

A photograph of a large, modern brick building with extensive glass windows, likely the Anika Therapeutics headquarters. The building is set against a dramatic sky with soft, golden light from a low sun, creating a warm, hazy atmosphere. The sky is filled with wispy clouds. In the foreground, there is a paved area and some greenery. A small sign with the word 'ANIKA' is visible near the entrance.

Anika Therapeutics, Inc.
Third Quarter 2014
Investor Conference Call

October 30, 2014



Safe Harbor Statement

The statements made in this presentation which are not statements of historical fact 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 involve known and unknown risks, uncertainties and other factors. The words “potential,” “develop,” “promising,” “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 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 including the results of its research and development efforts and timing of regulatory approvals. Certain other factors that might cause the Company’s actual results to differ materially from those in the forward-looking statements include those set forth under the headings “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013, as well as those described in the Company’s other press releases and SEC filings.

Overview

Strong third-quarter results

- **Total revenue up 24% to \$22.1M**
- **Orthobiologics product revenue up 47% year over year**
 - Driven by U.S. revenue of Orthovisc[®] as well as product revenue associated with Monovisc[®] U.S. launch*
- **Surgical and Dermal franchises also report YOY growth**
- **Ophthalmic revenue decreased as expected due to order timing**

Income Statement Highlights

Solid top- and bottom-line performance in Q3 2014

Dollars in millions, except per-share amounts

	Q3 2013	Q3 2014	% Δ
Total Revenue	\$17.8	\$22.1	24%
Product Gross Margin	68%	74%	
Operating Expenses	\$10.0	\$11.8	18%
Operating Income	\$7.8	\$10.3	32%
Net Income	\$5.0	\$6.2	24%
Diluted EPS	\$0.33	\$0.40	21%

Balance Sheet Highlights

Increased cash and strong working capital position

(In millions)	12/31/13	9/30/14
Cash and Investments	\$63.3	\$91.8
Working Capital	\$85.3	\$122.2
Stockholders' Equity	\$135.6	\$169.7

\$28M cash increase

- Strong cash from operations
- U.S. Monovisc[®] milestone payments earned in 1H 2014

Orthobiologics Highlights

Progress on global viscosupplementation market share strategy

- **Strategic goal: achieve 15% global viscosupplementation market share by the end of 2018**
 - I. **Leverage U.S. brand leadership to drive global Monovisc[®] and Orthovisc[®] growth**
 - II. **Expand international distribution network**
 - III. **Launch new products**

Orthobiologics Highlights

Progress on new product development activities

Cingal[®]

- *On track to complete clinical trial data analysis and submit CE Mark application by year-end 2014 or shortly thereafter*
- *Initiated planning activities for a safety extension study of current Cingal trial, expect to complete patient follow-ups around mid-2015*

Hyalofast[™]

- *Continued progress to make available as one-step cartilage repair solution in U.S.*
- *Remain on track to commence study in mid-2015*

2014 Business Outlook

Well-positioned for continued revenue growth and profitability

- U.S. viscosupplementation demand steadily improved since slow 1H '14 and expect FY2014 revenue to outperform market growth rate
- Cingal® and Hyalofast™ advancing toward commercialization
- Expanded organizational and operational capabilities
- Distributor model generating consistent growth

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