



# ANIKA THERAPEUTICS PIPER SANDLER HEALTHCARE CONFERENCE

NOVEMBER 22, 2021

ANIKA. RESTORE ACTIVE LIVING.™



# SAFE HARBOR STATEMENTS

## Cautionary Note on Forward-looking Statements

This presentation contains 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 that reflect the current beliefs, expectations, and assumptions of Anika Therapeutics, Inc. (the “Company”) regarding the future of its business, including its commercial capabilities, initiatives and production, its product pipeline and associated timelines, its upcoming corporate milestones, and its growth strategy, growth targets and projections. The words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “expect,” “estimate,” “seek,” “predict,” “future,” “project,” “potential,” “continue,” “target” and similar words or expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements in this presentation are based on management’s current expectations and beliefs and are subject to a number of risks, uncertainties and important factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this presentation, including, without limitation, risks associated with: (i) the Company’s ability to successfully commence and/or complete clinical trials of its products on a timely basis or at all; (ii) the Company’s ability to obtain pre-clinical or clinical data to support domestic and international pre-market approval applications, 510(k) applications, or new drug applications, or to timely file and receive FDA or other regulatory approvals or clearances of its products; (iii) that such approvals will not be obtained in a timely manner or without the need for additional clinical trials, other testing or regulatory submissions, as applicable; (iv) the Company’s research and product development efforts and their relative success, including whether we have any meaningful sales of any new products resulting from such efforts; (v) the cost effectiveness and efficiency of the Company’s clinical studies, manufacturing operations, and production planning; (vi) the strength of the economies in which the Company operates or will be operating, as well as the political stability of any of those geographic areas; (vii) future determinations by the Company to allocate resources to products and in directions not presently contemplated; (viii) the Company’s ability to successfully commercialize its products, in the U.S. and abroad; (ix) the Company’s ability to provide an adequate and timely supply of its products to its customers; and (x) the Company’s ability to achieve its growth targets. Additional factors and risks are described in the Company’s periodic reports filed with the Securities and Exchange Commission, and they are available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Forward-looking statements are made based on information available to the Company on the date of this press release, and the Company assumes no obligation to update the information contained in this press release.

## Cautionary Note on Non-GAAP Financial Measures

This presentation includes financial measures which are not prepared in accordance with generally accepted accounting principles (“GAAP”). These non-GAAP financial measures, which included adjusted gross margin and adjusted EBITDA, should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. For a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures prepared and presented in accordance with GAAP, please see the reconciliation tables as an appendix to this presentation and the Company’s quarterly press releases and the reconciliation available under the “Quarterly Results” tab in the Investor Relations section of the Company’s website at [www.anika.com](http://www.anika.com).

# ANIKA SNAPSHOT (NASDAQ: ANIK)

## Company Background

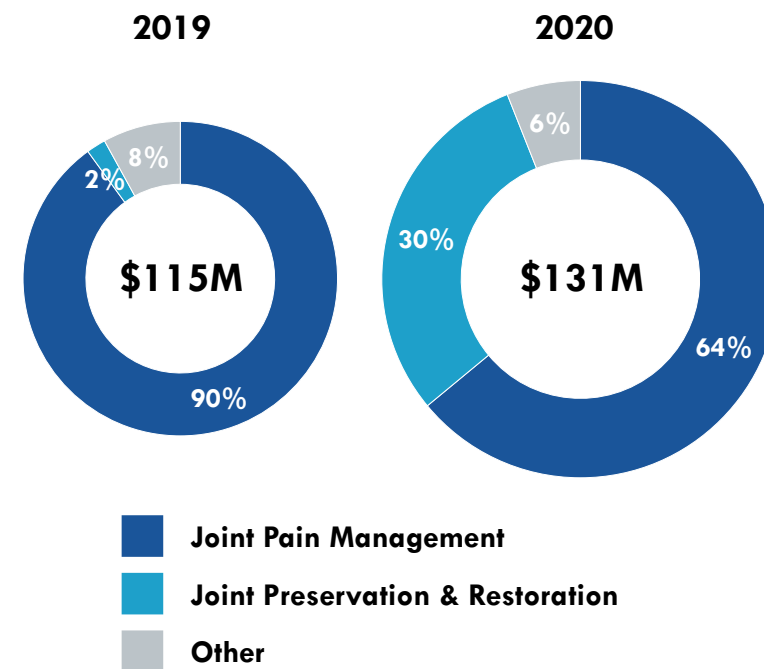
- 30+ years of global expertise in HA-based products; 20+ years in bone preserving joint technologies and sports medicine
- #1 Position in HA-based osteoarthritis (OA) pain management in U.S.
- Diversified and innovative joint preservation portfolio
  - Joint pain management
  - Regenerative solutions
  - Soft tissue repair
  - Bone preserving joint technologies
- Full new product development pipeline including **Hyalofast®** and **Cingal®** clinical trials in the U.S.

## Key Statistics

Founded	1992
Headquarters	Bedford, MA
Market Cap <sup>1</sup>	\$650M
Total Employees	~295
Countries Served	75+
2020 Adj. EBITDA <sup>2</sup> Margin	18%
2020 Cash & Investments	\$98M

## Revenue Diversification

~14% YoY Growth



RESTORING ACTIVE LIVING FOR PEOPLE AROUND THE WORLD

# ONE BUSINESS WITH TWO MODELS

## JOINT PAIN MANAGEMENT



### STEADY, HIGHLY PROFITABLE CASH GENERATOR

~1% **CAGR** Market Growth<sup>1</sup>

**\$1B** Global Addressable Market<sup>2</sup>

**Strong Profitability**

**Significant Cash Generation** to Fuel Growth

**Cingal Growth Opportunity** in U.S. Post 2024

## JOINT PRESERVATION & RESTORATION



### ABOVE MARKET GROWTH WITH LARGE TAM

~5-7% **CAGR** Market Growth<sup>1</sup>

**\$7B** Global Addressable Market<sup>2</sup>

**Strong Double-digit** Revenue Growth

**Significant Value** Creation

**Hyalofast Growth Opportunity** in U.S. Post 2024

# NEW, SEASONED LEADERSHIP FUELING PROFIT, GROWTH, AND IMPACT



**Cheryl R. Blanchard, Ph.D.**

President & CEO

Joined: 2020



**Mike Levitz**  
EVP, CFO & Treasurer  
2020



**David Colleran**  
EVP, General Counsel &  
Corporate Secretary  
2020



**Anne Nunes**  
VP, Operations  
2021



**Jim Loerop**  
EVP, Business Development &  
Strategic Planning  
2019



**Tom Finnerty**  
EVP, Human Resources  
2017



**James Chase**  
SVP, International  
Sales & Marketing  
2018



**Ben Joseph**  
VP, U.S. Commercial &  
Global Brand Management  
2020



**Steve Ek**  
VP, Research & Development  
2020



**Kevin Stone**  
VP & GM, Sports Medicine  
2021



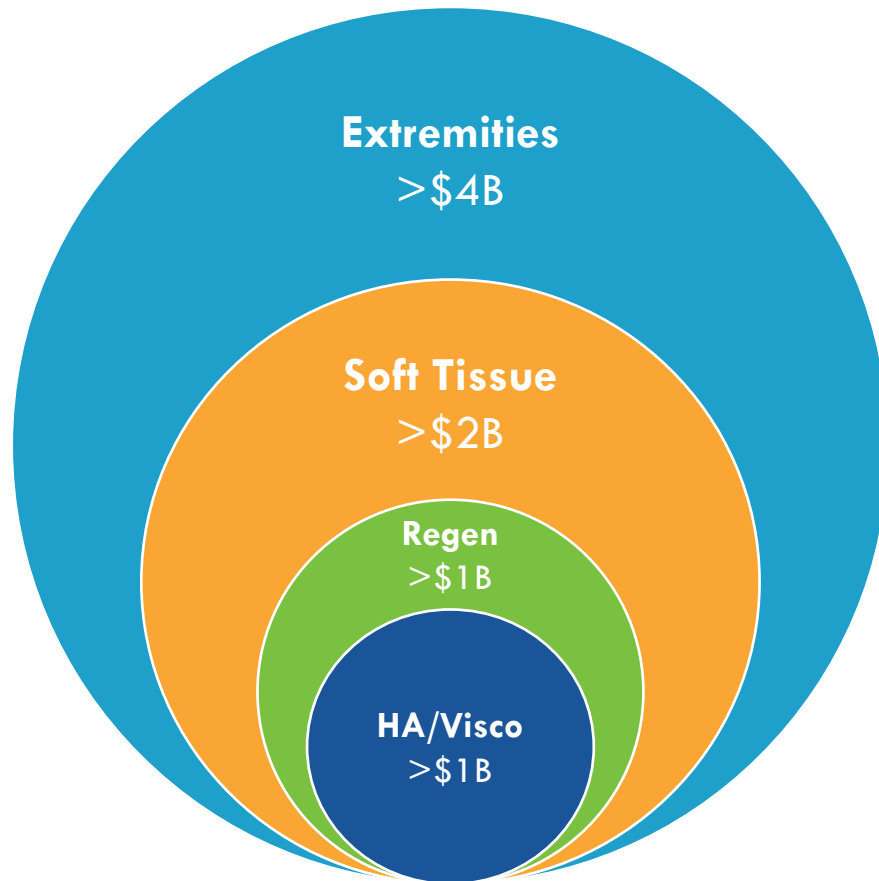
**Mira Leiwant**  
VP, Regulatory, Quality &  
Clinical Affairs  
2019

90% Appointed to New Position within Last 2 Years

DECADES OF EXPERIENCE LEADING ORTHOPEDIC, REGENERATIVE MEDICINE, & MEDICAL DEVICE COMPANIES

# EXPANDING MARKET OPPORTUNITY IN JOINT PRESERVATION

FROM \$1B IN 2019 TO \$8B+ TODAY  
IN GLOBAL MARKET OPPORTUNITY<sup>1</sup>



## ANIKA PORTFOLIO

### Joint Pain Management

Orthovisc®

Monovisc®

Cingal (International)

► Cingal (U.S.)

### Regenerative Solutions

Tactoset®

Hyalofast (International)

► Rotator Cuff System

► Hyalofast (U.S.)

### Soft Tissue Repair

Suture Anchors

► Biocomposite Anchors

► Implants, Instruments and Kits

### Bone Preserving Joint Technologies

OVOMotion® Shoulder

WristMotion® Arthroplasty

Upper and Lower Extremity Implants

► Shoulder, Foot and Ankle Implants

► Denotes Product Development Roadmap

## MARKET GROWTH RATES<sup>2</sup>

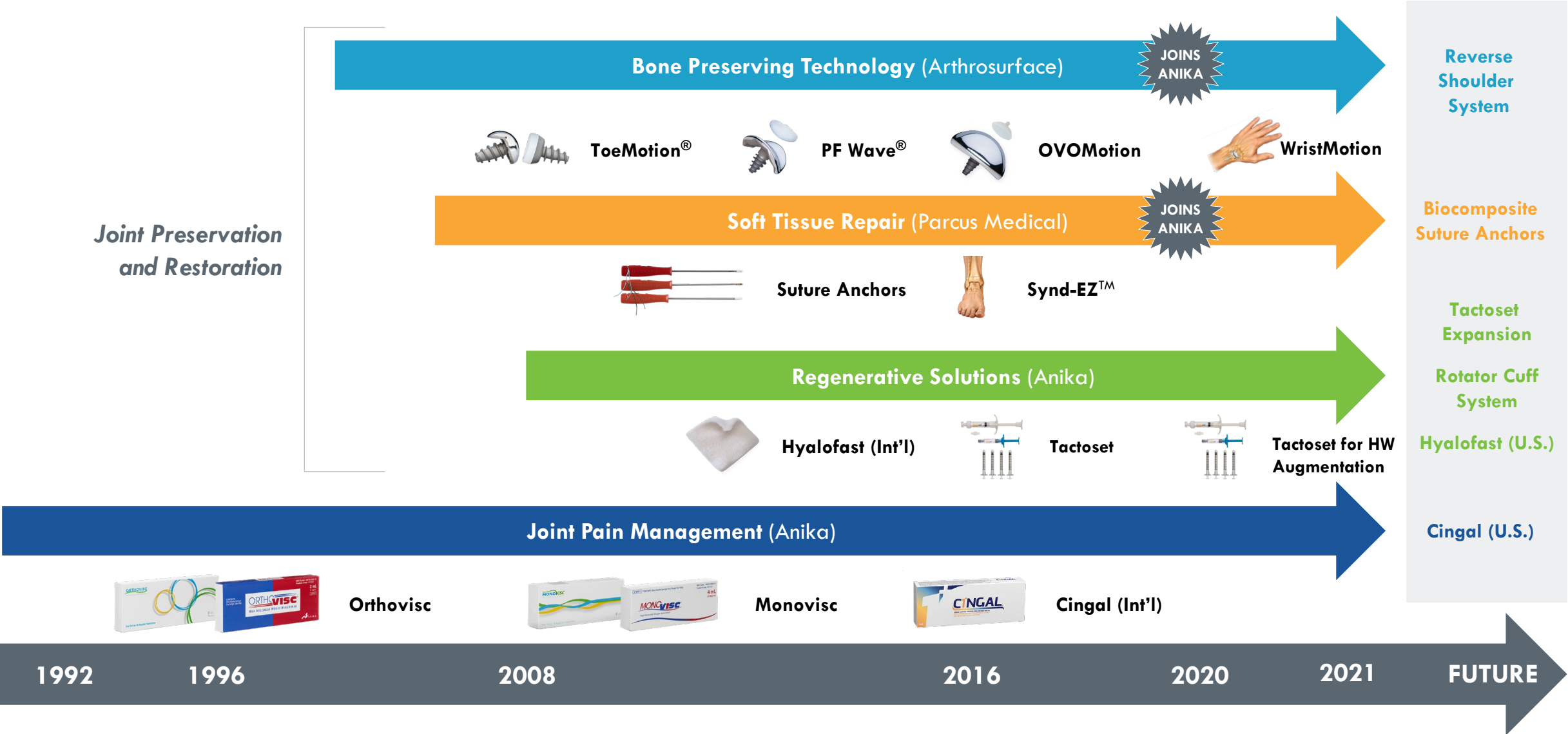
~1% CAGR

~12% CAGR

~3% CAGR

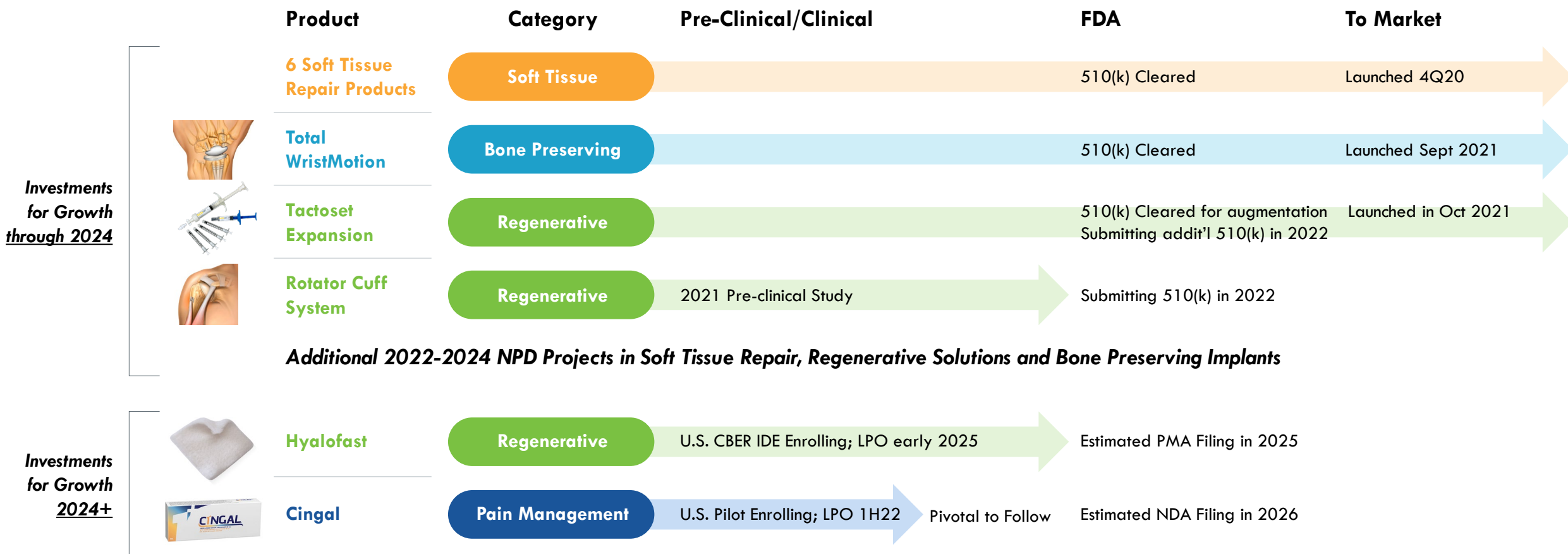
~5% CAGR

# EVOLUTION OF OUR PORTFOLIO IN EARLY INTERVENTION ORTHOPEDICS





# KEY PRODUCT DEVELOPMENT AND CLINICAL TRIAL TIMELINE



Meaningful Solutions in  
Early Intervention Orthopedic Care

Delivering New Soft Tissue and Regenerative  
Solutions Leveraging Proprietary HA Technology

2024 Financial Targets Do Not Include Pipeline  
Opportunities from Cingal and Hyalofast in U.S.



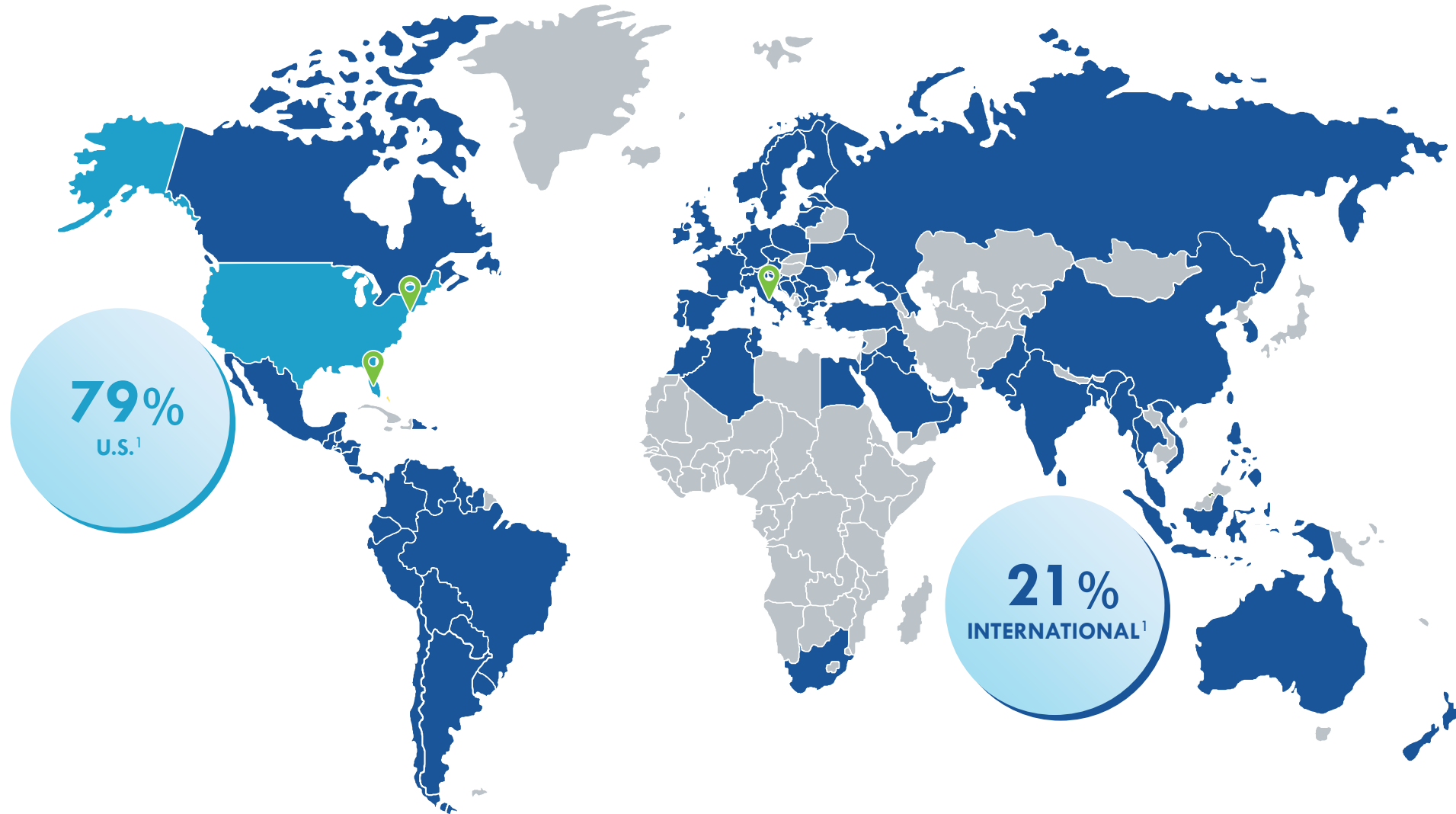
# POSITIONED FOR STRONG COMMERCIAL EXECUTION

- **30+ sales reps and large distributor network** focused on surgical call point/ Ambulatory Surgical Center (ASC) in U.S.
- **Established network of international distributors** in joint pain and joint preservation & restoration
- **Joint pain injectables sold through J&J Mitek** in U.S.

📍 R&D / Manufacturing Operations

■ U.S.

■ International



# THE ASC IS WHERE THE MARKET AND ANIKA ARE GOING

## Patient Drivers

- Younger, Active, Healthier • Deeper Engagement • Better Informed • Data
- Increased Expectations

## Customer Types

- Sports Medicine • Shoulder • Foot/Ankle • Hip/Knee
- Wrist/Elbow • Generalist

## Competitive Dynamics

- Operational Silos • Existing Infrastructure • Protect ASP Above All • Channel Dyssynergy

## Market Dynamics

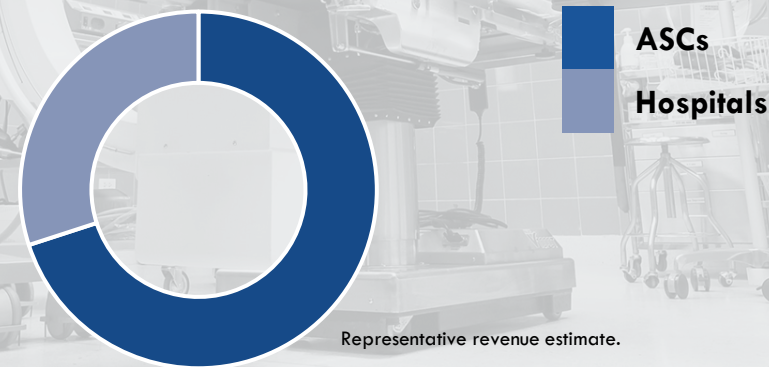
**6,000+ ASC Facilities in U.S.**

- Increased Demand Post-COVID • Aligned Financial Incentives • Value-based Offerings
- Reimbursement Pressure • Standardization

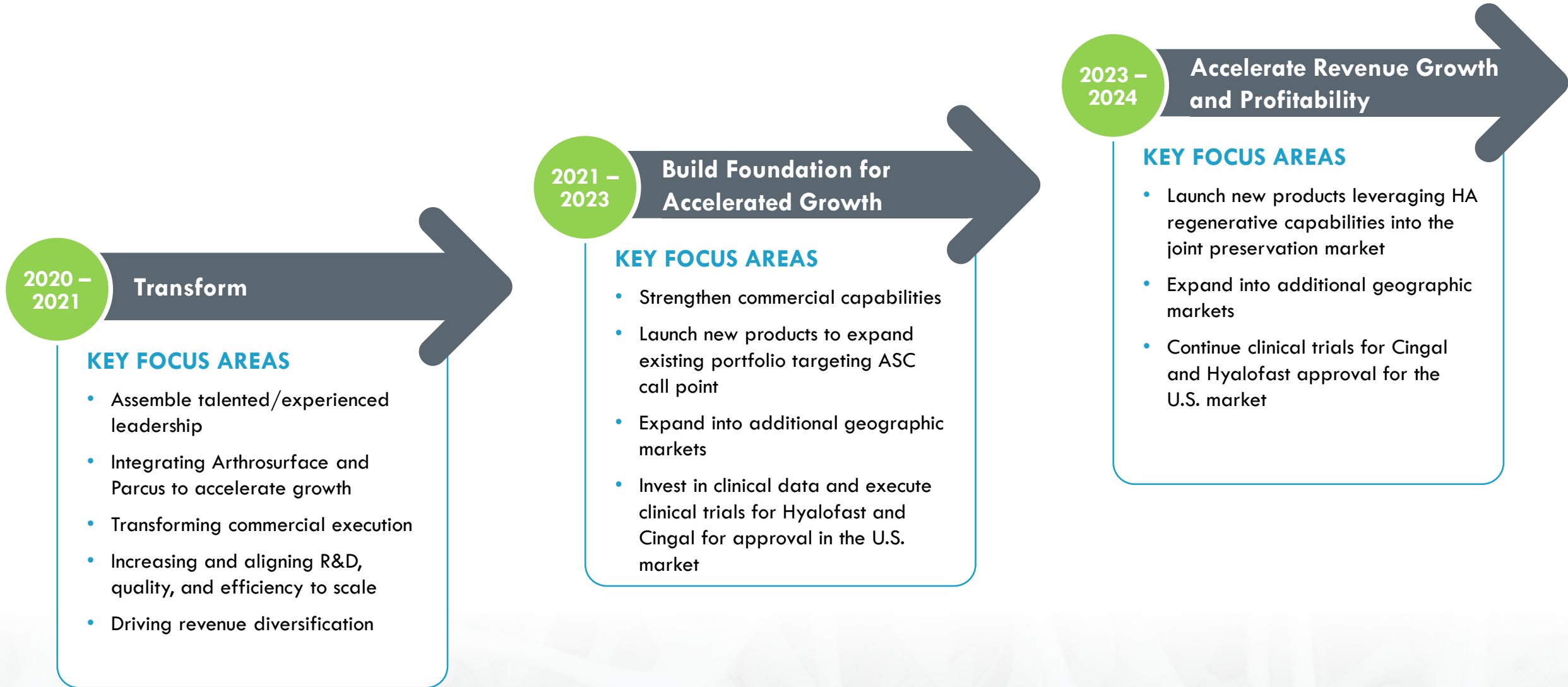
## Building on Strengths

- Procedural kits; simple and intuitive instrumentation necessary given space and ASC processing constraints
- Efficient delivery model
- Comprehensive, high-value portfolio sell
- High-value offering
- Joint preservation focus

## Revenue and Procedures Increasing in ASCs

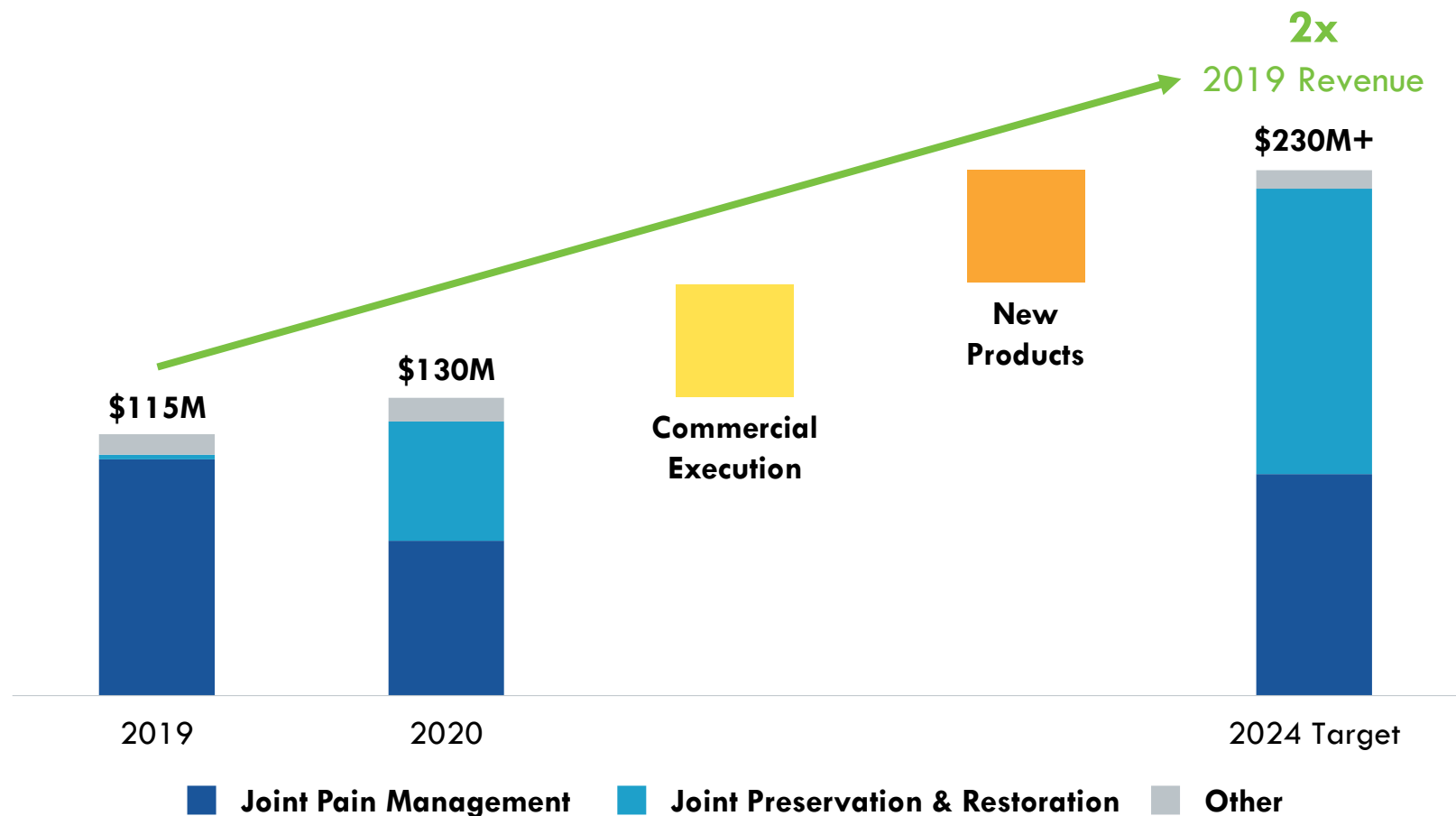


# MULTI-YEAR STRATEGY FOR VALUE CREATION



# POSITIONED TO DOUBLE REVENUE BY 2024 WITH STRONG PROFITABILITY

**On Track to 2024 Growth Target,  
Accelerating to Mid-Teens Revenue CAGR**



## 2024 Targets

**\$230M+ Revenue  
on Mid-Teens CAGR**

**Adj. Gross Margin<sup>1</sup> 70%+**

**>20% Adj. EBITDA<sup>1</sup> Margin,  
Double-digit EBITDA growth run rate by 2024**

### Clarification to Adj. EBITDA Margin Target

- Due to COVID, the **Cingal pivotal trial** likely continues through 2024<sup>2</sup>; due to the discrete nature of this trial, outside of our ongoing run rate, we have **excluded this cost** from our Adj. EBITDA targets



# STRATEGIC CAPITAL DEPLOYMENT FOCUSED ON GROWTH OPPORTUNITIES

## Strong Financial Foundation

**\$91M<sup>1</sup> in Cash and Investments**

**Operating Cash Flow of \$13M<sup>2</sup> in 2020 and positive Free Cash Flow**

**Minimal debt; recently expanded available credit facility to \$75M**

## Priorities

### Reinvesting for Organic Growth

- Prioritizing organic growth given significant near- and mid-term opportunities in support of accelerated revenue growth toward 2024 targets of 2x revenues and double-digit EBITDA growth run rate
- Investing in commercial execution and research and development (\$23M (18% of revenues) in R&D in 2020) to support hybrid commercial joint preservation strategic transformation

### Supplementing with M&A

- Deployed \$100M for Arthrosurface and Parcus acquisitions (2020); remaining earn-outs estimated at \$3.5M<sup>3</sup>; current focus is on integration
- Strategic criteria for future tuck-in opportunities: complementary to orthopedics core competencies; utilize Anika's distribution channel

<sup>1</sup> As of September 30, 2021. <sup>2</sup> For the year ended December 31, 2020. <sup>3</sup> The acquisitions of Arthrosurface and Parcus Medical included earn-outs based on sales and regulatory milestones in 2020-2022 that could total up to \$100M. In 2020 and 2021, Anika paid \$15M in earn-outs for achievement of regulatory milestones. The estimated fair value of remaining earn-outs was \$3.5M as of September 30, 2021.

# TRANSFORMATIONAL GROWTH STORY DRIVES SIGNIFICANT STAKEHOLDER VALUE

## Strong 2024 Targets to Accelerate Revenue Growth with Growing Profitability; Building Opportunity Set for Beyond

- ✓ Expanded market **opportunity** from **\$1B to \$8B+**
- ✓ **Continuing to sustain #1 position** in U.S. joint pain management injectables market
- ✓ **Strengthened commercial organization**; will deliver differentiated orthopedic surgical solutions
- ✓ **Robust innovation pipeline leveraging our HA and implant expertise** across early intervention orthopedics
- ✓ Delivering game changing solutions **Hyalofast** and **Cingal** in U.S. for **additional growth beyond 2024**

## 2024 TARGETS

**Doubling 2019 Revenue on Mid-Teens Revenue CAGR**

**Adj. Gross Margin<sup>1</sup> Expands to 70%+**

**Double-digit Adj. EBITDA<sup>1,2</sup> Growth Run Rate by 2024; >20% Adj. EBITDA Margin**

**THANK YOU**

# APPENDIX

## NON-GAAP RECONCILIATION AND SUPPLEMENTAL DATA



# RECONCILIATION TABLES – ANNUAL GAAP NET INCOME TO ADJUSTED EBITDA\*

**Reconciliation of GAAP Net Income to Adjusted EBITDA**  
(in thousands, except per share data)  
(unaudited)

	<b>For the Year Ended December 31,</b>	
<i>in thousands, except per share data</i>	<b>2020</b>	<b>2019</b>
Net income (loss)	\$ (23,982)	\$ 27,193
Interest and other expense (income), net	302	(1,873)
(Benefit) provision for income taxes	(4,642)	8,928
Depreciation and amortization	6,844	5,991
Stock-based compensation	5,386	6,087
Product rationalization related charges	2,892	-
IPR&D impairment	1,414	-
Acquisition related expenses	4,168	2,859
Acquisition related intangible asset amortization	6,620	-
Acquisition related inventory step up	11,082	-
Goodwill impairment	42,520	-
Change in fair value of contingent consideration (benefit)	(28,666)	-
Adjusted EBITDA	<u>\$ 23,938</u>	<u>\$ 49,185</u>
Adjusted EBITDA Margin	18%	43%

\* The Company is not reconciling these measures on a forward-looking basis as because the GAAP measures that the Company excludes from these non-GAAP measures are not available without unreasonable effort due to their unpredictability, high variability, complexity, and low visibility

# RECONCILIATION TABLES – ANNUAL GAAP GROSS PROFIT TO ADJ. GROSS PROFIT/MARGIN\*

## Reconciliation of GAAP Gross Profit to Adjusted Gross Profit (in thousands) (unaudited)

	For the Year Ended December 31,	
<i>in thousands</i>	2020	2019
Gross Profit	\$ 69,026	\$ 85,863
Product rationalization related charges	1,920	-
Acquisition related intangible asset amortization	5,807	-
Acquisition related inventory step up	11,082	-
Adjusted Gross Profit	<u>\$ 87,835</u>	<u>\$ 85,863</u>
Adjusted Gross Margin	67%	75%

\*The Company is not reconciling these measures on a forward-looking basis as because the GAAP measures that the Company excludes from these non-GAAP measures are not available without unreasonable effort due to their unpredictability, high variability, complexity, and low visibility

# 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	\$ 5,747	\$ 4,894	\$ 16,631	\$ 19,960



# 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	\$ 774	\$ 757	\$ 2,889	\$ 8,459

# 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>	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
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	\$ 0.05	\$ 0.05	\$ 0.20	\$ 0.59

# 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%

# REVENUE BY GEOGRAPHIC REGION

**Total Revenue by Geographic Region**  
(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	%
United States	\$ 30,910	78%	\$ 26,409	84%	\$ 85,984	77%	\$ 77,848	80%
Europe	4,238	11%	2,954	9%	14,808	13%	11,140	11%
Other	4,388	11%	2,331	7%	11,181	10%	8,781	9%
Total Revenue	<u>\$ 39,536</u>	<u>100%</u>	<u>\$ 31,694</u>	<u>100%</u>	<u>\$ 111,973</u>	<u>100%</u>	<u>\$ 97,769</u>	<u>100%</u>