

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,	
	2021	2020	2021	2020
Revenue	\$ 39,536	\$ 31,694	\$ 111,973	\$ 97,769
Cost of Revenue	16,513	14,351	47,164	45,487
Gross Profit	23,023	17,343	64,809	52,282
Operating expenses:				
Research and development	7,673	5,217	21,327	15,799
Selling, general and administrative	17,500	15,903	53,664	44,884
Goodwill impairment	-	-	-	18,144
Change in fair value of contingent consideration	(3,450)	4,150	(21,920)	(16,176)
Total operating expenses	21,723	25,270	53,071	62,651
Income (loss) from operations	1,300	(7,927)	11,738	(10,369)
Interest and other expense, net	(48)	(228)	(141)	(118)
Income (loss) before income taxes	1,252	(8,155)	11,597	(10,487)
Income taxes	694	(1,744)	1,670	(2,161)
Net income (loss)	\$ 558	\$ (6,411)	\$ 9,927	\$ (8,326)
Net income (loss) per share:				
Basic	\$ 0.04	\$ (0.45)	\$ 0.69	\$ (0.59)
Diluted	\$ 0.04	\$ (0.45)	\$ 0.68	\$ (0.59)
Weighted average common shares outstanding:				
Basic	14,429	14,205	14,389	14,202
Diluted	14,647	14,205	14,588	14,202



BALANCE SHEET

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

ASSETS	September 30, 2021	December 31, 2020
Current assets:		
Cash, cash equivalents and investments	\$ 90,976	\$ 98,318
Accounts receivable, net	32,352	24,102
Inventories, net	35,019	46,209
Prepaid expenses and other current assets	7,433	8,754
Total current assets	165,780	177,383
Property and equipment, net	49,111	50,613
Right-of-use assets	21,397	22,619
Other long-term assets	23,671	15,420
Intangible assets, net	85,021	91,157
Goodwill	7,950	8,413
Total assets	<u>\$ 352,930</u>	<u>\$ 365,605</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,942	\$ 8,984
Accrued expenses and other current liabilities	17,339	14,793
Contingent consideration	3,490	13,090
Total current liabilities	28,771	36,867
Other long-term liabilities	1,489	1,244
Contingent consideration	-	22,320
Deferred tax liability	12,972	11,895
Lease liabilities	19,638	20,879
Stockholders' equity:		
Common stock, \$0.01 par value	144	143
Additional paid-in-capital	63,864	55,355
Accumulated other comprehensive loss	(5,319)	(4,542)
Retained earnings	231,371	221,444
Total stockholders' equity	290,060	272,400
Total liabilities and stockholders' equity	<u>\$ 352,930</u>	<u>\$ 365,605</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
(per share data)
(unaudited)

<i>in thousands</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Gross Profit	\$ 23,023	\$ 17,343	\$ 64,809	\$ 52,282
Product rationalization related charges	-	-	2,063	1,920
Acquisition related intangible asset amortization	1,562	1,562	4,686	4,283
Acquisition related inventory step up	1,458	3,273	6,244	7,396
Adjusted Gross Profit	<u>\$ 26,043</u>	<u>\$ 22,178</u>	<u>\$ 77,802</u>	<u>\$ 65,881</u>
Adjusted Gross Margin	66%	70%	69%	67%

RECONCILIATION TABLES – GAAP NET INCOME TO ADJUSTED 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 September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 558	\$ (6,411)	\$ 9,927	\$ (8,326)
Interest and other expense, net	48	228	141	118
Provision (benefit) for income taxes	694	(1,744)	1,670	(2,161)
Depreciation and amortization	1,789	1,718	5,226	5,132
Share-based compensation	2,863	1,920	7,919	3,953
Product rationalization	-	-	2,063	2,892
Acquisition related expenses	-	-	-	4,157
Acquisition related intangible asset amortization	1,787	1,760	5,361	4,831
Acquisition related inventory step up	1,458	3,273	6,244	7,396
Goodwill impairment	-	-	-	18,144
Change in fair value of contingent consideration	(3,450)	4,150	(21,920)	(16,176)
Adjusted EBITDA	<u>\$ 5,747</u>	<u>\$ 4,894</u>	<u>\$ 16,631</u>	<u>\$ 19,960</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 September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 558	\$ (6,411)	\$ 9,927	\$ (8,326)
Product rationalization, tax effected	-	-	1,590	2,377
Acquisition related expenses, tax effected	-	-	-	3,174
Acquisition related intangible asset amortization, tax effected	1,146	1,340	3,898	3,688
Acquisition related inventory step up, tax effected	935	2,492	4,626	5,646
Goodwill impairment, tax effected	-	-	-	15,773
Change in fair value of contingent consideration, tax effected	(1,865)	3,336	(17,152)	(13,873)
Adjusted net income	<u>\$ 774</u>	<u>\$ 757</u>	<u>\$ 2,889</u>	<u>\$ 8,459</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 September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Diluted earnings (loss) per share (EPS)	\$ 0.04	\$ (0.45)	\$ 0.68	\$ (0.59)
Product rationalization, tax effected	-	-	0.11	0.17
Acquisition related expenses per share, tax effected	-	-	-	0.22
Acquisition related intangible asset amortization, tax effected	0.08	0.09	0.27	0.26
Acquisition related inventory step up, tax effected	0.06	0.18	0.32	0.40
Goodwill impairment, tax effected	-	-	-	1.11
Change in fair value of contingent consideration, tax effected	(0.13)	0.23	(1.18)	(0.98)
Adjusted diluted EPS	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ 0.20</u>	<u>\$ 0.59</u>

REVENUE BY PRODUCT FAMILY

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

<i>in thousands</i>	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2021	%	2020	%	2021	%	2020	%
Joint Pain Management	\$ 26,153	66%	\$ 18,439	58%	\$ 69,790	62%	\$ 66,168	68%
Joint Preservation and Restoration	11,193	28%	11,715	37%	35,296	32%	26,233	27%
Other	2,190	6%	1,540	5%	6,887	6%	5,368	5%
Revenue	\$ 39,536	100%	\$ 31,694	100%	\$ 111,973	100%	\$ 97,769	100%