obtain approval for CINGAL

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Received formal meeting minutes from the FDA regarding clinical & regulatory pathway

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Conducting analyses and discussions to identify the most expeditious pathway to an FDA approval in the U.S. market

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Intend to complete full assessment by the time we report our Q2 2019 financial results; will provide an update at that time

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**Conducting disciplined evaluation of the potential options for CINGAL in the U.S. and are committed to deploying our capital to the most value-creating opportunities**

# Growing Portfolio of Regenerative Treatments

## *Bone Repair & Rotator Cuff Therapies*

### **BONE REPAIR THERAPY**

Recently showcased at the American Academy of Orthopedic Surgeons (AAOS) Annual Meeting

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Commercial launch expected in 2H 2019

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Plan to utilize hybrid commercial model

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U.S. market opportunity of \$250-300M annually

### **ROTATOR CUFF REGENERATIVE THERAPY**

Completed key preclinical work in Q1 2019

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Focused on development of surgical instrumentation in remainder of 2019

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Over 650,000 rotator cuff procedures in U.S. each year

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U.S. market opportunity of \$150-200M annually

# HYALOFAST Update

*The Future of Cartilage Regeneration*



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Phase III trial patient enrollment currently at 55%

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Initiated 37 sites; planning to add new OUS sites and working with all sites to accelerate enrollment

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High degree of enthusiasm among physicians and patients at the recent Asia Orthopaedic Association (APOA) Sports Meeting in Malaysia

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U.S. market opportunity of \$500M+ annually

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# Hybrid Commercial Model Update

*Enhancing Visibility and Control to Drive Rapid Growth*



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On track to launch bone repair product in 2H 2019

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Pairing a small in-house team of highly-skilled business development specialists with a strategic partner and/or regional distribution partnerships

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Continuing to evaluate a number of potential commercial partners with established orthopedic surgical sales forces

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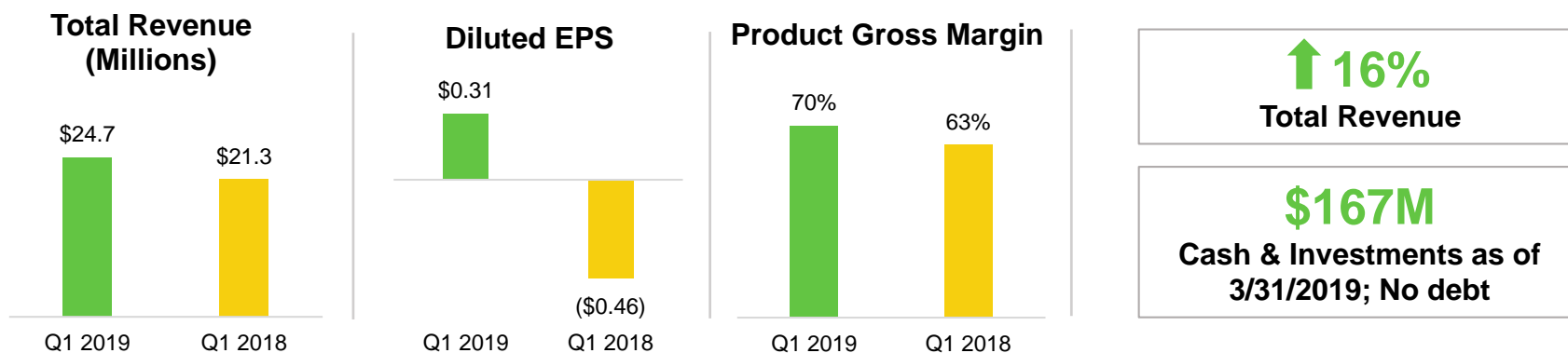
Intend to structure any new partnership contracts to provide more favorable economics and greater control than historical partnerships

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# Q1 2019 Financial Highlights

*Strong Start to 2019 Across all Product Franchises*



U.S. Viscosupplement revenue increased 11% year-over-year

International single-injection revenue grew 18% year-over-year

Net Income of \$4.5M; Adjusted EBITDA<sup>1</sup> of \$8.3M

Operating Cash Flow of \$8.5M; \$167M Cash & Investments as of 3/31/2019

# Returning Capital to Shareholders While Investing in Growth

*Announced \$50 Million Share Repurchase Program*



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\$30 million under Accelerated Share Repurchase (ASR) Program; Up to \$20 million will be repurchased on the open market

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Expect program to commence in mid-May & be completed no later than Q2 2020

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Reflects Anika's strong cash generation abilities

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Making organic investments to accelerate top-line growth and selectively pursuing strategic M&A to augment organic growth

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**Balanced and Disciplined Approach to Capital Allocation:**  
Committed to deploying capital to the most value creating opportunities

# Near and Long-Term Growth Drivers

*Propelling Transformation into a Global Commercial Company*



## Launch of hybrid commercial model in 2019

- Led by new VP of U.S. Sales



## International expansion of Orthobiologics franchise

- Led by VP of International Sales



## Continued clinical development of innovative product pipeline

- Led by new VP of Research & Development



## Leveraging talent to drive continued operational excellence

- Led by VP of Operations



## Leveraging financial strength through disciplined & balanced capital allocation

**Q&A**

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