

The background of the slide is a photograph of several runners on a track. The focus is on the lower legs and feet of the runners in the foreground, showing their muscular legs and various running shoes. The background is blurred, showing other runners and a track environment.

FOURTH QUARTER AND YEAR-END 2020 EARNINGS CALL PRESENTATION

March 4, 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.

Q4 2020 HIGHLIGHTS

- ✓ Completed transformative year with Q4 2020 revenue growth of 10% over Q4 2019
- ✓ Growing momentum for Joint Preservation and Restoration through our global commercial organization and distribution networks
- ✓ Generated positive adjusted EBITDA¹ and positive operating cash flow
- ✓ Repaid remaining \$25 million of outstanding credit facility
- ✓ Results were impacted by post-holiday COVID spike



(1) Non-GAAP measure; see reconciliation schedule at the end of this presentation and as part of the Fourth Quarter 2020 earnings press release

FULL YEAR 2020 HIGHLIGHTS

EXECUTING ON OUR TRANSFORMATION STRATEGY

- ✓ Successfully navigated business through COVID pandemic delivering 14% revenue growth for the year with positive adjusted EBITDA and positive operating cash flow
- ✓ Completed transformative acquisitions of ArthroSurface and Parcus Medical, diversifying our portfolio and expanding our market opportunity to >\$8 billion
- ✓ Integrated our worldwide commercial organization
- ✓ Strengthened our senior leadership team and Board of Directors
- ✓ Launched seven new joint preservation products; received WristMotion 510(k) clearance

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

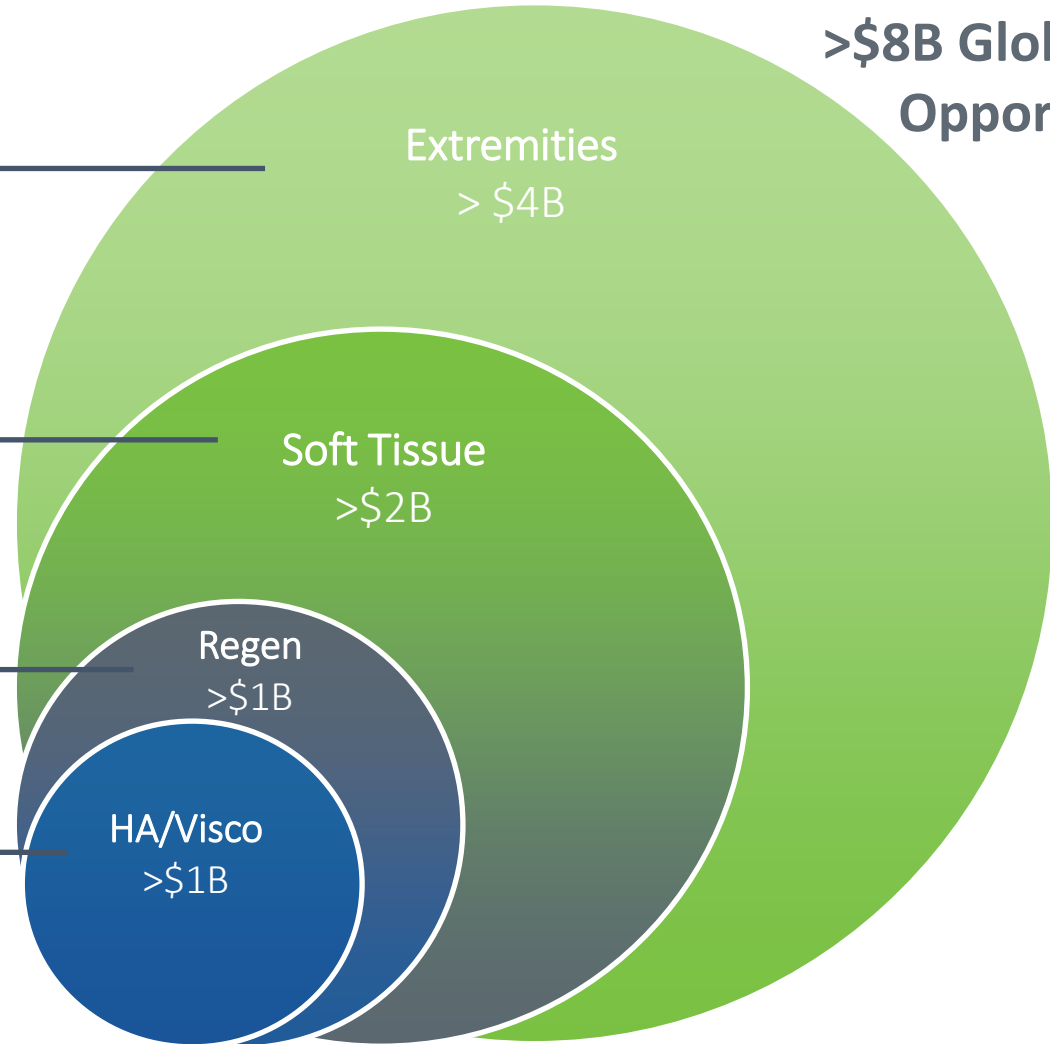
Regenerative Solutions

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

OA² Pain Management

OrthoVisc
 MonoVisc
 Cingal (OUS)
 Cingal (US)

>\$8B Global Market Opportunity ¹

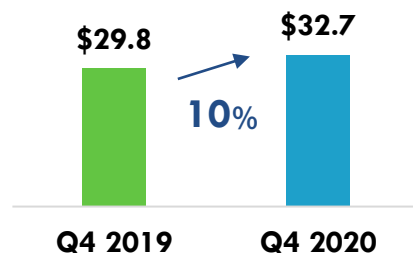


■ Product development roadmap

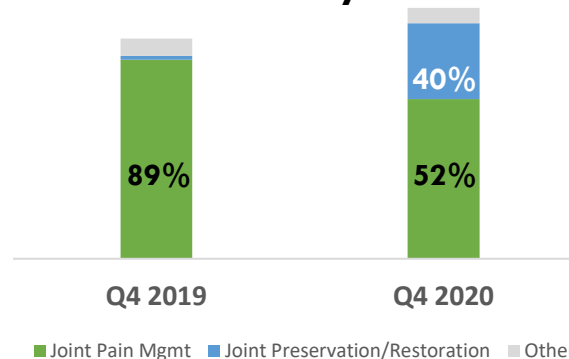
(1) Combination of iData, SmarTRAK, and internal estimates
 (2) Osteoarthritis

Q4 2020 FINANCIAL HIGHLIGHTS

Total Revenue



Product Family Revenue



\$98.3 million
Cash & Investments as of
Dec. 31, 2020

Dollars in millions

- Total revenue increased 10% and diversification accelerated
 - Joint Preservation and Restoration revenue rose to \$13.1 million, up \$12.6 million, primarily due to the acquisitions of Arthrosurface and Parcus Medical; sales were approaching pre-COVID pro-forma levels until end of year COVID spikes
 - Joint Pain Management revenue decreased 36% to \$16.9 million, impacted by COVID and related customer ordering patterns
- Net loss of \$15.7 million, \$1.10 loss per share; Adjusted net income¹ of \$1.7 million, \$0.12 per share; Adjusted EBITDA¹ of \$4.0 million
 - Net loss impacted by non-cash goodwill impairment charge, offset by reduction in value of contingent consideration, both excluded in adjusted net income¹ and adjusted EBITDA¹
 - Down from prior year primarily from COVID impact and investments for growth
- Cash/investments of \$98.3 million; positive operating cash flow of \$2.6 million; repaid final \$25 million of outstanding credit facility

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 first quarter and full year 2021 is not provided at this time
 - Qualitative and directional quantitative outlook subject to changing dynamics including vaccines, COVID spikes and other related developments
- Market trends are pointing to a second half recovery in surgical procedures and slower in OA injectables
- Despite COVID headwinds, Anika is well positioned for growth in 2021 over 2020:
 - Joint Preservation and Restoration: Growing momentum with strong double-digit 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

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 December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Net income (loss)	\$ (15,657)	\$ 4,051	\$ (23,982)	\$ 27,193
Interest and other expense (income), net	185	(360)	302	(1,873)
(Benefit) provision for income taxes	(2,480)	1,111	(4,642)	8,928
Depreciation and amortization	1,714	1,532	6,844	5,991
Stock-based compensation	1,433	1,947	5,386	6,087
Product rationalization related charges	-	-	2,892	-
IPR&D impairment	1,414	-	1,414	-
Acquisition related expenses	-	2,859	4,168	2,859
Acquisition related intangible asset amortization	1,789	-	6,620	-
Acquisition related inventory step up	3,697	-	11,082	-
Goodwill impairment charge	24,376	-	42,520	-
Change in fair value of contingent consideration (benefit)	(12,490)	-	(28,666)	-
Adjusted EBITDA	<u>\$ 3,981</u>	<u>\$ 11,140</u>	<u>\$ 23,938</u>	<u>\$ 49,185</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 December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Net income (loss)	\$ (15,657)	\$ 4,051	\$ (23,982)	\$ 27,193
Product rationalization related charges, tax effected	-	-	2,376	-
IPR&D impairment, tax effected	1,414	-	1,414	-
Acquisition related expenses, tax effected	-	2,256	3,146	2,256
Acquisition related intangible asset amortization, tax effected	1,304	-	4,997	-
Acquisition related inventory step up	2,696	-	8,365	-
Goodwill impairment, tax effected	21,929	-	37,702	-
Change in fair value of contingent consideration, tax effected (benefit)	(9,999)	-	(23,872)	-
Adjusted net income	<u>\$ 1,687</u>	<u>\$ 6,307</u>	<u>\$ 10,146</u>	<u>\$ 29,449</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 December 31,		For the Year Ended December 31,	
	2020	2019	2020	2019
Diluted earnings (loss) per share (EPS)	\$ (1.10)	\$ 0.28	\$ (1.69)	\$ 1.89
Product rationalization related charges, tax effected	-	-	0.17	-
IPR&D impairment, tax effected	0.10		0.10	
Acquisition related expenses per share, tax effected	-	0.15	0.22	0.16
Acquisition related intangible asset amortization, tax effected	0.09		0.35	
Acquisition related inventory step up	0.19		0.59	
Goodwill impairment, tax effected	1.54	-	2.65	-
Change in fair value of contingent consideration, tax effected (benefit)	(0.70)	-	(1.68)	-
Adjusted diluted EPS	<u>\$ 0.12</u>	<u>\$ 0.43</u>	<u>\$ 0.71</u>	<u>\$ 2.05</u>

PRODUCT FAMILY REVENUE AND GROSS MARGIN

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

	For the Three Months Ended December 31,				For the Year Ended December 31,			
	2020	%	2019	%	2020	%	2019	%
Joint Pain Management	\$ 16,861	52%	\$ 26,403	89%	\$ 83,029	64%	\$ 103,466	90%
Joint Preservation and Restoration	13,135	40%	560	2%	39,368	30%	2,070	2%
Other	2,692	8%	2,804	9%	8,060	6%	8,976	8%
Product Revenue	<u>32,688</u>	<u>100%</u>	<u>29,767</u>	<u>100%</u>	<u>130,457</u>	<u>100%</u>	<u>114,512</u>	<u>100%</u>
Licensing, milestone and contract revenue	-	-	5	0%	-	-	98	0%
Total Revenue	<u>\$ 32,688</u>	<u>100%</u>	<u>\$ 29,772</u>	<u>100%</u>	<u>\$ 130,457</u>	<u>100%</u>	<u>\$ 114,610</u>	<u>100%</u>
Gross Profit	\$ 16,745		\$ 21,123		\$ 69,026		\$ 85,863	
Gross Margin	51%		71%		53%		75%	

REVENUE BY GEOGRAPHIC REGION

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

	For the Three Months Ended December 31				For the Year Ended December 31,			
	2020	%	2019	%	2020	%	2019	%
United States	\$ 25,334	78%	\$ 23,764	80%	\$ 103,182	79%	\$ 90,302	78%
Europe	3,039	9%	3,348	11%	14,179	11%	14,744	14%
Other	4,315	13%	2,660	9%	13,096	10%	9,564	8%
Total Revenue	<u>\$ 32,688</u>	<u>100%</u>	<u>\$ 29,772</u>	<u>100%</u>	<u>\$ 130,457</u>	<u>100%</u>	<u>\$ 114,610</u>	<u>100%</u>