

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, white socks, and black running shoes. Other runners in various colored shorts and shoes are visible in the background, slightly out of focus. The scene is brightly lit, suggesting a sunny day.

FIRST QUARTER 2021 EARNINGS CALL PRESENTATION

May 6, 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.

Q1 2021 HIGHLIGHTS

- ✓ Revenue lower by 3% compared with pre-COVID in prior year
 - ✓ Joint Preservation and Restoration revenue up 55% on acquisitions and organic growth as transformative mix shift continues
 - ✓ Joint Pain Management lower by 24% due to COVID and related ordering patterns
 - ✓ Other revenue up due to sale of legacy products
- ✓ Generated positive adjusted EBITDA¹ and adjusted EPS¹
- ✓ Solid cash position with approximately \$95M cash and investments
- ✓ Continue to expect 2H'21 market recovery as COVID lifts



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

ANIKA'S TRANSFORMATION STRATEGY

Double revenue by 2024¹ with double digit adjusted EBITDA growth

- Expand market opportunity from \$1B to over \$8 billion
- Sustain #1 position in osteoarthritis pain management injectables market in U.S.
- Strengthened commercial organization will deliver differentiated orthopedic surgical solutions
- Leverage hyaluronic acid-based regenerative technology across early intervention orthopedics; deliver game changing regenerative solutions (Hyalofast) and pain therapies (Cingal) for growth beyond 2024



EXPANDING MARKET OPPORTUNITY IN JOINT PRESERVATION

Anika Portfolio

Bone Preserving Joint Technologies

WristMotion Hemi Arthroplasty
 Upper and Lower Extremity Implants
 WristMotion Total Arthroplasty
 Shoulder, Foot and Ankle implants

Soft Tissue Repair

Suture Anchors
 Bio composite Anchors
 Implants and Instruments

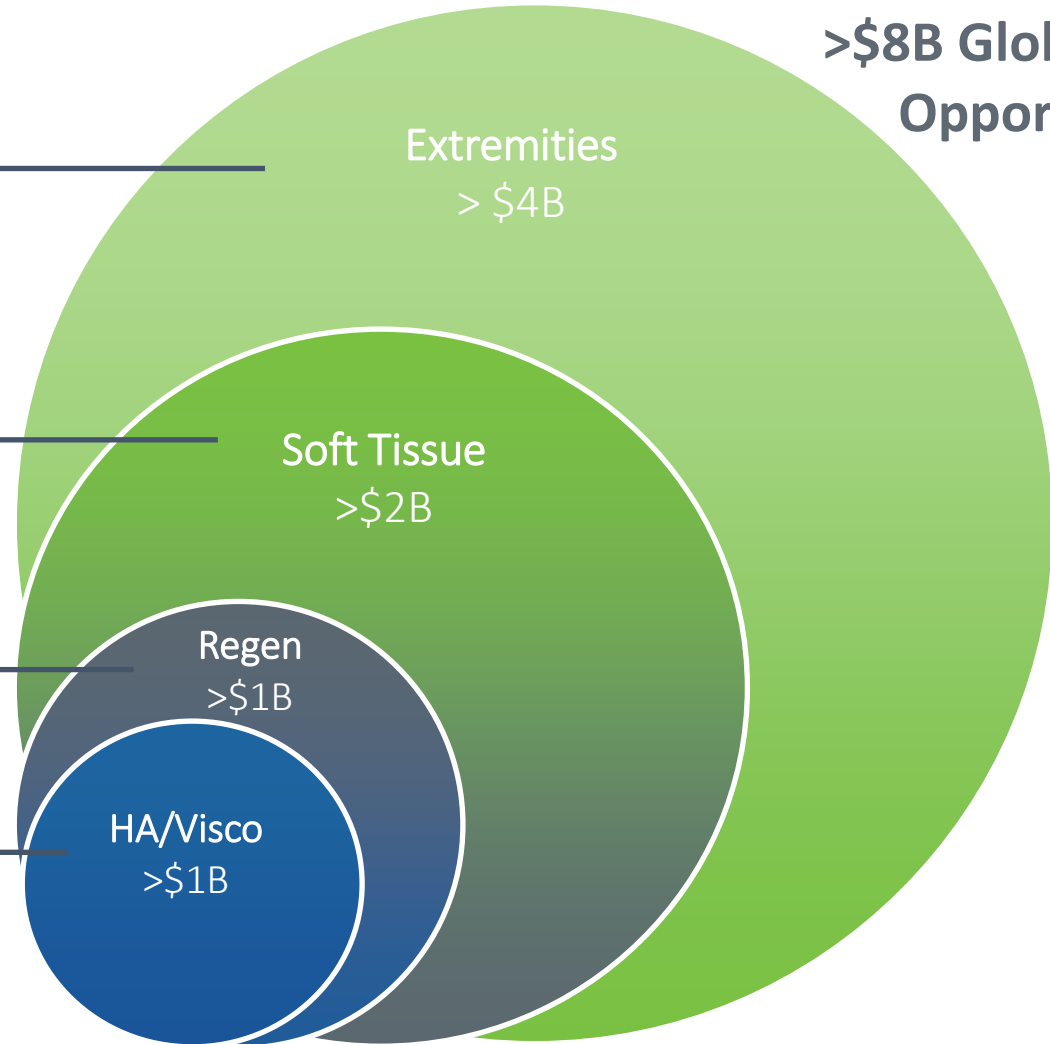
Regenerative Solutions

Tactoset
 Hyalofast (OUS)
 Hyalofast (US)
 Soft Tissue Augmentation

OA² Pain Management

OrthoVisc
 MonoVisc
 Cingal (OUS)
 Cingal (US)

>\$8B Global Market Opportunity ¹

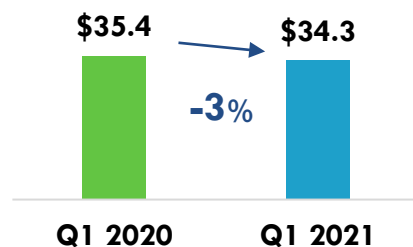


■ Product development roadmap

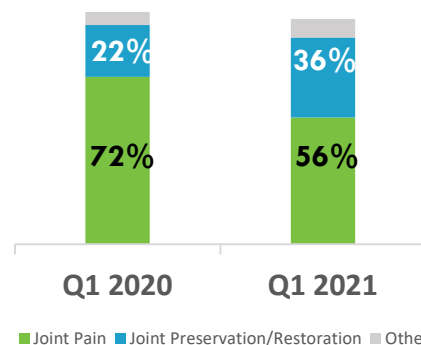
(1) Combination of iData, SmarTRAK, and internal estimates
 (2) Osteoarthritis

Q1 2021 FINANCIAL HIGHLIGHTS

Total Revenue



Product Family Revenue



\$94.6 million
Cash & Investments as of
Mar. 31, 2021

Dollars in millions

- Total revenue decreased 3% to \$34.3 million on COVID dynamics as diversification continues to accelerate
 - Joint Preservation and Restoration revenue increased 55% to \$12.2 million, up \$4.3 million, primarily due to the acquisitions of Arthrosurface and Parcus Medical and momentum through hybrid sales channel
 - Joint Pain Management revenue decreased 24% to \$19.3 million, impacted by COVID and related ordering patterns
 - Other revenue increased to \$2.8 million due to sale of legacy products
- Gross margin of 61% includes 12-point negative impact due to non-cash acquisition related expenses
- Net income of \$2.8 million, \$0.20 per share; Adjusted net income¹ of \$0.8 million, \$0.06 per share; Adjusted EBITDA¹ of \$4.8 million
 - Net income impacted by reduction in value of contingent consideration and related tax benefit, excluded in adjusted net income¹ and adjusted EBITDA¹
- Cash/investments of \$94.6 million; net cash used for operating activities of \$2.4 million

DIRECTIONAL OUTLOOK

POSITIONED FOR GROWTH IN 2021 AND ON TRACK FOR 2024 TARGETS

- Due to the continued uncertainty associated with COVID, detailed financial guidance for the second quarter and full year 2021 is not provided at this time
 - Qualitative and directionally quantitative outlook subject to changing dynamics including vaccines, COVID spikes and other related developments
- Continue to see second half 2021 recovery in surgical procedures and stability in OA visco injectables
- Despite COVID headwinds, well positioned for high single-digit to low double-digit revenue growth in 2021:
 - Joint Preservation and Restoration: Growing momentum with upper 20% to low 30% revenue growth
 - Joint Pain Management: Stable with low single-digit revenue growth
 - Other: Mature products down mid single-digits
- On track for multi-year targets of doubling revenue by 2024¹ and double-digit adjusted EBITDA growth

¹As compared to 2019 base year results

OUR MISSION

Powered by our passionate team, we partner with clinicians to create and provide meaningful advancements in early intervention orthopedic care. We are unwavering in our commitment to quality and compliance as we develop and commercialize solutions that restore active living for people around the world.



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 March 31,	
	2021	2020
Revenue	34,292	35,397
Cost of Revenue	13,318	14,200
Gross Profit	20,974	21,197
<i>% revenue</i>	61%	60%
Operating expenses:		
Research and development	6,361	6,050
Selling, general and administrative	18,175	14,431
Goodwill impairment	-	18,144
Change in fair value of contingent consideration	(4,820)	(24,522)
Total operating expenses	19,716	14,103
Income (loss) from operations	1,258	7,094
Interest and other income (expense), net	(43)	279
Income (loss) before income taxes	1,215	7,373
Income taxes	(1,623)	1,580
Net income (loss)	\$ 2,838	\$ 5,793
Net income (loss) per share:		
Basic	\$ 0.20	\$ 0.41
Diluted	\$ 0.20	\$ 0.40
Weighted average common shares outstanding:		
Basic	14,343	14,202
Diluted	14,435	14,353



BALANCE SHEET

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

ASSETS	March 31, 2021	December 31, 2020
Current assets:		
Cash, cash equivalents and investments	\$ 94,599	\$ 98,318
Accounts receivable, net	26,509	24,102
Inventories, net	42,718	46,209
Prepaid expenses and other current assets	9,648	8,754
Total current assets	173,474	177,383
Property and equipment, net	49,131	50,613
Right-of-use assets	22,325	22,619
Other long-term assets	20,292	15,420
Intangible assets, net	88,986	91,157
Goodwill	8,045	8,413
Total assets	<u>\$ 362,253</u>	<u>\$ 365,605</u>
		-
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,683	\$ 8,984
Accrued expenses and other current liabilities	13,460	14,793
Contingent consideration	24,830	13,090
Total current liabilities	46,973	36,867
Other long-term liabilities	1,583	1,244
Contingent consideration	5,760	22,320
Deferred tax liability	10,738	11,895
Lease liabilities	20,543	20,879
Stockholders' equity:		
Common stock, \$0.01 par value	144	143
Additional paid-in-capital	57,281	55,355
Accumulated other comprehensive loss	(5,051)	(4,542)
Retained earnings	224,282	221,444
Total stockholders' equity	276,656	272,400
Total liabilities and stockholders' equity	<u>\$ 362,253</u>	<u>\$ 365,605</u>



RECONCILIATION TABLES – GAAP NET INCOME TO 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 March 31,	
	2021	2020
Net income (loss)	\$ 2,838	\$ 5,793
Interest and other expense (income), net	43	(279)
(Benefit) provision for income taxes	(1,623)	1,580
Depreciation and amortization	1,721	1,673
Stock-based compensation	2,259	(207)
Acquisition related expenses	-	4,155
Acquisition related intangible asset amort	1,787	1,088
Acquisition related inventory step up	2,578	2,083
Goodwill impairment	-	18,144
Change in fair value of contingent consideration (benefit)	(4,820)	(24,522)
Adjusted EBITDA	\$ 4,783	\$ 9,508

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 March 31,	
	2021	2020
Net income (loss)	\$ 2,838	\$ 5,793
Acquisition related expenses, tax effected	-	3,172
Acquisition related intangible asset amortization, tax effected	1,396	831
Acquisition related inventory step up	2,016	1,590
Goodwill impairment, tax effected	-	15,773
Change in fair value of contingent consideration, tax effected (benefit)	(5,498)	(20,682)
Adjusted net income	\$ 752	\$ 6,477

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 March 31,			
	2021		2020	
Diluted earnings (loss) per share (EPS)	\$	0.20	\$	0.40
Acquisition related expenses per share, tax effected		-		0.22
Acquisition related intangible asset amortization, tax effected		0.10		0.06
Acquisition related inventory step up		0.14		0.11
Goodwill impairment, tax effected		-		1.10
Change in fair value of contingent consideration, tax effected (benefit)		(0.38)		(1.44)
Adjusted diluted EPS	\$	0.06	\$	0.45

PRODUCT FAMILY REVENUE AND GROSS MARGIN

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

	For the Three Months Ended March 31,			
	2021	%	2020	%
Joint Pain Management	\$ 19,316	56%	\$ 25,483	72%
Joint Preservation and Restoration	12,219	36%	7,896	22%
Other	2,757	8%	2,018	6%
Revenue	34,292	100%	35,397	100%
Gross Profit	\$ 20,974		\$ 21,197	
Gross Margin	61%		60%	

REVENUE BY GEOGRAPHIC REGION

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

	For the Three Months Ended March 31			
	2021	%	2020	%
United States	\$ 25,005	73%	\$ 26,306	74%
Europe	5,480	16%	5,276	15%
Other	3,807	11%	3,815	11%
Total Revenue	<u>\$ 34,292</u>	<u>100%</u>	<u>\$ 35,397</u>	<u>100%</u>