



Q3 2022 EARNINGS CALL PRESENTATION

NOVEMBER 8, 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.

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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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Q3 2022 BUSINESS HIGHLIGHTS

✓ Revenue growth of 2% (all comparisons to Q3 2021)

- OA Pain Management¹ down 2%
- Joint Preservation and Restoration up 6%
- Non-Orthopedic¹ up 27% on last-time buys of legacy products

✓ OA Pain Management

- Received 5-year extension of Orthovisc[®] license/supply agreement with J&J Mitek enabling the continuation of our market leadership position in the U.S.
- Successfully achieved primary endpoint in third Cingal[®] Phase III study; combined with previous studies demonstrate Cingal's superiority over each of its active ingredients and placebo

✓ Joint Preservation and Restoration

- First surgeries performed using new X-Twist[™] Fixation System for soft tissue repairs as limited market release commences
- Hyalofast[®] pivotal Phase III clinical trial enrollment 96% complete with 193 patients treated
- Ramping medical education activities with over 400 surgeons trained to date on the safe and effective use of Anika's products



CINGAL[®]



X-Twist[™]
Fixation System



Hyalofast[®]

CINGAL 19-01 PHASE III (PILOT) STUDY MET PRIMARY ENDPOINT

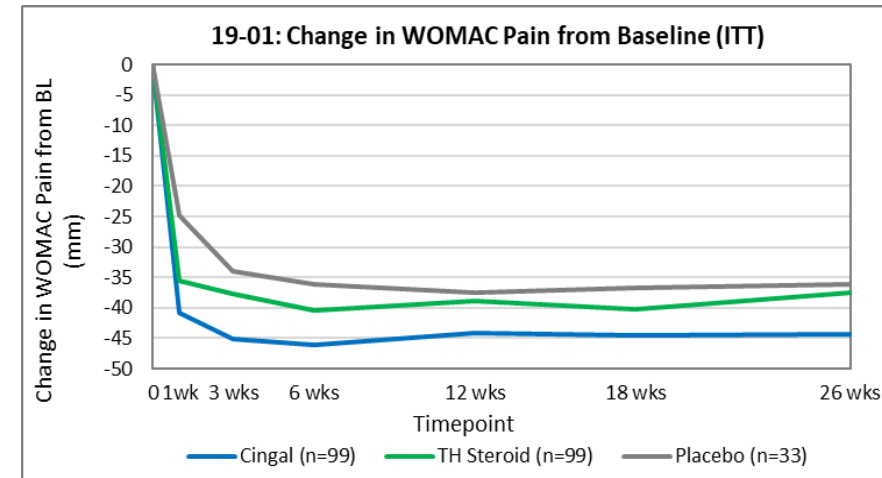
- Study demonstrated superiority of Cingal, a single-injection hyaluronic acid-based viscosupplement combined with fast-acting steroid, over steroid alone, for osteoarthritis pain reduction at 26 weeks
- Cingal 19-01 was a randomized, double-blind study conducted in the U.S. that enrolled 231 subjects in three arms (3:3:1): Cingal, triamcinolone hexacetonide (TH) steroid, and saline
 - Primary Analysis: Change in WOMAC Pain from Baseline at 26 weeks (Cingal vs. TH)
 - Cingal met the primary endpoint and demonstrated superiority over TH at 26 weeks ($p=0.0406$)
 - Cingal arm showed 66% improvement in pain; 90% OMERACT-OARSI Responders at 26 weeks
- Across the three completed Phase III studies, Cingal demonstrated a mean 71% pain improvement from baseline and a mean 91% of Cingal subjects were deemed to be Responders
- Cingal 19-01 is the third completed Phase III study of Cingal and, together with previous studies, has now demonstrated superiority over each of its active ingredients and placebo

“Cingal combines two proven, approved therapies for pain and inflammation into a single injection treatment that has shown to provide immediate pain relief that lasts for 6 months, reduce stiffness and improve function. For knee pain sufferers, the availability of Cingal not only translates to postponing an invasive and costly knee surgery, but also to enabling these individuals to resume their normal lifestyle prior to the onset of chronic pain.”

Prof. Laszlo Hangody
Clinical Professor at the Semmelweis Medical School Budapest and global principal investigator for the Cingal Phase III program

Next Steps:

- Meeting with FDA to discuss next steps for U.S. regulatory approval
- Actively assessing options to advance Cingal, including potential commercial partnerships in the U.S. and select Asian markets



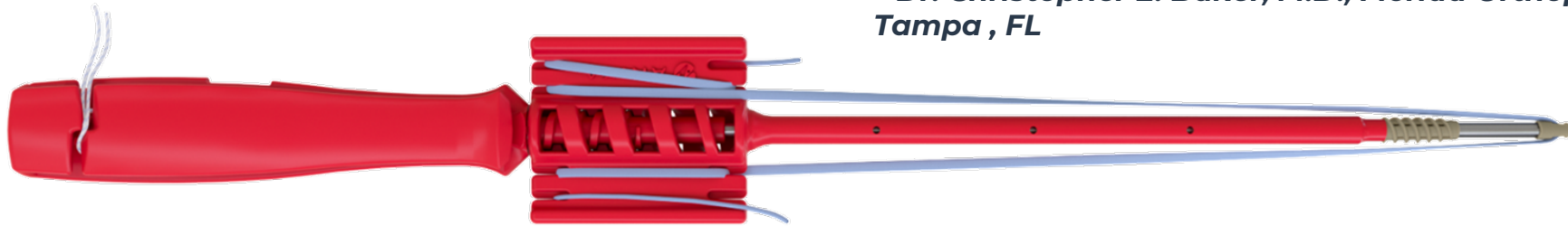
X-TWIST FIXATION SYSTEM: KEY GROWTH DRIVER IN JOINT PRESERVATION

\$600M+¹ MARKET OPPORTUNITY

X-Twist Fixation System is a feature-rich suture anchor platform for soft tissue repairs in the shoulder and other extremities

“The X-Twist is a new addition to the Anika sports medicine portfolio that brings their anchor options to the highest standard in orthopedics in the market. The instrumentation is easy to use and intuitive, and fixation is robust. The X-Twist can easily be used for nearly any soft tissue repair within the shoulder and throughout the body.”

– Dr. Christopher E. Baker, M.D., Florida Orthopedics Institute, Tampa, FL

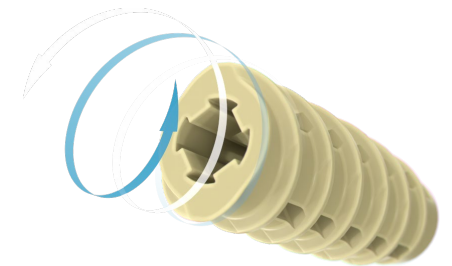
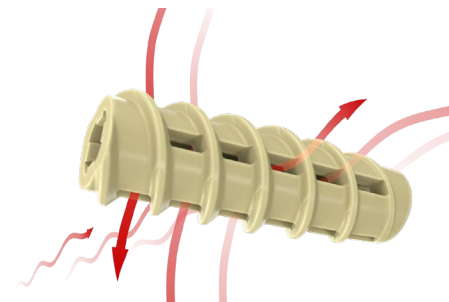
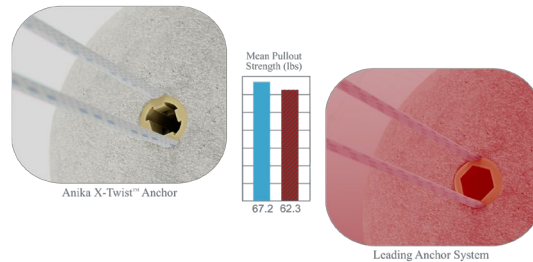
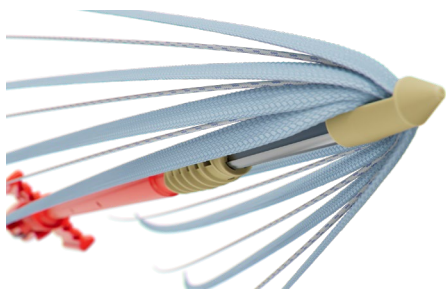


Versatile Suture Eyelet

Strong Fixation

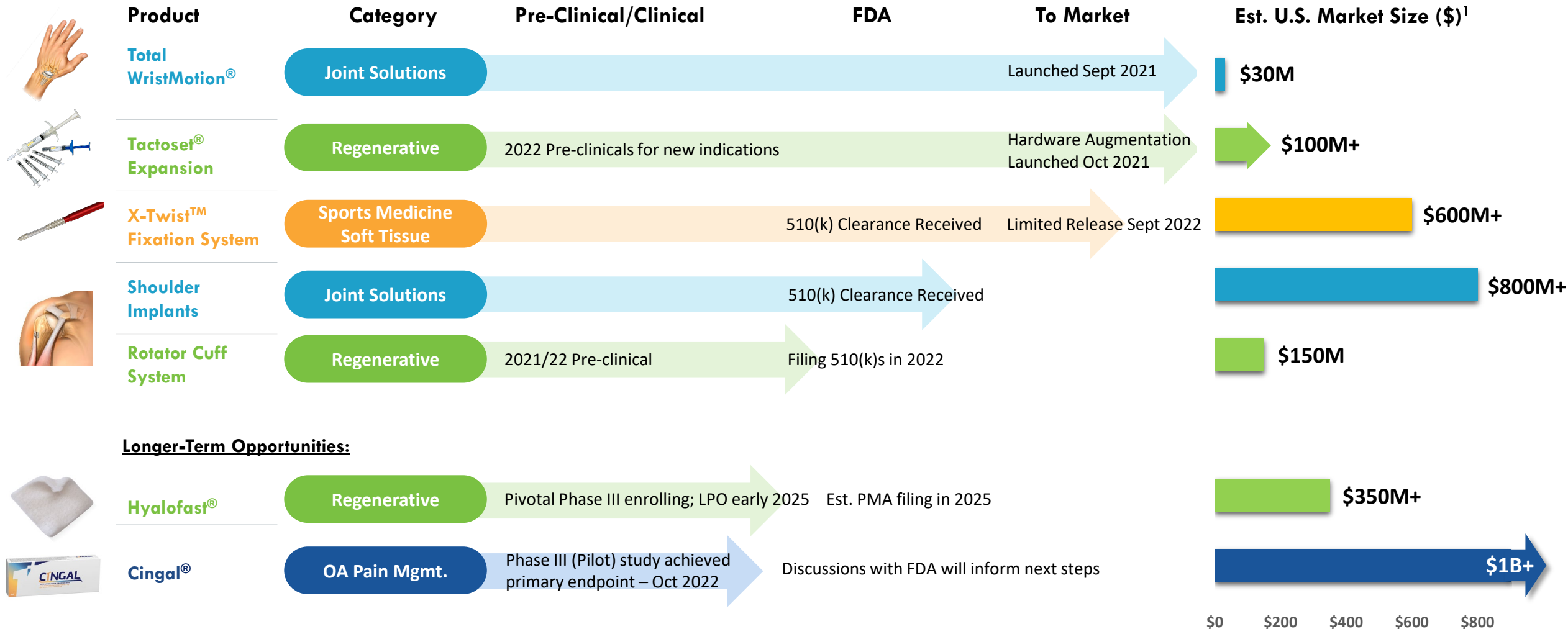
Open Design Supports Healing

Fast and Easy to Insert (X-Spline)



KEY PRODUCT DEVELOPMENT AND CLINICAL TRIAL TIMELINE

NEW PRODUCT LAUNCHES ACCELERATE GROWTH IN 2023-2024+

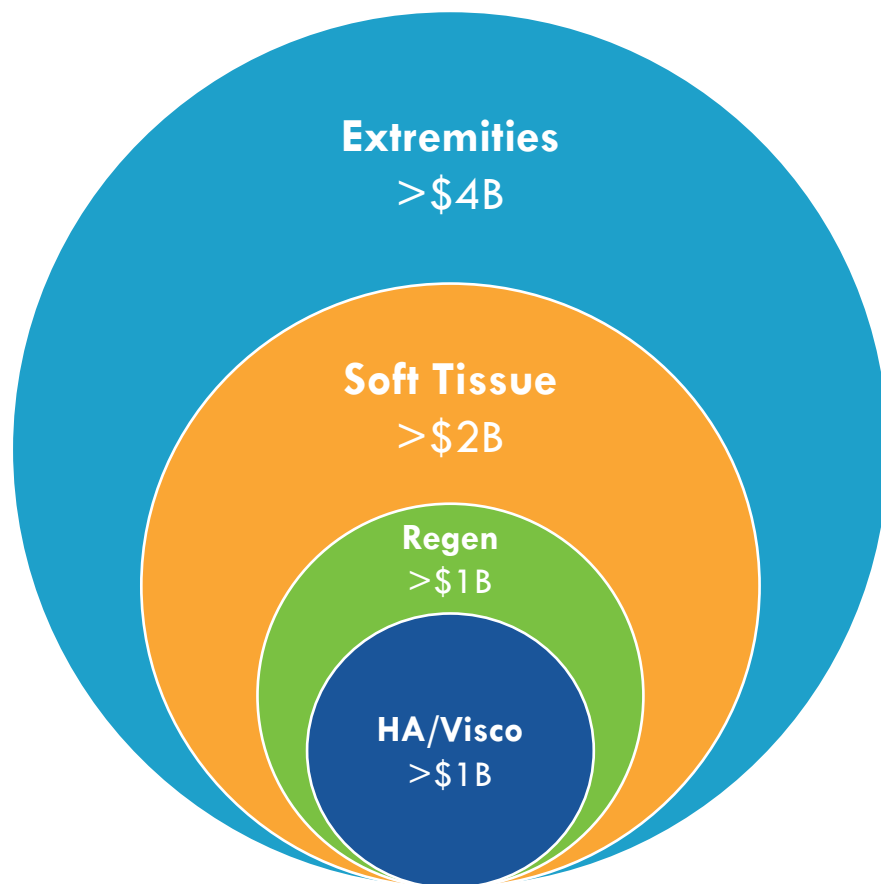


Note: Last Patient Out (LPO).

¹ SmartTRAK 2022 and internal estimates

EXPANDING MARKET OPPORTUNITY IN JOINT PRESERVATION

**FROM \$1B IN 2019 TO \$8B+ TODAY
IN GLOBAL MARKET OPPORTUNITY¹**



ANIKA PORTFOLIO

OA Pain Management

- Monovisc®
- Orthovisc®
- Cingal® (International)
- ▶ Cingal (U.S.)

Regenerative Solutions

- Tactosef®
- Hyalofast® (International)
- ▶ Rotator Cuff System
- ▶ Hyalofast (U.S.)

Sports Medicine Soft Tissue Repair

- X-Twist™ Fixation System
- Suture Anchors
- ▶ Biocomposite Anchors
- ▶ Implants, Instruments and Kits

Bone Preserving Joint Solutions

- OVOMotion® Shoulder
- WristMotion® Arthroplasty
- Upper and Lower Extremity Implants
- ▶ Shoulder, Foot and Ankle Implants

▶ Denotes Product Development Roadmap

MARKET GROWTH RATES²

~1% CAGR

~12% CAGR

~3% CAGR

~5% CAGR

PROGRESSING ON OUR TRANSFORMATION STRATEGY

Maintain Leadership in OA Pain Market

- #1 market share in U.S. and strong growth OUS with Orthovisc and Monovisc
- Cingal commercialized in 35+ countries outside the U.S.
- Advancing Cingal for commercialization in the U.S.

Building a Best-in-Class Portfolio with Continued Strong Commercial Execution

- Advancing product pipeline in Regenerative, Sports Medicine Soft Tissue Repair, and Joint Solutions
 - Successful product launches: Tactoset, WristMotion, X-Twist (limited release)
 - Near-term product launches: Shoulder implants, rotator cuff solutions
 - Longer term opportunities: Hyalofast, Cingal
- Accelerating in-person medical education and focus on delivering value to the ASC

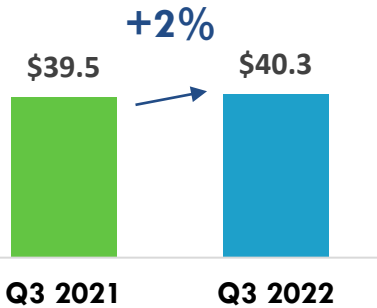
Strong Financial Foundation and Disciplined Capital Allocation

- Healthy balance sheet with solid cash position and no debt

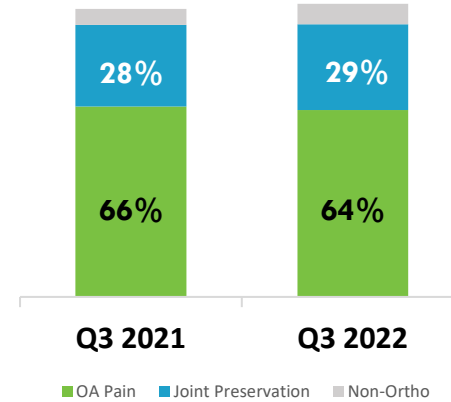


Q3 2022 FINANCIAL HIGHLIGHTS

Total Revenue



Product Family Revenue



Strong Financial Foundation Positive Operating Cash and No Debt

\$87.8 million
Cash Balance as of
September 30, 2022

**Operating Cash
Flow of \$2.7M**

No Debt

Dollars in millions

- Total revenue increased 2% to \$40.3 million
 - OA Pain Management revenue of \$25.7 million, down 2%
 - Joint Preservation and Restoration revenue of \$11.8 million, up 6%
 - Non-Orthopedic revenue of \$2.8 million, up 27% on last-time buys of legacy products
- Gross margin of 57% includes \$1.6 million of non-cash acquisition related expenses and \$2.6 million of product rationalization charges; Adjusted gross margin¹ of 67%
- Net loss of (\$4.2) million, (\$0.29) per share; Adjusted net loss¹ of (\$0.7) million, (\$0.05) per share
- Adjusted EBITDA¹ of \$4.1 million
- Operating cash flow of \$2.7 million; cash balance of \$87.8 million after \$4.3 million payment on remaining acquisition earn-out; no debt

2022 REVENUE OUTLOOK

Revenue Growth

TOTAL COMPANY	Up low to mid single-digit growth (toward upper end of range)
OA Pain Management	Up mid to upper single-digit percent (previously low single-digit)
Joint Preservation & Restoration	Up low to mid single-digit percent (previously mid single to low double-digit)
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.

ANIKA'S COMPELLING INVESTMENT THESIS

Expanding Market Opportunity in Joint Preservation & Restoration

- Acquisitions and new products expand TAM from \$1 billion in 2019 to \$8 billion¹ market today with ~5-7% market CAGR
- Positioned to accelerate growth in 2023 and beyond

Leadership Position in OA Pain Management Market

- #1 market share in U.S. with Monovisc and Orthovisc
- Strong growth OUS with Cingal, Monovisc and Orthovisc

Diversified Best-in-Class Portfolio with Robust R&D Pipeline

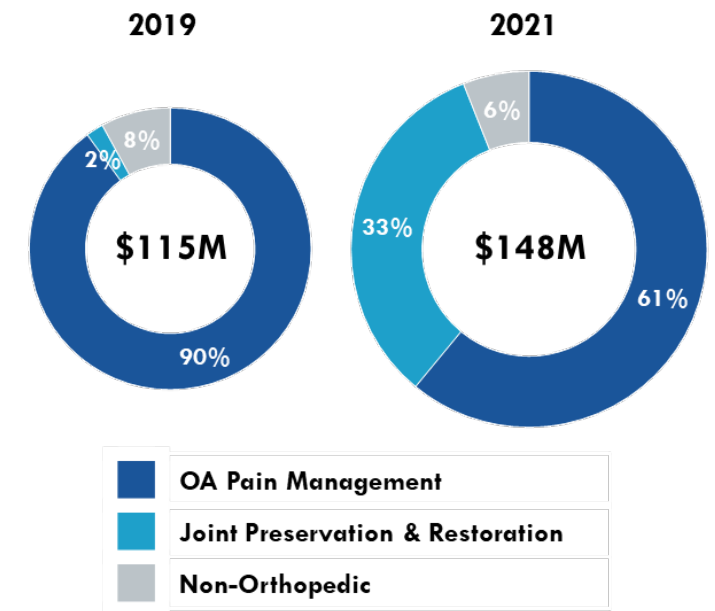
- Broad, differentiated product portfolio with OA Pain Management, Regenerative Solutions, Sports Medicine Soft Tissue Repair and Bone Preserving Joint Solutions
- Multiple new product introductions over next 18 months
- Work ongoing to bring Hyalofast and Cingal to market in the U.S.

Strong Financial Foundation and Disciplined Capital Allocation

- Healthy balance sheet with solid cash position and no debt

Revenue Growth and Diversification

~13% CAGR



¹ SmartTRAK and internal estimates

RESTORING 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 September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 40,264	\$ 39,536	\$ 116,614	\$ 111,973
Cost of Revenue	17,485	16,513	47,169	47,164
Gross Profit	22,779	23,023	69,445	64,809
Operating expenses:				
Research and development	7,301	7,673	20,433	21,327
Selling, general and administrative	21,276	17,500	61,745	53,664
Change in fair value of contingent consideration	-	(3,450)	-	(21,920)
Total operating expenses	28,577	21,723	82,178	53,071
(Loss) income from operations	(5,798)	1,300	(12,733)	11,738
Interest and other income (expense), net	436	(48)	378	(141)
(Loss) income before income taxes	(5,362)	1,252	(12,355)	11,597
(Benefit from) provision for income taxes	(1,187)	694	(2,404)	1,670
Net (loss) income	\$ (4,175)	\$ 558	\$ (9,951)	\$ 9,927
Net (loss) income per share:				
Basic	\$ (0.29)	\$ 0.04	\$ (0.68)	\$ 0.69
Diluted	\$ (0.29)	\$ 0.04	\$ (0.68)	\$ 0.68
Weighted average common shares outstanding:				
Basic	14,603	14,429	14,542	14,389
Diluted	14,603	14,647	14,542	14,588

BALANCE SHEET

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

ASSETS	September 30, 2022	December 31, 2021
Current assets:		
Cash, cash equivalents and investments	\$ 87,777	\$ 94,386
Accounts receivable, net	34,168	29,843
Inventories, net	37,237	36,010
Prepaid expenses and other current assets	8,579	8,289
Total current assets	167,761	168,528
Property and equipment, net	47,390	47,602
Right-of-use assets	30,987	20,957
Other long-term assets	18,342	20,285
Intangible assets, net	76,545	82,382
Goodwill	6,721	7,781
Total assets	<u>\$ 347,746</u>	<u>\$ 347,535</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,353	\$ 7,633
Accrued expenses and other current liabilities	17,999	17,847
Contingent consideration	-	4,315
Total current liabilities	26,352	29,795
Other long-term liabilities	474	1,258
Deferred tax liability	6,800	10,157
Lease liabilities	29,183	19,240
Stockholders' equity:		
Common stock, \$0.01 par value	146	144
Additional paid-in-capital	76,661	67,081
Accumulated other comprehensive loss	(7,497)	(5,718)
Retained earnings	215,627	225,578
Total stockholders' equity	284,937	287,085
Total liabilities and stockholders' equity	<u>\$ 347,746</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 September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Gross Profit	\$ 22,779	\$ 23,023	\$ 69,445	\$ 64,809
Product rationalization related charges	2,636		2,636	2,063
Acquisition related intangible asset amortization	1,562	1,562	4,686	4,686
Acquisition related inventory step up	-	1,458	-	6,244
Adjusted Gross Profit	<u>\$ 26,977</u>	<u>\$ 26,043</u>	<u>\$ 76,767</u>	<u>\$ 77,802</u>
Unadjusted Gross Margin	57%	58%	60%	58%
Adjusted Gross Margin	67%	66%	66%	69%

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 September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (4,175)	\$ 558	\$ (9,951)	\$ 9,927
Interest and other expense, net	(436)	48	(378)	141
Benefit from income taxes	(1,187)	694	(2,404)	1,670
Depreciation and amortization	1,549	1,789	4,980	5,226
Stock-based compensation	3,876	2,863	10,502	7,919
Product rationalization	2,636	-	2,636	2,063
Acquisition related intangible asset amortization	1,787	1,787	5,361	5,361
Acquisition related inventory step up	-	1,458	-	6,244
Change in fair value of contingent consideration	-	(3,450)	-	(21,920)
Adjusted EBITDA	<u>\$ 4,050</u>	<u>\$ 5,747</u>	<u>\$ 10,746</u>	<u>\$ 16,631</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 September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net (loss) income	\$ (4,175)	\$ 558	\$ (9,951)	\$ 9,927
Product rationalization, tax effected	2,056	-	1,947	1,590
Acquisition related intangible asset amortization, tax effected	1,394	1,146	3,960	3,898
Acquisition related inventory step up, tax effected	-	935	-	4,626
Change in fair value of contingent consideration, tax effected	-	(1,865)	-	(17,152)
Adjusted net (loss) income	<u>\$ (725)</u>	<u>\$ 774</u>	<u>\$ (4,044)</u>	<u>\$ 2,889</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 September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Diluted (loss) earnings per share (EPS)	\$ (0.29)	\$ 0.04	\$ (0.68)	\$ 0.68
Product rationalization, tax effected	0.14	-	0.13	0.11
Acquisition related intangible asset amortization, tax effected	0.10	0.08	0.27	0.27
Acquisition related inventory step up, tax effected	-	0.06	-	0.32
Change in fair value of contingent consideration, tax effected	-	(0.13)	-	(1.18)
Adjusted diluted (loss) earnings per share (EPS)	<u>\$ (0.05)</u>	<u>\$ 0.05</u>	<u>\$ (0.28)</u>	<u>\$ 0.20</u>

REVENUE BY PRODUCT FAMILY

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

	For the Three Months Ended September 30,				For the Nine Months Ended September 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>
OA Pain Management	\$ 25,665	\$ 26,153	\$ (488)	-2%	\$ 74,139	\$ 69,790	\$ 4,349	6%
Joint Preservation and Restoration	11,821	11,193	628	6%	36,055	35,296	759	2%
Non-Orthopedic	2,778	2,190	588	27%	6,420	6,887	(467)	-7%
Revenue	<u>\$ 40,264</u>	<u>\$ 39,536</u>	<u>\$ 728</u>	<u>2%</u>	<u>\$ 116,614</u>	<u>\$ 111,973</u>	<u>\$ 4,641</u>	<u>4%</u>