



Third Quarter 2019 Earnings Call Presentation

October 24, 2019

Nasdaq: ANIK

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, 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.

A New Day for Anika: Global Leader in Joint Preservation and Restoration

TODAY

TOMORROW

OA Pain Management

Joint Preservation & Restoration

Existing Partnership Model

Office-Based



Joint Fluid Replacement:

- ORTHOVISC
- MONOVISC
- CINGAL

Hybrid Commercial Model

Operating Room-Based



Meniscal Replacement



Cartilage Replacement



Augmentation



Soft Tissue Fixation



Knee Ligaments



Tendon Repair



Bone Replacement



Extremities

~\$1 Billion¹

~\$7+ Billion¹

~\$8 Billion Annual Market Opportunity¹

Foundation for Long-Term Value Creation



PEOPLE



PRODUCTS



PERFORMANCE

Building our Talent Base for Innovation



Business Development

Appointed an EVP of Business Development and Strategic Planning



Regulatory, Quality, Clinical

Appointed a VP of Regulatory Affairs, Quality, and Clinical Affairs

Accelerating growth: Leveraging our financial strength to strategically invest in opportunities for inorganic growth while seeking to accelerate regulatory approval of organic growth

Hybrid Commercial Model



MISSION

Build Anika brand awareness in the Orthopedic and Sports Medicine marketplace

Onboarded four Regional Sales Directors (RSDs) focused on building relationships:

- Independent Distributor Agents
- Key Opinion Leaders (KOLs)
- Hospital / Ambulatory Surgery Centers (ASCs) administration

Direct line of sight in the market with more favorable economic results

ANIKA REGIONAL SALES DIRECTORS



Northeast



Southeast



Central



West

REGIONAL DISTRIBUTOR AGENT NETWORK



Northeast

Distributor Agent
Distributor Agent



Southeast

Distributor Agent
Distributor Agent



Central

Distributor Agent
Distributor Agent



West

Distributor Agent
Distributor Agent

tactoset

Differentiated characteristics:

- HA-enhanced bone repair therapy
- Simplified mixing procedure
- Faster setting time than current standard of care; increases operating room efficiency



First surgical procedure
successfully completed in August



~900,000 Patients¹
with bone defects in
the knee



\$350M - \$400M¹
Annual market
opportunity



Rotator Cuff Regenerative Therapy

Partial and Full-Thickness Rotator Cuff Repair



Unique therapy complementing Anika's growing regenerative therapy portfolio



Leverages Anika's proprietary solid HA technology for both partial and full-thickness rotator cuff tears



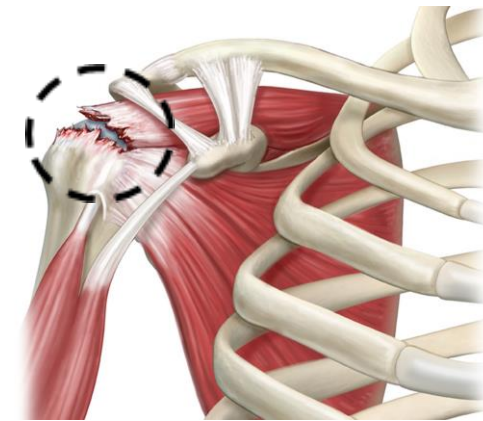
Continued prototype refinement and surgical instrumentation design work in Q3



Target completion of instrumentation design in the 1H of 2020



Plan to submit 510(k) application to the FDA in late 2020 to early 2021



**U.S. Market
Opportunity:**

**~\$150-200M
annually**

CINGAL

Next Generation Osteoarthritis Therapy

First-in-Class Combination HA & Steroid for Pain Associated with OA



- Continued strong performance from CINGAL in OUS markets with revenue growth of 35% in Q3 and 40% YTD
- Finalizing the newly designed clinical trial protocol which we will commence in the 1H 2020
- Expected to enroll ~240 patients randomized to receive CINGAL, “TH” steroid, or saline placebo across 30 sites in the U.S.
- Pilot clinical study expected to take ~1 year to complete



**U.S. Market Opportunity:
Over \$1B annually**

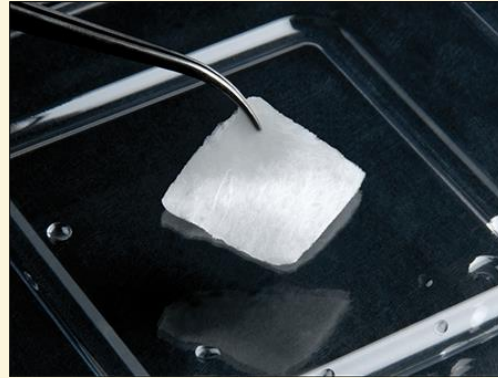
HYALOFAST

Cartilage Repair Therapy



Only HA-Based Scaffold Material

Single-Step, Off the Shelf, Cost Effective Solution



Continued the recruitment and initiation process to add new international sites



Phase III trial ongoing for U.S. approval; enrollment in low 60% range



Showcased at recent World Congress of the International Cartilage Regeneration and Joint Preservation Society

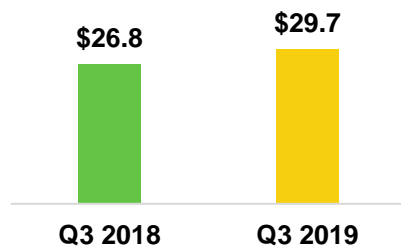


U.S. Market Opportunity:

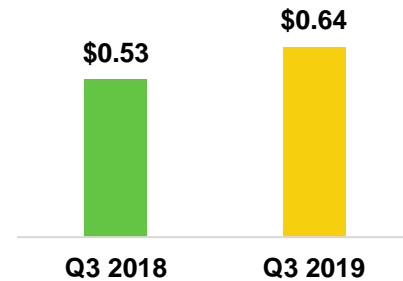
Over \$500M annually

Q3 2019 Financial Highlights

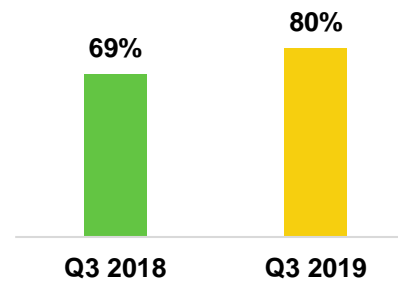
Total Revenue (Millions)



Diluted EPS



Product Gross Margin



↑ 32%
Q3 Adjusted EBITDA¹

\$173M
Cash & Investments as of 9/30/2019; No debt



- Global Viscosupplement revenue increased 9% year-over-year
- CINGAL achieved 35% and 40% revenue growth for the quarter and year-to-date, respectively
- Net Income of \$9.2M and Adjusted EBITDA¹ of \$14.9M
- Increase in cash & investments of \$31.8M for the 3 months ended 9/30/2019

2019 Guidance Update

	Prior Guidance	Updated Guidance
Total Revenue	~ 1% - 4% above FY 2018	~ 6% - 7% above FY 2018
Operating Expenses	High-\$70 million range	Mid-\$70 million range
Net Income	Mid-\$20 million range	Mid- to high-\$20 million range
Adjusted EBITDA¹	High-\$30 million to low-\$40 million range	Mid- to high-\$40 million range
Capital Expenditures	Between \$5 million and \$8 million	Around \$5 million

Business and Financial Objectives



Deliver **PROFIT ACCELERATION AND GROWTH** and **SUSTAINABLE DOUBLE DIGIT REVENUE GROWTH**



Leverage differentiated product pipeline to **DIVERSIFY REVENUE** and enhance value capture



Increase **VITALITY INDEX** to **25%+** by the end of five years



Pursue **STRATEGIC M&A** to sustainably accelerate growth



ALLOCATE CAPITAL to highest return opportunities – balanced for investment in our business, strategic M&A opportunities, and returns for shareholders

5-Year Strategic Plan for Growth

Talent & Culture

Continue to foster a culture that encourages innovation and positions the Company for sustained growth

R&D Innovation

Invest in R&D to advance and expand joint preservation product pipeline with new, innovative therapies

Commercial Acceleration

Successfully implement U.S. hybrid commercial model and pursue international expansion opportunities

Inorganic Growth

Pursue strategic “tuck-in” acquisitions that complement Anika’s existing product portfolio

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Leader in Joint Preservation and Restoration

- Pain management
- Regenerative medicine
- Extremities repair