UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-14027

Anika Therapeutics, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**04-3145961**
(State or Other Jurisdiction of Incorporation or Organization)	*(IRS Employer Identification No.)*

32 Wiggins Avenue, Bedford, Massachusetts 01730
(Address of Principal Executive Offices) (Zip Code)

(781) 457-9000
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	*Trading Symbol*	*Name of Each Exchange on Which Registered*
Common Stock, par value $0.01 per share	ANIK	NASDAQ Global Select Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting common stock held by non-affiliates of the registrant as of June 30, 2025, the last day of the registrant's most recently completed second fiscal quarter, was $147,343,841 computed by reference to the closing price of common stock on such date. The registrant does not have any non-voting stock outstanding.

At February 20, 2026, there were 13,400,751 shares of the registrant's common stock outstanding.

Documents Incorporated By Reference

Portions of the registrant's proxy statement for its 2026 annual meeting of stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K.

ANIKA THERAPEUTICS, INC.
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References in this Annual Report on Form 10-K to "we," "us," "our," "our company," and other similar references refer to Anika Therapeutics, Inc. and its subsidiaries unless the context otherwise indicates.

ANIKA, ANIKA THERAPEUTICS, ANIKAVISC, CINGAL, HYAFF, HYALOBARRIER, HYALOFAST, HYVISC, INTEGRITY, MONOVISC, NUVISC, ORTHOVISC, and TACTOSET are our trademarks that appear in this Annual Report on Form 10-K. For convenience, these trademarks may appear in this Annual Report on Form 10-K without ® and ™ symbols, but that practice does not mean that we will not assert, to the fullest extent under applicable law, our rights to the trademarks. This Annual Report on Form 10-K also contains trademarks and trade names that are the property of other companies and licensed to us.

FORM 10-K
ANIKA THERAPEUTICS, INC.
For Fiscal Year Ended December 31, 2025

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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 concerning our business, consolidated financial condition, and results of operations. The Securities and Exchange Commission (“SEC”) encourages companies to disclose forward-looking statements so that investors can better understand a company’s future prospects and make informed investment decisions. Forward-looking statements are subject to risks and uncertainties, many of which are outside our control, which could cause actual results to differ materially from these statements. Therefore, you should not rely on any of these forward-looking statements. Forward-looking statements can be identified by such words as "will," "likely," "may," "believe," "expect," "anticipate," "intend," "seek," "designed," "develop," "would," "future," "can," "could," and other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters. All statements other than statements of historical facts included in this Annual Report regarding our strategies, prospects, financial condition, operations, costs, plans, and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements regarding expected future operating results, expectations regarding the timing and receipt of regulatory results, anticipated levels of capital expenditures, and expectations of the effect on our financial condition of claims, litigation, and governmental and regulatory proceedings.

Please refer to "Item 1A. Risk Factors" for important factors that we believe could cause actual results to differ materially from those in our forward-looking statements. Any forward-looking statement made by us in this Annual Report on Form 10-K is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments, or otherwise.

RISK FACTOR SUMMARY

The risk factors detailed in Item 1A entitled "Risk Factors" in this Annual Report on Form 10-K are the risks that we believe are material to our investors and a reader should carefully consider them. Those risks are not all of the risks we face and other factors not presently known to us or that we currently believe are immaterial may also affect our business if they occur. The following is a summary of the risk factors detailed in Item 1A:

- Our financial performance depends on sales growth and increasing demand for our portfolios, and we may not be able to successfully manage the recent, and future, expansion of our operations.
- Substantial competition could materially affect our financial performance.
- Our business may be adversely affected if consolidation in the healthcare industry leads to demand for price concessions or if we are excluded from being a supplier by a group purchasing organization or similar entity.
- A significant portion of our Osteoarthritis ("OA") Pain Management revenues are derived from a small number of customers, the loss of which could materially adversely affect our business, financial condition and results of operations.
- We experience quarterly sales volume variation, which makes our future results difficult to predict and makes period-to-period comparisons potentially not meaningful.
- We rely on a small number of suppliers for certain key raw materials and a small number of suppliers for a number of other materials required for the manufacturing and delivery of our products, and disruption could materially adversely affect our business, financial condition, and results of operations.
- Our manufacturing processes involve inherent risks, and disruption could materially adversely affect our business, financial condition, and results of operations.
- Failure to comply with current or future national, international, federal or state laws and regulations, regulatory guidance and industry standards relating to data protection, privacy and information security, including restrictive European regulations, could lead to government enforcement actions (which could include civil or criminal penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business.
- We are increasingly dependent on sophisticated information technology and if we fail to effectively maintain or protect our information systems or data, including from data breaches, our business could be adversely affected.
- We may require additional capital in the future. We cannot give any assurance that such capital will be available at all or on terms acceptable to us, and if it is available, additional capital raised by us could dilute your ownership interest or the value of your shares.
- Our license agreements with Johnson & Johnson MedTech ("J&J MedTech") provide substantial control of Monovisc and Orthovisc in the United States to J&J MedTech, and J&J MedTech's actions could have a material impact on our business, financial condition and results of operations.
- We may not succeed in our integration and buildout of our direct sales channel in the United States, and our failure to do so could negatively impact our business and financial results.
- We are dependent upon marketing and distribution partners and the failure to maintain strategic alliances on acceptable terms will have a material adverse effect on our business, financial condition, and results of operations.
- Sales of our products are largely dependent upon third-party health insurance coverage and reimbursement, and our performance may be harmed by health care cost containment initiatives or decisions of individual third-party payers.
- We are facing a longer than expected pathway to commercialization of our Cingal product in the United States, and we may face other unforeseen difficulties in achieving regulatory approval for Cingal or other new products, which could affect our business and financial results.

- Significant political, trade, regulatory developments, and other circumstances beyond our control, could have a material adverse effect on our financial condition or results of operations.

- Failure to obtain, or any delay in obtaining, U.S. Food and Drug Administration ("FDA") or other U.S. and foreign governmental clearances or approvals for our products may have a material adverse effect on our business, financial condition and results of operations.

- Once obtained, we cannot guarantee that the FDA or international product clearances or approvals will not be withdrawn or that relevant agencies will not require other corrective action, and any withdrawal or corrective action could materially affect our business and financial results.

- Our operations and products are subject to extensive regulation, compliance with which is costly and time-consuming, and our failure to comply may result in substantial penalties, including recalls of our products.

- Any changes in the FDA or international regulations related to product approval or approval renewal, including those currently under consideration by the FDA or those that apply retroactively, could adversely affect our competitive position and materially affect our business and financial results.

- Notices of inspectional observations or deficiencies from the FDA or other regulatory bodies require us to undertake corrective and preventive actions or other actions to address the FDA's or other regulatory bodies' concerns. These actions could be expensive and time-consuming to complete and could impose an additional burden on us.

- We may rely on third parties to support certain aspects of our clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory clearance or approval or commercialize our products, and our business could be substantially harmed.

- We may have difficulty managing our growth.

- We may explore inorganic growth as a part of our future growth strategy, which would expose us to a variety of risks that could adversely affect our business operations.

- As our international sales and operations grow, we could become increasingly subject to additional economic, political, and other risks that could harm our business.

- We may be unable to adequately protect our intellectual property rights, which could have a material impact on our business and future financial results.

- Our stock price may be highly volatile, and we cannot assure you that market making in our common stock will continue.

- Our charter documents contain anti-takeover provisions that may prevent or delay an acquisition of our company.

- We have been, and may continue to be, subject to the actions of activist stockholders, which could cause us to incur substantial costs, divert management's and the board's attention and resources, and have an adverse effect on our business and stock price.

This section contains forward-looking statements. You should refer to the explanation of the qualifications and limitations on forward-looking statements beginning on page 4.

PART I

ITEM 1. BUSINESS

Purpose and Mission

Founded in 1992, Anika Therapeutics, Inc. ("Anika" or "Company") is a global leader in the OA Pain Management and regenerative solutions space, focusing on early intervention orthopedics. The Company leverages proprietary hyaluronic acid ("HA") technology to develop highly differentiated products. Driven by strong partnerships with physicians, Anika is dedicated to pioneering HA-based innovations that redefine orthopedic care. Our mission is to restore active living, empower surgeon choice, and enhance patient outcomes worldwide.

Anika's Mission:

"Together, we restore active living and redefine what's possible with hyaluronic acid."

Anika's Core Values:

- **Trust and Respect:** We build trust and show respect in every interaction.
- **Quality:** We are committed to quality as we work to improve people's lives.
- **Empowerment & Teamwork:** We are empowered as a team to make decisions that drive impact.
- **Focus:** We focus on what matters most and are driven to be better every day.

Strategy

In October 2024, we announced a strategic shift to concentrate on our OA Pain Management and Regenerative Solutions portfolios. This strategic decision involved the sale of Arthrosurface Incorporated on October 31, 2024 and the sale of Parcus Medical, LLC on March 7, 2025, both of which were acquired in early 2020 under a previous management strategy.

As we look ahead, our focused strategy, driven by HA-based products, positions us to offer truly innovative treatments in areas of unmet need and substantial, growing markets. We will place particular emphasis on the commercial execution and adoption of the newest product in our Regenerative Solutions portfolio, the Integrity Implant System ("Integrity"), a HA-based scaffold designed for rotator cuff and other tendon repairs. The Integrity system has shown strong performance, with continuing growth in surgeries and significant adoption by new customers.

We will continue to invest in our Regenerative Solutions R&D pipeline as we prepare for the potential U.S. approval and launch of both Hyalofast and Cingal, each representing an incremental U.S. addressable market of at least $1 billion. We submitted our premarket approval ("PMA") application with the FDA for Hyalofast on October 31, 2025. We received a letter from the FDA in January 2026 in which the FDA identified a number of deficiencies in which we are preparing our response. Additionally, we will build on the international commercial momentum of our entire OA Pain Management portfolio, led by Monovisc and Cingal. Cingal has shown significant clinical success and we have been actively engaging with the FDA on next steps for regulatory approval in the U.S.

On October 31, 2024 (the "Arthrosurface Closing Date"), we completed the sale of all outstanding equity interests (the "Arthrosurface Transaction") of Arthrosurface Incorporated, a Delaware corporation and former wholly-owned subsidiary of the Company ("Arthrosurface"), which held our Arthrosurface asset group, to Phoenix Brio, Incorporated, a Delaware corporation ("Phoenix Brio"), pursuant to the terms and conditions of a Share Purchase Agreement, dated as of the Arthrosurface Closing Date (the "Arthrosurface Purchase Agreement"), by and amongst us, Arthrosurface, and Phoenix Brio.

As consideration for the Arthrosurface Transaction, at the closing, Phoenix Brio delivered to us a ten-year non-interest bearing promissory note in the principal amount of $7.0 million. Under the terms of the Purchase Agreement, we are also eligible to receive: (i) for each calendar quarter, an amount equal to a percentage of the net sales (the "Revenue Payments") for the sale of certain commercial and pipeline products during the period commencing on the Closing Date and ending on the earlier of the fifth (5th) anniversary of the Closing Date or the date on which the Buy-Out Payment (as defined below) is paid to us; and (ii) a percentage of the gross proceeds with respect to the sale of certain commercial and pipeline products in a bona fide arm's length transaction with a third party that is not an affiliate of Phoenix Brio or us occurring within the first twenty-four (24) months following the Closing Date. Phoenix Brio can also elect to make a payment in an amount equal to the greater of (A) $14.0 million or (B) ten (10) times the Revenue Payments ((A) and (B) together, the "Buy-

Out Payment") paid to us during the last full calendar year prior to the consummation of a change of control transaction or Phoenix Brio's written notice to us that it is electing to make the Buy-Out Payment. Pursuant to the Arthrosurface Purchase Agreement, the aggregate consideration is subject to customary post-closing adjustments.

On March 7, 2025 (the "Parcus Closing Date"), we completed the sale of all of the outstanding equity interests of Parcus Medical, LLC, a Wisconsin limited liability company and former wholly-owned subsidiary of the Company ("Parcus"), to Medacta Americas Manufacturing, Inc., a Delaware corporation ("Medacta"), pursuant to the terms and conditions of a Membership Interest Purchase Agreement, dated as of the Closing Date (the "Parcus Purchase Agreement"), by and among the Company, Parcus and Buyer (the "Transaction"). As consideration for the Transaction, at closing, Medacta made a payment of $4.5 million in cash. Pursuant to the Parcus Purchase Agreement, the aggregate consideration is subject to customary post-closing adjustments.

Products and Services

We provide a broad array of products and services, including:

- **Osteoarthritis ("OA") Pain Management**: Orthovisc, Monovisc, and Cingal.

Monovisc and Orthovisc are our single- and multi-injection, HA viscosupplement products indicated for pain relief from OA conditions. Labeling in the United States limits their use to the knee exclusively, while labeling outside the U.S. is broader, providing expanded therapeutic options beyond the knee to include anatomies such as the shoulder, hip, and ankle. Our OA Pain Management products are generally administered to patients in an office setting. In the United States, Monovisc and Orthovisc are marketed exclusively by Johnson & Johnson MedTech ("J&J MedTech").

In December 2011, we entered into a fifteen-year licensing agreement with J&J MedTech to exclusively market Monovisc in the United States through December 2026. On October 16, 2025, J&J MedTech extended the agreement to exclusively market Monovisc in the United States through December 2031. In December 2003, we entered into a ten-year licensing agreement to exclusively market Orthovisc in the United States. J&J MedTech has subsequently extended this agreement, and most recently from August 2022 through December 2028. These licensing agreements of Monovisc and Orthovisc can be extended at the option of J&J MedTech.

Monovisc and Orthovisc have been market leaders, based on combined overall revenue in the viscosupplement market, since 2018. Despite recent competitive pricing pressures and reduced market access, Monovisc and Orthovisc remain market leaders in the United States OA Pain Management market. Internationally, we market our OA Pain Management products directly through a worldwide network of commercial distributors, and our international sales team has successfully expanded into new countries, driving double-digit growth in recent years.

Cingal is our novel, next-generation, non-opioid, single-injection OA Pain Management product, consisting of our proprietary cross-linked HA material combined with a fast-acting steroid, designed to provide both short- and long-term pain relief. Cingal is CE marked and has been sold outside the United States for several years, directly in over 50 countries through our network of distributors. Cingal is not currently approved for commercial use in the United States. We have been actively engaging with the FDA on next steps for U.S. regulatory approval.

We have made significant progress in addressing the FDA's requirements for Cingal's approval. In April 2023, we held a Type-C meeting with the FDA, which led to an advice letter received from the FDA in April 2024. The letter included positive feedback and new challenges that we are actively addressing. We also received confirmation that the clinical data for Cingal is a review issue and not a filing issue. Additionally, in September 2024, we acquired the Aristospan New Drug Application ("NDA"), which allowed us to address a recent FDA requirement and will enable us to source the reference drug for a bioequivalence study. In April 2025, we subsequently sold the Aristospan NDA to a third party manufacturer who will supply the reference drug for the bioequivalence study. We had another Type-C meeting with the FDA in February 2025 to discuss finalizing NDA submission requirements, including bioequivalence study requirements. The preclinical and bioequivalence studies have been initiated.. We are committed to bringing this revolutionary pain management therapy to the approximate $1 billion U.S. addressable market. For additional information, please see the section captioned "Item 1. Business—Research and Development."

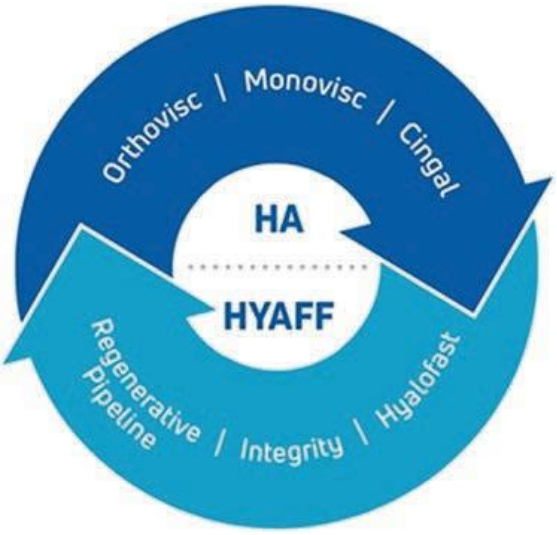
- **Regenerative Solutions**: Integrity, Hyalofast, and Tactoset.

Integrity is an HA-based scaffold with bone and tendon fixation components and arthroscopic delivery instruments. It is designed to protect injured tendons and promote healing in rotator cuff repair and other tendon procedures. Integrity received FDA clearance for commercial use in the United States in August 2023 and we initiated a limited market release in November 2023. Since its launch, Integrity has shown strong performance, with continuing growth in surgeries and significant adoption by new customers. The system competes in a U.S. tendon augmentation market estimated to be more than $220 million annually.

Hyalofast is a 100% HA resorbable scaffold used for single stage cartilage regeneration. While Tactoset and Integrity are commercialized principally in the United States, Hyalofast is currently available outside the United States in over 30 countries within Europe, South America, Asia, and certain other international markets. In the United States, Hyalofast is a pipeline product under a pivotal Investigational Device Exemption ("IDE") clinical trial and is not available for commercial sale. We submitted a PMA on October 31, 2025 with the FDA, and we are targeting a U.S. launch by 2027, pending approval from the FDA. For additional information, please see the section captioned "Item 1. Business—Research and Development."

Tactoset Injectable Bone Substitute is an HA-enhanced injectable bone repair therapy designed to treat insufficiency fractures and augment hardware fixation, such as suture anchors.

Listed below are the key product drivers to our business



- **Non-Orthopedic Products**: Hyvisc, Hyalobarrier, Anikavisc, Nuvisc

Our Non-Orthopedic product family consists of legacy HA-based products that are marketed principally for non-orthopedic applications. These products include: Hyvisc, our high molecular weight injectable HA veterinary product for the treatment of joint dysfunction in horses due to non-infectious synovitis associated with equine OA; Hyalobarrier, an anti-adhesion barrier indicated for use after abdominal-pelvic surgeries; and ophthalmic products, including injectable, high molecular weight HA products such as Anikavisc and Nuvisc, used as viscoelastic agents in ophthalmic surgical procedures such as cataract extraction and intraocular lens implantation. These Non-Orthopedic products are sold through commercial sales and marketing partners around the world.

Sales Channels

A majority of our products are used by clinicians and surgeons in one of three environments: office-based procedures, hospital operating rooms, and ambulatory surgery centers ("ASCs"). Office-based procedures usually focus on injections, while ASCs are clinics outside of a normal hospital setting, often at least partially physician-owned. These medical care delivery environments typically require different commercial approaches and have distinct call points, necessitating diversity in our sales strategy. For instance, our OA Pain Management product family and certain products in our Non-Orthopedic category are almost entirely utilized in an office-based setting, while our Regenerative Solutions and certain other products in our Non-Orthopedic category are almost exclusively used in hospital operating rooms or ASCs.

As a result of these distinctions, we employ multiple sales models in the United States to ensure that we meet the needs of our customers and other healthcare system stakeholders. For many years, we have maintained a mutually beneficial commercial partnership with J&J MedTech. Pursuant to our contracts with J&J MedTech, we are the exclusive supplier responsible for the manufacture and sale Monovisc and Orthovisc to J&J MedTech in the United States, while J&J MedTech is responsible for the marketing, sales and distribution to end user customers in the United States. We have U.S. commercial partnerships for other products in our Non-Orthopedic product families. Under these partnerships, we sell our products directly to our partners, who perform downstream sales and marketing activities to customers and end-users. In addition to a transfer price, we may also structure our arrangements to receive a royalty on end-user sales.

In the U.S., we sell our Regenerative Solutions portfolio directly to clinicians, including hospitals and ASCs, through a hybrid approach involving our Anika sales team and a large network of independent third-party distributors. We employ selling models that seek to maximize benefits for our company and customers, including contracts with group purchasing organizations and certain fixed-price delivery models. This approach has proven effective, as evidenced by the strong performance of products like the Integrity Implant System, which has seen significant adoption and growth.

Outside of the United States, we market and sell our products using a worldwide network of commercial distributors, providing a solid foundation for future revenue growth and territorial expansion. Our relationships with these partners are generally structured such that we sell our products to them directly, while they, with global support from our team, perform in-country sales and marketing activities to drive local growth and adoption of our products. We expect to generally maintain this model for the foreseeable future, while also selectively evaluating other options and being opportunistic about adopting other sales models, including direct sales, in certain jurisdictions.

We believe that our overall sales approach provides our business with a strong base to drive revenue growth as we continue to grow and scale our commercial infrastructure. We will continue to focus on expanding our commercial capabilities, including market access, innovative sales and delivery models, and improved logistics management. This strategy is expected to enhance our ability to deliver value to our shareholders and meet the needs of our diverse customer base.

Manufacturing

We manufacture all of our HA-based products, including our OA Pain Management and Regenerative Solutions products, as well as certain additional products, at our facility in Bedford, Massachusetts. Here, we have developed significant manufacturing expertise in procedures such as homogenized mixing and filling of highly viscous liquids and creation and manipulation of solid HA into scaffolds or other fiber-based presentations.

To support higher expected output of OA Pain Management and Regenerative Solutions products, we are investing in our Bedford manufacturing facility. This investment is part of our broader strategy to enhance our manufacturing capabilities and ensure we can meet the growing demand for our innovative products.

The raw materials necessary to manufacture our products are generally available from multiple sources. However, we rely on a small number of suppliers for certain key raw materials and other components, parts, and disposables required for the manufacturing and delivery of these products. Any prolonged interruption of operations or significant reduction in the capacity or performance capability of any of our manufacturing facilities, or with any of our key suppliers, could have a material adverse effect on our operations.

Research and Development

Our research and development efforts focus on developing new medical applications that address unmet needs by leveraging our technology platforms. This includes new implant designs, developing intellectual property related to our technology platforms and new products, managing clinical trials for certain product candidates, preparing and processing applications for regulatory clearances and approvals, and conducting process development and scale-up manufacturing activities for our existing and new product development initiatives. For 2025, 2024, and 2023, research and development expenses were $25.8 million, $25.5 million, and $21.8 million, respectively. The increase in 2025 was primarily due to costs associated with increased spending on Cingal U.S. regulatory submission activities and our Integrity clinical study, as well as ensuring compliance with growing global regulatory requirements, such as the European Union (“EU”) Medical Device Regulation (“MDR”) and new product development initiatives. We anticipate continuing to commit resources to research and development activities, primarily for new product development, regulatory compliance, scale-up manufacturing activities, and preclinical and clinical studies.

Our new product development efforts focus on HA-based products in unmet, large, and growing orthopedic markets to drive long-term value, specifically in OA Pain Management and Regenerative Solutions. To better inform and target our research and development investments, we routinely interact with key external stakeholders, including clinicians, to incorporate customer and patient insights into our development process. This approach helps ensure we bring needed solutions to the market. As we move forward, we plan to continue investing in novel and meaningful new products for our target markets based on our core capabilities, including further expanding our regenerative HA technology platform.

Our development focus for OA Pain Management will continue to be on targeting to bring Cingal, our next-generation, non-opioid, single-injection OA pain product combined with a fast-acting steroid, to the U.S. market. In 2022, we completed a third Phase III clinical trial for Cingal, which achieved its primary endpoint. We have been actively engaging with the FDA on next steps for U.S. regulatory approval. We have made significant progress in addressing the FDA's requirements for Cingal's approval. This includes having numerous meetings with the FDA to discuss finalizing NDA submission requirements and starting a bioequivalence study in 2025. In parallel, we are exploring the potential to advance Cingal through commercial partnerships in the U.S. and select Asian markets.

Development for our Regenerative Solutions product family is focused on several key areas. We are developing novel solutions and line extensions across our regenerative solutions segments, with a key focus on the shoulder, knee, and foot and ankle. These include enhancements to existing regenerative solutions such as our Tactoset Injectable Bone Substitute for hardware augmentation, our Integrity Implant System, a regenerative HA-based patch product targeted at rotator cuff repair that received 510(k) clearance in August 2023 and is now in full market release. Integrity has shown strong performance, with strong growth in surgeries and significant adoption by new customers.

In addition, we have made significant progress on a full regenerative pipeline, leveraging the commercial success of Integrity, as well as progress on our clinical trial to support approval in the United States for Hyalofast, our single-stage, off-the-shelf cartilage repair therapy, currently sold only outside the United States. In early 2023, we completed enrollment of 200 patients in our U.S. pivotal FastTRACK Phase III clinical trial evaluating Hyalofast, a single-stage, hyaluronic acid-based scaffold for cartilage repair. This clinical trial had a two-year follow-up protocol. We used a modular PMA filing process for our regulatory submission to the FDA for approval of Hyalofast in the U.S. In July 2025, we received topline results from the study and Hyalofast did not achieve significance on its pre-specified co-primary endpoints for pain and function. Although the study did not meet its co-primary endpoints, Hyalofast demonstrated consistent improvements over microfracture across all measures of pain and function, Sports and Recreation Function and Quality of Life and other measures including Total Knee Injury and Osteoarthritis and Outcomes Score. The statistical analysis was impacted by both a disproportionately higher subject dropout rate in the microfracture arm and missed visits due to COVID. Based on the strength and consistency of the overall data and the positive real-world clinical experience including data from multiple independent studies outside the U.S. over the past 15 years, we submitted the final PMA module to the FDA on October 31, 2025.

As expected, we received in January 2026 a deficiency letter from the FDA informing us that the Hyalofast PMA lacks information needed to complete its review. Among other things, the letter addressed matters related to chemistry, manufacturing and controls (CMC) and the statistical analysis plan for both primary and secondary endpoints and whether any of these endpoints achieved statistical significance. We plan to continue to engage with the FDA to explore potential approaches to address the FDA’s concerns so that it might complete its review. Although there can be no assurance that we will be able to fully address the FDA’s concerns, we continue to believe the totality of evidence presented in this study and the data from outside the United Sates demonstrates the clinical value of Hyalofast.

Intellectual Property

We pursue patent and trademark protection for our key technologies, products, and product enhancements in the United States and select international markets. When appropriate, we enforce and plan to defend our patent and trademark rights. While our patent and trademark portfolio provides competitive advantages for our current and future product lines, it is not our only form of protection. We also depend on trade secrets and ongoing technological innovations and regulatory approvals to sustain our competitive edge.

Our intellectual property strategy is integral to our overall corporate strategy, particularly as we focus on our core HA technology and Regenerative Solutions products. This approach ensures that we can continue to innovate and bring new, differentiated products to market, such as Integrity and Hyalofast, while protecting our proprietary technologies and maintaining our competitive position in the industry.

Competition

We compete with numerous companies, including large pharmaceutical firms and specialized medical device companies, across our product lines. For our OA Pain Management products, our main competitors include Sanofi Genzyme, Zimmer Biomet, Inc., Bioventus Inc., Avanos Medical, Inc., Pacira BioSciences, Conmed Corporation, and Ferring Pharmaceuticals, among others. With respect to our Regenerative Solutions products, our key competitors are Arthrex, Inc, Smith & Nephew PLC, Stryker Corporation, and Zimmer Biomet, Inc., as well as smaller organizations like Atreon Orthopedics and Bone Support AB.

Many of these larger companies have significantly greater financial resources, larger research and development teams, more extensive marketing and manufacturing capabilities, and more experience with regulatory processes than we do. We also face competition from academic institutions, government agencies, and other research organizations involved in product research, development, and commercialization. Additionally, many of our competitors compete with us for collaborations in research and development, clinical trial, and commercialization programs.

We primarily compete with other market participants on the efficacy and safety of our products, as well as the breadth of our overall product portfolio. Other competitive factors include the timing and scope of regulatory approvals, availability of manufacturing supplies and raw materials, marketing and sales capabilities, reimbursement coverage, product pricing, and patent protection. Key factors that may affect our competitive position include:

- The quality and breadth of our product portfolio development;
- Our ability to complete successful clinical studies and obtain FDA and foreign regulatory approvals;
- Our ability to source raw materials and components at competitive prices and deliver them on schedule;
- Our ability to strengthen our commercial infrastructure, integrate sales channels, and execute sales strategies;
- The execution of commercial strategies by our key partners and our management of these relationships;
- Our ability to recruit and retain skilled employees; and
- The availability of capital resources to fund strategic activities, including acquisitions.

We are aware of several companies developing and marketing competitive products. Some competitors have already obtained product approvals, submitted applications for approval, or commenced clinical studies in the U.S. or abroad. All our products face substantial competition, and there is a risk that we may not compete effectively against current or future competitors. Additionally, healthcare legislation and regulation aimed at reducing costs have led to industry consolidation, creating larger companies with greater market power. This has intensified competition in the provision of products and services. Market makers, such as group purchasing organizations and integrated delivery networks, have increased their negotiating leverage. If these market makers demand significant price concessions or exclude us as a supplier, our product revenue could be adversely impacted.

Despite these challenges, many of our products, such as Monovisc, Orthovisc, and Cingal, have maintained strong market positions due to their clinical efficacy and safety profiles. Our regenerative solutions, including Integrity and Hyalofast, are also gaining traction, supported by robust clinical data and innovative technology. We continue to focus on expanding our market presence and enhancing our competitive edge through strategic investments in research and development, regulatory compliance, and commercial infrastructure.

Governmental Regulation

The clinical development, manufacturing, and marketing of our products are subject to governmental regulation in the United States, the EU, and other territories worldwide, including under the Federal Food, Drug, and Cosmetic Act ("FDCA") in the United States. Medical products regulated by the FDA and other authorities are generally classified as drugs, biologics, or medical devices. The classification standards for our products may change over time due to new regulations or updated interpretations of existing regulations.

Regulation of Medical Devices

Medical devices intended for human use are classified into three categories (Class I, II, or III) based on the controls deemed necessary by the FDA to ensure their safety and effectiveness. Class I and II devices are subject to the 510(k) premarket notification process unless exempt. Class III devices must obtain FDA approval of their PMAs to be commercially distributed.

Some of our current products require premarket notification and clearance under section 510(k) of the FDCA. To obtain 510(k) clearance, a company must submit a premarket notification demonstrating that the proposed device is "substantially equivalent" to a legally marketed device, known as a "predicate device." A device is substantially equivalent if it has the same intended use and either the same technological characteristics or different technological characteristics that do not raise new questions of safety and effectiveness.

The FDA aims to review and issue a determination on a 510(k) submission within 90 calendar days, though it often takes longer. The FDA may require additional information, including clinical data, to make a determination regarding substantial equivalence.

If the FDA agrees that the device is substantially equivalent, it will grant 510(k) clearance to market the device. If the FDA determines that the device is "not substantially equivalent" to a predicate device, it is designated as a Class III device, requiring more rigorous PMA requirements or a risk-based classification determination through the "de novo" process for novel medical devices that are low to moderate risk.

After receiving 510(k) clearance, any modification that could significantly affect the device's safety or effectiveness, or constitute a major change in its intended use, requires a new 510(k) clearance or PMA approval. The determination of whether a modification could significantly affect the device's safety or effectiveness is initially left to the manufacturer using available FDA guidance. Many minor modifications are documented by a "letter to file," but the FDA may review these letters and require the manufacturer to cease marketing and recall the modified device until 510(k) clearance or PMA approval is obtained.

Some of our devices are Class III devices requiring PMA approval before marketing. In a PMA, the manufacturer must demonstrate that the device is reasonably safe and effective, supported by extensive data from preclinical studies and clinical trials. The PMA must also include a full description of the device, its components, manufacturing methods, facilities, controls, and proposed labeling. The FDA has 180 days to review a PMA, though it often takes longer. An advisory committee of external experts may review the application and provide recommendations to the FDA. The FDA generally conducts a pre-approval inspection of the manufacturing facilities to ensure compliance with the FDA's quality management system regulation ("QMSR").

The FDA will approve the device for commercial distribution if the data and information in the PMA constitute valid scientific evidence and provide reasonable assurance of the device's safety and effectiveness. Certain changes to an approved device that affect its safety or effectiveness require submission of a PMA supplement or a new PMA.

Regulation of a Drug

New drugs require FDA approval of an NDA to be marketed. The approval process typically takes several years and varies based on the product's type, complexity, and novelty. None of our products are currently approved under an NDA.

The steps for obtaining FDA approval of an NDA include:

- Completion of preclinical laboratory tests, animal studies, and formulation studies under the FDA's Good Laboratory Practices regulations;
- Submission of an Investigational New Drug Application ("IND") for human clinical testing, which must become effective before trials begin and require Institutional Review Board ("IRB") approval at each clinical site;
- Performance of adequate and well-controlled clinical trials in accordance with Good Clinical Practices to establish the product's safety and efficacy;
- Submission of a user fee (unless waived) and an NDA, containing detailed information about the product's Chemistry, Manufacturing, and Control ("CMC"), preclinical and clinical trial outcomes, and proposed labeling and packaging;
- Satisfactory review of the NDA by the FDA, including resolution of any questions raised during the review;
- Completion of an FDA advisory committee review, if applicable;
- Completion of an FDA inspection of the manufacturing facilities to assess compliance with current Good Manufacturing Practices ("cGMP") regulations; and
- FDA approval of the NDA, including agreement on post-marketing commitments, if applicable.

After the NDA submission is accepted, the FDA reviews it to determine whether the proposed product is safe and effective for its intended use and has an acceptable purity profile. A drug-drug combination product must meet the FDA's fixed combination rule, demonstrating the contribution of each component to the therapeutic effect.

If the FDA finds the application, manufacturing process, or facilities unacceptable, it will either not approve the NDA or issue a complete response letter outlining the deficiencies. The applicant may resubmit the NDA, withdraw the application, or request a hearing. Despite additional information, the FDA may ultimately decide the NDA does not meet regulatory criteria for approval.

The FDA aims to review standard NDAs in 10 months and priority NDAs in six months, though it does not always meet these goals, which are subject to change.

Clinical Trials

Clinical trials are typically required to support a PMA, NDA, and sometimes a 510(k) submission. All trials must be approved by and conducted under the oversight of an IRB for each site. Clinical investigators must obtain informed consent from all study subjects. Trials can be suspended or terminated by us, the FDA, or the IRB for various reasons, including risks outweighing benefits. Information about certain clinical studies must be submitted to the National Institutes of Health for public dissemination at www.clinicaltrials.gov. All clinical investigations of devices must comply with the FDA's investigational device exemption (IDE) regulations, which govern labeling, prohibit promotion, and specify recordkeeping, reporting, and monitoring responsibilities. Significant risk devices require an IDE application approved by the FDA before trials begin. Non-significant risk devices only require IRB approval.

For new drugs, an IND application must be submitted before clinical studies begin, containing information on animal studies, manufacturing, and clinical protocols. The IND must become effective before trials start, automatically becoming effective 30 days after receipt unless the FDA raises concerns. If concerns arise, they must be resolved before trials proceed.

Human clinical trials for NDA approval are typically conducted in three phases:

- **Phase 1:** Initial testing in healthy subjects to assess safety, sometimes conducted in patients for severe diseases.
- **Phase 2:** Trials in a limited patient population to identify adverse effects, evaluate efficacy, and determine dosage.
- **Phase 3:** Large-scale trials to provide statistically significant evidence of efficacy, evaluate dosage, potency, and safety, and establish the benefit-risk relationship for approval.

For chronic diseases, safety and efficacy data must be gathered over extended periods, ranging from six months to three years or more.

During all phases, the FDA requires extensive monitoring and auditing of clinical activities, data, and investigators. Annual progress reports and serious adverse event reports must be submitted to the FDA.

Post-Approval Requirements

Products manufactured or distributed pursuant to FDA clearances or approvals are subject to ongoing regulation by the FDA. This includes requirements for monitoring, record-keeping, advertising and promotion, reporting adverse experiences, and limitations on industry-sponsored scientific and educational activities.

FDA regulations mandate that PMA and NDA approved products be manufactured in specific facilities, and all devices and drugs must comply with the QMSR and cGMP regulations, respectively.

Manufacturers and other entities involved in the manufacture and distribution of cleared or approved devices or drugs must register their establishments and list their products with the FDA and certain state agencies. These manufacturers are subject to periodic announced and unannounced inspections by the FDA and state agencies to ensure compliance with regulatory requirements. Discovery of violative conditions, including failure to conform to QMSR and cGMP regulations, could result in enforcement actions.

Products may only be promoted for the cleared or approved indications and in accordance with the label provisions. While the FDA does not regulate physicians' treatment choices, it restricts communications about off-label use of products. The FDA and other agencies actively enforce laws prohibiting off-label marketing and promotion. Companies found to have improperly marketed or promoted off-label uses may face significant liability, including criminal and civil penalties under the FDCA and False Claims Act, exclusion from federal healthcare programs, and mandatory compliance programs.

The FDA may also require post-marketing testing and surveillance to monitor a marketed product's effects. Discovery of previously unknown problems or non-compliance with FDA requirements can lead to adverse publicity, product restrictions, and judicial or administrative enforcement. The FDA has broad regulatory compliance and enforcement powers, including issuing Form FDA 483 notices, warning letters, civil money penalties, suspending or delaying clearances or approvals, product recalls, production shutdowns, withdrawal of approvals, product seizures, consent decrees, injunctive relief, or criminal prosecution. The FDA can also require manufacturers to repair, replace, or refund the cost of devices. Outside the United States, regulatory agencies may exert similar powers.

EU Regulation

In the EU, medical devices must be CE marked to be marketed. CE marking involves working with a notified body (or self-certifying for certain low-risk, Class I devices) to demonstrate that the device meets all applicable general safety and performance requirements of EU medical devices legislation, including compliance with the manufacturer's Quality Management System. The EU's Medical Devices Directive ("MDD") has been replaced by the EU Medical Devices Regulation ("EU MDR"), effective May 26, 2021. Devices certified under the MDD may continue to be marketed during a transitional period. On March 15, 2023, the transition period was extended from May 26, 2024, to either May 26, 2026, December 31, 2027, or December 31, 2028, depending on device classification, provided certain conditions are met. These conditions include compliance with EU MDR requirements for post-market surveillance, vigilance, and registration, having a contract with an EU MDR notified body before September 26, 2024, and filing an agreement for conformity assessment by May 26, 2024. The EU MDR generally requires increased levels of clinical data compared to MDD requirements, and all product technical data must comply with the latest standards regardless of when the product was initially developed.

Drug approval in the EU follows one of several processes: (i) a centralized procedure, involving a scientific opinion from the European Medicines Agency's Committee for Medicinal Products for Human Use ("CHMP"), with the marketing authorization granted by the European Commission; (ii) a mutual recognition procedure, where an individual country's regulatory agency approves the product, followed by mutual recognition by other countries' regulatory agencies; (iii) a decentralized procedure, where approval is sought simultaneously through multiple countries' regulatory agencies; or (iv) a national procedure, where approval is sought through a single country's regulatory agency.

UK Regulation

As of January 1, 2021, the Medicines and Healthcare products Regulatory Agency ("MHRA") is the UK's standalone medicines and medical devices regulator. On January 1, 2025, a new arrangement called the "Windsor Framework" came into effect and reintegrated Northern Ireland under the regulatory authority of the MHRA with respect to medicinal products. The Windsor Framework removes EU licensing processes and EU labeling and serialization requirements in relation to Northern Ireland and introduces a UK-wide licensing process for medicines. In order to obtain a UK marketing authorization to commercialize products in the UK, an applicant must follow one of the UK national authorization procedures or one of the remaining post-Brexit international cooperation procedures. The MHRA has introduced changes to national licensing procedures, including procedures to prioritize access to new medicines that will benefit patients, a 150-day assessment (subject to clock-stops) and a rolling review procedure. In addition, since January 1, 2024, the MHRA introduced the International Recognition Procedure ("IRP"), which enables the MHRA when reviewing certain types of marketing authorization applications to take into account the expertise and decision-making of trusted regulatory partners, including the EMA.

Regarding medical devices, since the end of the Brexit transitional period on January 1, 2021, new regulations require medical devices to be registered with the MHRA before being placed on the Great Britain market. The MHRA will only register devices where the manufacturer or their United Kingdom Responsible Person has a registered place of business in the UK. CE marks issued by EU notified bodies to place medical devices on the EU market will remain valid in the UK until June 30, 2028 (for CE marks issued under the EU MDD) or June 30, 2030 (for CE marks issued under the EU MDR). After these dates, a UK Conformity Assessed ("UKCA") mark will be required to place a device on the Great Britain market. Manufacturers may choose to use the UKCA mark voluntarily before these dates. However, the UKCA mark is not recognized in the EU. The EU regulatory framework for medical devices continues to apply in Northern Ireland under the Northern Ireland Protocol. Medical devices placed on the Northern Ireland market generally require CE marking under EU rules; where a UK Approved Body is used for mandatory third-party conformity assessment for the Northern Ireland market, the device must bear CE UKNI, although devices bearing the CE UKNI marking will not be accepted on the EU market.

Other Health Care Laws

The delivery of our products is regulated by the U.S. Department of Health and Human Services and other state and non-U.S. government agencies responsible for healthcare reimbursement and regulation. U.S. laws and regulations are primarily imposed in connection with government-funded healthcare programs, such as Medicare and Medicaid, and the government's interest in regulating healthcare quality and cost. Other governments also impose regulations on their healthcare reimbursement programs and the delivery of healthcare items and services.

We are subject to various U.S. federal and state laws pertaining to healthcare fraud and abuse, including anti-kickback, false claims, self-referrals, and other healthcare fraud. Additionally, we are subject to U.S. federal and state transparency laws, such as the U.S. Physician Payments Sunshine Act, which requires us to annually disclose certain payments and other transfers of value made to U.S.-licensed healthcare practitioners (e.g., physicians, nurse practitioners, advanced practice registered nurses) and teaching hospitals. Similar laws and regulations regarding sales, marketing, and advertising practices exist in other regions where we operate.

Coverage and Reimbursement

Sales of medical products depend partly on coverage by third-party payers, such as government healthcare programs, commercial insurance, and managed healthcare organizations, and the level of reimbursement provided. Coverage and reimbursement decisions are made on a plan-by-plan basis, and third-party payers are increasingly reducing reimbursements for medical products and procedures.

Factors considered by payers in determining reimbursement include:

- Whether the product or procedure is a covered benefit under the health plan;
- Safety, effectiveness, and medical necessity;
- Appropriateness for the specific patient;
- Cost-effectiveness; and
- Whether the product or procedure is experimental or investigational.

No uniform policy for coverage and reimbursement exists among third-party payers in the United States, leading to significant differences in coverage and reimbursement for products and procedures. The coverage determination process is often time-consuming and costly, requiring scientific and clinical support for each payer separately, with no assurance of consistent or initial coverage and adequate reimbursement. Rules and regulations regarding reimbursement change frequently, often on short notice.

In the United States, our products are administered by healthcare providers and reimbursed under a “buy-and-bill” model, pursuant to which providers purchase the product and seek reimbursement from third-party payers. Under this model, providers bear inventory, billing, and reimbursement risk, and may be sensitive to reimbursement levels, payment timing, claims denials, and administrative requirements imposed by payers. Even where coverage is available, third-party payers may impose prior authorization, step therapy, site-of-care restrictions, or other utilization management requirements, or may delay, deny, or reduce payment based on administrative, technical, or documentation-related reasons. These practices may discourage provider adoption or reduce utilization of our products.

The U.S. government, state legislatures, and foreign governments continue to implement cost-containment programs, including price controls, coverage and reimbursement restrictions, and generic substitution requirements. Adoption of such measures could limit product sales. Decreases in third-party reimbursement or decisions not to cover a product or procedure could reduce physician usage and patient demand, adversely affecting sales.

Health Care Reform

The Affordable Care Act of 2010 ("ACA") substantially changed healthcare financing by both governmental and private insurers, significantly impacting the pharmaceutical and medical device industries. The ACA included provisions governing enrollment in federal healthcare programs, reimbursement adjustments, changes to fraud and abuse laws, and Medicare provisions aimed at reducing costs. It also introduced comparative effectiveness research, an independent payment advisory board, and pilot programs to evaluate alternative payment methodologies. Since its enactment, there have been ongoing judicial and Congressional efforts to modify or repeal certain aspects of the ACA. For example, the Further Consolidated Appropriations Act, 2020, repealed the Cadillac tax, the health insurance provider tax, and the medical device excise tax. It is impossible to determine how future healthcare reform measures, including changes affecting Medicare reimbursement, utilization management, site-of-care policies, or drug pricing and payment methodologies, will impact our business.

Data Privacy and Security Laws

We are also subject to various laws and regulations concerning data privacy in the United States, Europe, and elsewhere, including Section 5(a) of the Federal Trade Commission Act, U.S. state consumer privacy laws, state breach notification laws, rules restricting the transfer of sensitive personal data, and comprehensive privacy and data protection laws, in the EU and the United Kingdom, including the General Data Protection Regulation ("GDPR"). These laws and regulations impose stringent requirements on the processing, administration, security, and confidentiality of personal data and empower enforcement agencies to impose large penalties for noncompliance. In addition, various jurisdictions around the world continue to propose new laws that regulate the privacy and/or security of certain types of personal data. Complying with these laws and regulations, requires us to devote significant resources. Any failure or perceived failure to comply with them may subject us to fines, penalties, litigation, reputational harm, and may also require us to change our data processing strategies.

Environmental Laws

We believe that we are in compliance with all foreign, federal, state, and local environmental regulations with respect to our manufacturing facilities. The cost of ongoing compliance with such environmental regulations does not have a material effect on our operations.

Seasonality

Our OA Pain Management and Non-Orthopedic product families are generally less seasonal in nature due to the nature of our product mix and sales channels and order strategies of our customers. With our Regenerative Solutions product portfolio, procedure volumes are normally higher in the fourth quarter due to several factors including the satisfaction by patients of insurance deductible limits and the time of year patients prefer to have elective procedures. Our Regenerative Solutions business can be impacted by periodic restrictions on the performance of elective surgical procedures throughout the United States and global markets, the unavailability of physicians and/or changes to their treatment prioritizations, reductions in the levels of healthcare facility staffing and, in certain instances, and the willingness or ability of patients to seek treatment.

Environmental, Social and Governance

In 2021, we began building a foundational Environmental, Social and Governance ("ESG") framework guided by our corporate values. We completed a Sustainability Accounting Standards Board ("SASB")-based materiality assessment that incorporated input from advisors and key stakeholders. This process identified the ESG topics most significant to our business and led to the selection of six initial focus areas aligned with SASB standards for the medical device industry. We plan to review and update our ESG efforts as needed over time.

Human Capital Management

We believe that creating a diverse, talented, and inclusive workplace is central to our culture, employee recruitment, retention, engagement, innovation, operational excellence, and overall performance. This culture and drive for performance are crucial in attracting and retaining key talent. Our culture is centered around our fundamental values of:

- *Trust and Respect*: We build trust and show respect in every interaction.
- *Quality*: We are committed to quality as we work to improve people's lives.
- *Empowerment & Teamwork*: We are empowered as a team to make decisions that drive impact.
- *Focus*: We focus on what matters most and are driven to be better every day.

Talent Acquisition and Management

Our industry requires complex processes for product development and commercialization, necessitating deep expertise and experience across various disciplines. Medical device companies compete for a limited number of qualified applicants to fill specialized positions, requiring competitive compensation and benefits packages and an attractive culture to attract and retain skilled employees.

As of December 31, 2025, we employed 235 full-time employees in the United States and Europe.

We believe that our employees' understanding of how their work contributes to our overall strategy and performance is key to our success. To communicate these important topics engagingly, we utilize various channels, including all-employee town hall meetings led by senior management through regular email and intranet updates from our CEO and other key executives. We also monitor voluntary turnover as compared to national and industry benchmarks and evaluate improvement opportunities through exit and stay interviews.

Diversity, Equity and Inclusion

We are committed to a diverse, equitable, and inclusive workplace where all employees, regardless of gender, race, ethnicity, national origin, age, sexual orientation or identity, education, or disability, are valued, respected, and supported. We will continue to enhance workforce diversity through focused talent acquisition goals and development plans.

Employee Development

The ongoing development of our employees is a catalyst for our growth and success. Many of our employees have advanced degrees in their professions. We support further development with individualized development plans, mentoring, coaching, group training, and conference attendance. We also provide financial support, including tuition reimbursement for qualified programs, and access to a broad-based learning management platform for self-directed learning and improvement.

Competitive Pay and Benefits

To attract and retain qualified employees and key talent, we offer total rewards packages consisting of base salary, cash bonuses, and comprehensive benefits. We also provide equity compensation for certain employees based on various criteria, including their level within the company. All employees globally are eligible to participate in the annual incentive cash bonus plan or a sales incentive plan aligned with corporate and individual performance. Bonus opportunities and equity compensation increase as a percentage of total compensation based on responsibility level. Our employee stock purchase plan, introduced in 2021, allows eligible employees to purchase shares in Anika at a discounted rate.

Health and Safety

We remain focused on promoting the total wellness of our employees, including resources, programs, and services to support their physical, mental, and financial wellness. We have established safety policies and protocols and regularly update employees on any changes. To further protect on-site employees, we invest resources for environmental, health and safety, conduct regular safety training for our employees and provide personal protective equipment and cleaning supplies.

Product Liability

The testing, marketing, and sale of human health care products entail an inherent risk of allegations of product liability, and we cannot assure that substantial product liability claims will not be asserted against us. Although we have not received any material product liability claims to date, we cannot be sure that if material claims arise in the future, our insurance will be adequate to cover all situations. Moreover, we cannot be sure that such insurance, or additional insurance, if required, will be available in the future or, if available, will be available on commercially reasonable terms. Any product liability claim, if successful, could have a material adverse effect on our business, financial condition, and results of operations.

Available Information

We are required to file annual, quarterly, and current reports, proxy statements, and other information with the SEC. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Investors and others should note that we announce material information to our investors using our investor relations website (https://ir.anika.com/), SEC filings, press releases, public conference calls and webcasts. We use these channels as well as social media, including LinkedIn and Twitter (@AnikaThera), to communicate with the public about our company, our business, our product candidates and other matters. It is possible that the information we post on social media could be deemed to be material information. Therefore, we encourage investors, the media, and others interested in our company to review the information we post on the social media channels listed on our investor relations website. Information that is contained in and can be accessed through our website or our social media posts are not incorporated into, and does not form a part of, this Annual Report on Form 10-K.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements, and other information, including amendments and exhibits to such reports, filed or furnished pursuant to the Securities Exchange Act of 1934, are available free of charge in the "SEC Filings" section of our website at http://www.anika.com, as soon as reasonably practicable after the reports are electronically filed with or furnished to the SEC. The information on our website is not part of this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Our operating results and financial condition have varied in the past and could vary significantly in the future depending on a number of factors. You should consider carefully the risks and uncertainties described below, in addition to the other information contained in this Annual Report on Form 10-K, before deciding whether to purchase our common stock. If any of the following risks actually occur, our business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of our common stock could decline, and stockholders could lose part or all of their investment.

Risks Related to Our Business and Industry

Our financial performance depends on sales growth and increasing demand for our product portfolios, and we may not be able to successfully manage the current, and future, expansion of our operations.

Our future success depends on growth in sales of our products. There can be no assurance that such growth can be achieved or, if achieved, sustained. There can be no assurance that, even if substantial growth in product sales and the demand for our products is achieved, we will be able to:

- Gain acceptance of our expanding portfolio of existing products, as well as future products, by the medical community, hospitals, physicians, other health care providers, third-party payers, and end-users, which acceptance may depend upon the extent to which the medical community and end-users perceive our products as safer, more effective or more cost-competitive than other similar products.

- Maintain, manage, and develop the necessary manufacturing capabilities and inventory management practices;

- Develop, implement, and integrate the mix of appropriate sales channels needed to generate increased sales across our product platform and to develop marketing partners and viable commercial strategies for the distribution of our growing mix of products;

- Attract and retain required key personnel; and

- Maintain the financial, accounting, and management systems needed to manage our growing business and the associated demand for our products.

There can be no assurance that our current and future products will achieve significant market acceptance on a timely basis, or at all. The failure of some or all of our products to achieve significant market acceptance, or our failure to successfully manage future growth, could have a material adverse effect on our business, financial condition, and results of operations.

Substantial competition could materially affect our financial performance.

We compete with numerous companies, including large pharmaceutical firms and specialized medical device companies, across our product lines. For our OA Pain Management products, our main competitors include Sanofi Genzyme, Zimmer Biomet, Inc., Bioventus Inc., Avanos Medical, Inc., Pacira BioSciences, Conmed Corporation and Ferring Pharmaceuticals, among others. With respect to our Regenerative Solutions products, our key competitors are Arthrex, Inc., Smith & Nephew PLC, Stryker Corporation, and Zimmer Biomet, Inc., as well as smaller organizations like Atreon Orthopedics and Bone Support AB. Many of these companies have substantially greater financial resources, larger research and development staffs, more extensive marketing and manufacturing organizations, and more experience in the regulatory process than us. We also compete with academic institutions, government agencies, and other research organizations that are involved in the research and development and commercialization of products similar to our own. Many of our competitors also compete against us in securing relationships with collaborators for their research and development and commercialization programs.

Because a number of companies are developing or have developed products for similar applications as our products and have received FDA clearance or approval, the successful commercialization of a particular product will depend in part upon our ability to complete clinical studies and/or obtain the FDA marketing and foreign regulatory clearance or approvals prior to our competitors, or, if regulatory clearance or approval is not obtained prior to our competitors, to identify markets for our products that may be sufficient to permit meaningful sales of our products. Additionally, legislation and regulation aimed at curbing rising healthcare costs has resulted in a consolidation trend in the healthcare industry to create larger companies, including hospitals, with greater market power. In turn, this has led to greater and more intense competition in the provision of products and services to market participants. Important market makers, like group purchasing organizations and integrated delivery networks, have increased their negotiating leverage, and if these market makers demand significant price concessions or if we are excluded as a supplier by these market makers, our product revenue could be adversely impacted. There can be no assurance that we will be able to compete against current or future competitors or that competition will not have a material adverse effect on our business, financial condition, and results of operations.

Our business may be adversely affected if consolidation in the healthcare industry leads to demand for price concessions or if we are excluded from being a supplier by a group purchasing organization or similar entity.

Because healthcare costs have risen significantly over the past decade, numerous initiatives and reforms have been launched by legislators, regulators, and third-party payers to curb these costs. As a result, there has been a consolidation trend in the healthcare industry to create larger companies, including hospitals, with greater market power. As the healthcare industry consolidates, competition to provide products and services to industry participants has become and may continue to become more intense. This may result in greater pricing pressures and the exclusion of certain suppliers from important markets such as group purchasing organizations, independent delivery networks, and large single accounts continuing to use their market power to consolidate purchasing decisions. If a group purchasing organization excludes us from being one of their suppliers, our net sales could be adversely impacted. We expect that market demand, government regulation, third-party reimbursement policies, and societal pressure will continue to change the worldwide healthcare industry, which may exert further downward pressure on the prices of our products and limit our access to sell our products and services to customers.

A significant portion of our OA Pain Management revenues are derived from a small number of customers, the loss of which could materially adversely affect our business, financial condition and results of operations.

We have historically derived most of our revenue from a small number of customers who resell our products to end-users. Many of these customers are significantly larger companies than us. In 2025, J&J MedTech accounted for 50% of our revenue. While we have started to diversify our sales channels, including through the implementation of a direct commercial model in the United States for our Regenerative Solutions products, we expect to continue to be dependent on a small number of large customers for a substantial portion of our business. The failure of key customers to purchase our products in the amounts they historically have or in amounts that we expect would seriously harm our business.

In addition, if present and future customers terminate their purchasing arrangements with us, significantly reduce or delay their orders, or seek to renegotiate their agreements on terms less favorable to us, our business, financial condition, and results of operations will be adversely affected. If we accept terms less favorable than the terms of the current agreements, such renegotiations may have a material adverse effect on our business, financial condition, and/or results of operations. Furthermore, in any future negotiations we may be subject to the perceived or actual leverage that these customers may have given their relative size and importance to us. Any termination, change, reduction, or delay in orders could seriously harm our business, financial condition, and results of operations. The loss of any one of our major customers, the delay of significant orders from such customers or our inability to timely supply product to these customers (including due to production and shipping delays attributable to supply or staffing shortages), even if only temporary, could reduce or delay our recognition of revenues, harm our reputation in the industry, and reduce our ability to accurately predict cash flow, and, as a consequence, could seriously harm our business, financial condition, and results of operations.

We experience quarterly sales volume variation, which makes our future results difficult to predict and makes period-to-period comparisons potentially not meaningful.

We experience quarterly fluctuations in our product sales as a result of multiple factors, many of which are outside of our control including our arrangements with J&J MedTech which performs most of the downstream sales and marketing activities to customers and end-users for Monovisc and Orthovisc in the United States. Therefore, we are subject to fluctuations in our customers' sales patterns and corresponding ordering patterns, including J&J MedTech. These quarterly fluctuations create uncertainty as to the volume of sales that we may achieve in a given period. As a result, comparing our operating results on a period-to-period basis might not be meaningful. You should not rely on our past results as an indication of our future performance. Our operating results could be disproportionately affected by a reduction in revenue because a proportionately smaller amount of our expenses varies with our revenue. As a result, our quarterly operating results are difficult to predict, even in the near term.

We rely on a small number of suppliers for certain key raw materials and components for the manufacturing and delivery of our products, and disruption could materially adversely affect our business, financial condition, and results of operations.

Although we believe that alternative sources for many of the components and raw materials that we use in our manufacturing processes are available, we cannot be certain that the supply of key raw materials will continue to be available at current levels or will be sufficient to meet our future needs. We continue to see impacts on our supply chain as the companies that produce our products, product components or otherwise support our manufacturing processes, the distribution centers where we manage our inventory, or the operations of our logistics and other service providers, including third parties that sterilize and store our products, were disrupted, temporarily closed or experienced worker shortages for a sustained period of time during and following the global pandemic or due to other supply chain disruptions. We also have to enter into longer-term purchase commitments with these key suppliers that could lead impacts on cost and volatility of supply. Any supply interruption could harm our ability to manufacture our products until a new source of supply is identified and qualified. We may not be able to find sufficient alternative suppliers in a reasonable time period, or on commercially reasonable terms, if at all, and our ability to produce and supply our products could be impaired.

Our manufacturing processes involve inherent risks, and disruption could materially adversely affect our business, financial condition, and results of operations.

We manufacture our global commercial supply from a single site located in Bedford, Massachusetts. The operation of biomedical manufacturing plants involves many risks, including the risks of breakdown, failure, substandard performance of equipment, the inability of production runs to pass internal quality standards, the need to comply with the requirements of directives of government agencies, including the FDA, and the occurrence of natural and other disasters. Such occurrences could have a material adverse effect on our business, financial condition, and results of operations during the period of such operational difficulties and beyond.

In addition, governmental agencies of the United States or other countries may impose new requirements regarding registration, labeling or prohibited materials that may require us to modify or re-register our devices once they are already on the market or otherwise impact our ability to market the devices in the United States or other countries. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing authorization that we may have obtained, which could have a material adverse effect on our business, prospects, results of operations, financial condition and our ability to achieve or sustain profitability. The process of complying with these government regulations can be costly and time-consuming, and could delay or prevent the production, manufacturing or sale of our products.

We could become subject to product liability claims, which, if successful, could materially adversely affect our business, financial condition, and results of operations.

The testing, marketing, and sale of human health care products include an inherent risk of allegations of product liability, and there can be no assurance that substantial product liability claims will not be asserted against us. Although we have not received any material product liability claims to date and we believe that we have adequate insurance coverage to cover such product liability claims should they arise, there can be no assurance that material claims will not arise in the future or that our insurance will be adequate to cover all situations. Moreover, there can be no assurance that such insurance, or additional insurance, if required, will be available in the future or, if available, will be available on commercially reasonable terms. Any product liability claim, if successful, could have a material adverse effect on our business, financial condition, and results of operations.

Failure to comply with current or future national, international, federal or state laws and regulations, regulatory guidance and industry standards relating to data protection, privacy and information security, including restrictive European regulations, could lead to government enforcement actions (which could include civil or criminal penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business.

We and our third-party providers are subject to national, international, federal or state laws and regulations, regulatory guidance and industry standards relating to data protection, privacy and information security. This includes the EU, GDPR, and the United Kingdom ("UK") equivalent of the same (the "UK GDPR" together with the EU GDPR, the "GDPR"), as well as other national data protection legislation in force in relevant European Economic Area ("EEA") Member States and the UK (including the UK Data Protection Act 2018), which governs the collection, use, storage, disclosure, transfer, or other processing of personal data (including health data processed in the context of clinical trials): (i) regarding individuals in the EEA and UK; and/or (ii) carried out in the context of the activities of our establishment in any EEA Member State or the UK.

The GDPR is wide-ranging in scope and imposes numerous additional requirements on companies that process personal data, including imposing special requirements in respect of the processing of special categories of personal data (such as health and data), relying on a legal basis or condition for processing personal data, where required, requiring that consent of individuals to whom the personal data relates, requiring information disclosures to individuals regarding data processing activities, requiring that safeguards are implemented to protect the security and confidentiality of personal data, creating mandatory data breach notification requirements in certain circumstances, requiring data protection impact assessments for high risk processing and requiring that certain measures (including contractual requirements) are put in place when engaging third-party processors. The GDPR also provides individuals with various rights in respect of their personal data. The definition of personal data under GDPR is defined broadly and includes pseudonymized or coded data; GDPR will, therefore, apply in the context of data collected and processed about clinical trial participants and investigators in the EU and UK. We are required to apply GDPR standards to any clinical trials that our EEA and UK established businesses carry out anywhere in the world.

Significantly, the GDPR imposes strict rules on the transfer of personal data out of the EEA or the UK to the United States or other regions that have not been deemed to offer "adequate" privacy protections. Currently, we rely mainly on Standard Contractual Clauses approved by the European Commission ("SCCs") to legitimize transfers of personal data out of the EEA. On June 4, 2021, the European Commission issued new forms of SCCs for data transfers from controllers or processors in the EEA (or otherwise subject to the EU GDPR) to controllers or processors established outside the EEA (and not subject to the EU GDPR). The UK is not subject to the EC's new SCCs but has published its own standard clauses, the International Data Transfer Agreement, which enables transfers from the UK. We will be required to implement these new safeguards in the event these safeguards are used as our basis for conducting restricted data transfers under the EU GDPR and UK GDPR and doing so may require significant effort and cost. If relying on the SCCs or UK IDTA for data transfers, we may also be required to carry out transfer impact assessments to assess whether the recipient is subject to local laws which allow public authority access to personal data. There continue to be concerns about whether the SCCs and other international transfer mechanisms will face additional legal challenges. Any inability to transfer personal data from the EEA to the U.S. in compliance with data protection laws may impede our ability to conduct trials and may adversely affect our business and financial position.

The GDPR increases our responsibilities and may increase our liability in relation to personal data that we process where such processing is subject to the GDPR. While we have taken steps to comply with the GDPR, and implementing legislation in applicable EEA member states and the UK, including by seeking to establish appropriate lawful bases for the various processing activities we carry out, reviewing our security procedures and those of our service providers, and entering into data processing agreements with relevant service providers we cannot be certain that our efforts to achieve and remain in compliance have been, and/or will continue to be, fully successful. Given the breadth and depth of changes in data protection obligations, complying with the GDPR and similar laws' requirements are rigorous and time intensive and require significant resources and a review of our technologies, systems and practices, as well as those of any third-party service providers, contractors or consultants that process or transfer personal data.

The UK's data protection regime is independent from but aligned to the EU's data protection regime. Although the UK is regarded as a third country under the EU's GDPR, the European Commission has now issued an adequacy decision recognizing the UK as providing adequate protection under the EU GDPR and, therefore, transfers of personal data originating in the EEA to the UK remain unrestricted. In December 2025, the European Commission adopted a decision to extend the validity of the UK adequacy decision for six years until December 2031, determining that the UK continues to offer a level of data protection that is "essentially equivalent" to the EU standards. This follows the UK's adoption of the Data (Use and Access) Act 2025 on 19 June 2025. Like the EU GDPR, the UK GDPR restricts personal data transfers outside the UK to countries not regarded by the UK as providing adequate protection. The UK Government has confirmed that personal data

transfers from the UK to the EEA remain free flowing. In addition, EEA Member States have adopted implementing national laws to implement the GDPR which may partially deviate from the GDPR and the competent authorities in the EEA Member States may interpret GDPR obligations slightly differently from country to country, so that we do not expect to operate in a uniform legal landscape in the EEA and UK with respect to data protection regulations. The potential of the respective provisions and enforcement of the EU GDPR and UK GDPR further diverging in the future creates additional regulatory challenges and uncertainties for us. The lack of clarity on future UK laws and regulations and their interaction with EU laws and regulations could add legal risk, uncertainty, complexity and compliance cost to the handling of European personal data and our privacy and data security compliance and could require us to amend our processes and procedures to implement different compliance measures for the UK and the EEA.

Failure to comply with the requirements of the GDPR and the related national data protection laws of the EEA Member States and the UK may result in fines up to €20 million (£17.5 million for the UK GDPR) or 4% of a company's global annual revenues for the preceding financial year, whichever is higher. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR.

In the United States, numerous federal and state laws and regulations, including health information privacy laws, state data breach notification laws, and federal and state consumer protection laws that govern the collection, use, disclosure and protection of health-related and other personal information could apply to our operations or the operations of our collaborators and third-party service providers. For example, the California Consumer Privacy Act ("CCPA"), grants California consumers (as defined in the law) individual privacy rights, including the rights to access, correct and delete their personal information, opt out of certain personal information sharing and receive detailed notice about how their personal information is used or shared.

In addition, the California Privacy Rights Act ("CPRA") significantly modified the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information and created a state agency vested with authority to enforce the CCPA. The CCPA also provides for a private right of action for certain data breaches. The effects of the CCPA are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply.

The CCPA marked the beginning of a trend toward more stringent privacy legislation at the state level. As of January 2026, 19 other U.S. states have also enacted or are considering similar omnibus privacy legislation similar to the CCPA. The existence of comprehensive privacy laws in different states in the country, which vary in their requirements and enforcement, may make our compliance obligations more complex and costly and may increase the likelihood that we become subject to litigation, enforcement actions or otherwise incur liability actual or perceived for noncompliance.

In addition to these comprehensive state privacy laws, other states, including Washington, Connecticut and Nevada, have passed laws that apply more stringent standards to consumer health information. Most notably, Washington's My Health My Data Act regulates the collection and sharing of consumer health information and has a private right of action, further increasing relevant compliance risk. In addition, a smaller number of states have passed laws that regulate biometric data specifically. The increasingly complex landscape of privacy and security laws may impact our business activities, including our identification of research subjects, relationships with business partners and ultimately the marketing and distribution of our products. State laws are changing rapidly and industry organizations regularly adopt and advocate for new standards in these areas.

Regulators and legislators in the U.S. are increasingly scrutinizing and restricting certain personal data transfers and transactions involving foreign countries. For example, the Department of Justice's January 8, 2025, Rule on Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, prohibits transfers of data, including health data, genetic data, and biospecimens, to countries of concern, including China. The regulations also restrict certain investment agreements, employment agreements and vendor agreements involving such data and countries of concern, absent specified cybersecurity controls. Actual or alleged violations of these regulations may be punishable by criminal and/or civil sanctions and may result in exclusion from participation in federal and state programs and could restrict our ability to use certain vendors, sites, investigators, or service providers in clinical trials.

The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with privacy and security laws in multiple jurisdictions increases our compliance risk. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and lead to reputational damage and loss of current and future business, any of which may have a material adverse effect on our business.

Compliance with data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. It could also require us to change our business practices and put in place additional compliance mechanisms, which may interrupt or delay our development, regulatory and commercialization activities and increase our cost of doing business. Failure by us or our third-party providers to comply with data protection laws and regulations could result in government enforcement actions (which could include civil or criminal penalties and orders preventing us from processing personal data), private litigation and result in significant fines and penalties against us. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend, could result in adverse publicity and could have a material adverse effect on our business, financial condition, results of operations and prospects.

The use of new and evolving technologies, such as artificial intelligence, in our business may result in spending material resources and presents risks and challenges that can impact our business including by posing security and other risks to our confidential and/or proprietary information, including personal information, and as a result we may be exposed to reputational harm and liability.

We may use and integrate artificial intelligence ("AI") into our business processes, and this innovation presents risks and challenges that could affect its adoption, and therefore our business. The use of AI presents risks and challenges that could adversely affect our business and reputation, including cybersecurity, data privacy, IT, confidentiality, regulatory, legal, operational, competitive, reputational, intellectual property and other risks. Specifically, risks related to accuracy, bias, AI hallucinations, discrimination, harmful content, misinformation, fraud, scams, targeted attacks (including model poisoning or data poisoning), surveillance, data leakage, bias and inequality, environmental and other harms may flow from our development or use of AI technologies. For example, use of certain AI tools may increase the risk of unauthorized disclosure of confidential information, compromise of proprietary intellectual property, or inadvertent inclusion of third-party intellectual property or other protected material, which could result in disputes or claims of infringement.

Additionally, government and supranational regulation related to AI is evolving as new laws and regulations are implemented globally and could increase the operational cost of compliance, including through requirements related to transparency, accountability, risk management, human oversight, and data governance. We expect to see increasing regulation related to AI governance, use and ethics, which may also significantly increase the burden and cost of research, development and compliance in this area. For example, the EU's Artificial Intelligence Act ("AI Act") — the world's first comprehensive AI law —entered into force on August 1, 2024, with most important provisions scheduled to become effective on August 1, 2026. As currently enacted, the AI Act imposes significant obligations on providers and deployers of high-risk AI systems and general purpose AI models, and encourages providers and deployers of AI systems to account for EU ethical principles when developing and using AI technology. The scope of requirements depends on legal and risk determinations that rely on novel legal provisions that have not yet been fully interpreted by courts or regulators, and non-compliance can lead to significant fines.

In the U.S., the regulatory environment is complex and uncertain. Over the past year, states have advanced, and in some cases passed, dozens of laws focusing on AI governance and regulation, including deployment of AI in healthcare settings. At the Federal level, the current executive administration has endorsed a federal moratorium on the enforcement of state AI laws, including through a December 11, 2025, executive order on "Ensuring a National Policy Framework for Artificial Intelligence." So far, these efforts have not been successful at curtailing state action on AI regulation, contributing to a complicated legislative patchwork, which may be litigated in state and federal courts. In addition, there is continued uncertainty regarding the application of existing federal and state legal frameworks to uses and development of AI, and legal norms and market standards regarding AI continue to evolve. For example, various federal and state regulators have issued guidance and focused enforcement efforts on the use of AI in regulated sectors. The FDA, for example, issued guidance on the use of artificial intelligence in medical devices, requiring detailed risk management and review processes to obtain approvals. The FDA has further issued, for example, draft guidance on the use of AI in regulatory decision-making for drug and biological products that centers on the context of use while establishing a credibility assessment framework for establishing and evaluating AI model outputs intended to support regulatory decision-making. If we develop or use AI systems that are governed by these laws or regulations, including as informed by regulatory guidance, we will need to meet higher standards of data quality, transparency, and human oversight, and we would need to adhere to specific, potentially burdensome and costly ethical, accountability, and administrative requirements. We may also be subject to significant enforcement or litigation in the event of any perceived non-compliance.

The rapid evolution of AI will require the application of significant resources to design, develop, test and maintain our products and services to help ensure that AI is implemented in accordance with applicable law and regulation and in a socially responsible manner and to minimize any real or perceived unintended harmful impacts. Our vendors may in turn incorporate AI tools into their offerings, and the providers of these AI tools may not meet existing or rapidly evolving regulatory or industry standards, including with respect to privacy and data security. Further, bad actors around the world use increasingly sophisticated methods, including the use of AI, to engage in illegal activities involving theft and misuse of personal information, confidential information and intellectual property. In addition, the use of generative AI models in our internal or third-party systems may create new attack surfaces or methods for adversaries, which could impact us and our vendors. Any of these effects could damage our reputation, result in the loss of valuable property and information, cause us to breach applicable laws and regulations, and adversely impact our business, financial condition and results of operation.

We are increasingly dependent on sophisticated information technology and if we fail to effectively maintain or protect our information systems or data, including from data security incidents or breaches, our business could be adversely affected.

We are increasingly dependent on sophisticated information technology for our products and infrastructure. As a result of technological initiatives, recently enacted regulations, changes in our system platforms and integration of new business acquisitions, we have been consolidating and integrating the number of systems we operate and have upgraded and expanded our information systems capabilities. We also have outsourced elements of our operations to third parties, and, as a result, we manage a few third-party suppliers who may or could have access to our confidential intellectual property or business information.

Our information systems, and those of third-party suppliers with whom we contract, require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information technology, evolving systems and regulatory standards and the increasing need to protect patient and customer information. In addition, given their size and complexity, these systems could be vulnerable to service interruptions or to data security incidents, breaches, other interruptions from inadvertent or intentional actions by our employees, third-party suppliers and/or business partners, or from cyber-attacks by malicious third parties attempting to gain unauthorized access to our products, systems or Confidential Information.

The risk of a data security incident, breach or other disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Cyberattacks could include wrongful conduct by hostile foreign governments, industrial espionage, wire fraud and other forms of cyber fraud, the deployment of harmful malware, ransomware, denial-of-service, social engineering fraud (including phishing attacks) or other means to threaten data security, confidentiality, integrity and availability. If such an event were to occur, it could result in the theft or destruction of intellectual property, data or other misappropriation of assets, or otherwise compromise our confidential or proprietary information and result in a material disruption of our development programs and our business operations.

Although we devote resources to protect our information systems, we realize that cyberattacks, cyber intrusions and other disruptions are a threat, and there can be no assurance that our efforts will prevent information security incidents or breaches that would result in business, legal, financial or reputational harm to us, or would have a material adverse effect on our business, financial condition, results of operations and prospects. We may not be able to anticipate all types of security threats, nor may we be able to implement preventive measures to be effective against all such security threats. The techniques used by cyber criminals change frequently, may not be recognized until launched and can originate from a wide variety of sources, including insider threats and outside groups such as external service providers, organized crime affiliates, terrorist organizations or hostile foreign governments or agencies, or generated using artificial intelligence.

Likewise, we rely on third parties for various operations, including the manufacture of our products and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. We rely on our third-party providers to implement effective security measures and identify and correct for any such failures, deficiencies or data security incidents or breaches. Any data security incident or breach in our or our third-party providers' information technology systems could lead to unauthorized access, disclosure and use of non-public information, including protected health information and other personally identifiable information which is protected by HIPAA, and other laws. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, damage to our reputation and the further development and commercialization of our products could be delayed.

While we have not directly experienced any material system failure, accident or data security incident or breach to date, we have, from time to time experienced and may in the future continue to experience, threats and cybersecurity incidents relating to our and our third-party vendors' information systems. If we or our third-party providers fail to maintain or protect our information technology systems and data integrity effectively or fail to anticipate, plan for or manage significant disruptions to our information technology systems, we or our third-party providers could have difficulty preventing, detecting and controlling such data security incidents, breaches or other cyberattacks and any such attacks could result in losses described above as well as disputes with physicians, participants and our partners, regulatory sanctions or penalties, increases in operating expenses, expenses or lost revenues or other adverse consequences, any of which could have a material adverse effect on our business, results of operations, financial condition, prospects and cash flows. If we are unable to prevent or mitigate the impact of such data security incidents or data privacy breaches, we could be exposed to litigation and governmental investigations, which could lead to a potential disruption to our business. While we maintain insurance at levels that we believe are appropriate for our business, this coverage may not be sufficient in type or amount to cover us against all claims related to data security incidents, breaches or other interruptions.

Any compromise to our information security or that of our third-party service providers or contractors could result in an interruption in our operations, the unauthorized publication of our confidential business or proprietary information, the unauthorized release, use, disclosure and/or dissemination of customer, vendor, or employee data, the violation of privacy and/or data protection laws, including under the GDPR, in the EU or the UK, or other laws and exposure to litigation, any of which could harm our business and operating results. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our privacy and data security obligations. Further, applicable privacy and data security obligations may require us to notify relevant stakeholders of a data security incident, breach, or other interruptions. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. In addition, cyberattacks, cyber intrusions, or other interruptions may cause stakeholders (including investors and potential customers) to stop supporting our business, deter new customers from using our products, and negatively impact our ability to grow and operate our business.

We may face circumstances in the future that will result in impairment charges, including, but not limited to, goodwill impairment, intangible assets impairment and in-process research and development charges.

If the fair value of any of our long-lived assets decreases as a result of an economic slowdown, a downturn in the markets where we sell products and services, a downturn in our stock price, financial performance or future outlook, or other reasons, we may be required to record an impairment charge on such assets. We are required to test intangible assets with indefinite life periods for potential impairment annually and on an interim basis if there are indicators of a potential impairment. We also are required to evaluate amortizable intangible assets and fixed assets for impairment if there are indicators of a possible impairment. Impairment charges could have a negative impact on our results of operations and financial position, as well as on the market price of our common stock.

Our business is dependent upon hiring and retaining qualified management, operations and technical personnel.

We are highly dependent on the members of our management, operations and technical staff, the loss of one or more of whom could have a material adverse effect on us. We have experienced a number of management changes in recent years, and there can be no assurances that any future management changes will not adversely affect our business. Effective February 1, 2026, we had a transition in our President and Chief Executive Officer ("CEO") role, in which Cheryl Blanchard became Executive Chair of our Board of Directors and she was replaced as President and CEO by Stephen Griffin, who had been Executive Vice President, Chief Financial Officer and Chief Operating Officer. This transition in our CEO role may disrupt our operations, create uncertainty among employees and investors, and result in changes to our strategic direction. We believe that our future success will depend in large part upon our ability to attract and retain technical and highly skilled executive, managerial, professional, and technical personnel. We continue to engage with our employees on a regular basis to limit voluntary employee turnover. We face significant competition for such personnel from competitive companies, research and academic institutions, government entities, and other organizations. There can be no assurance that we will be successful in hiring or retaining the personnel we require. The failure to hire and retain such personnel could have a material adverse effect on our business, financial condition, and results of operations.

We may require additional capital in the future. We cannot give any assurance that such capital will be available at all or on terms acceptable to us, and if it is available, additional capital raised by us could dilute your ownership interest or the value of your shares.

We may need to raise capital in the future depending on numerous factors, including:

- Market acceptance of our existing and future products;
- The success and sales of our products under various distributor agreements and other appropriate commercial strategies, including the ability of our partners to achieve third party reimbursement for our products;
- The successful commercialization of products in development through appropriate commercial models and marketing channels;
- Progress in our product development efforts;
- The magnitude and scope of such product development efforts;
- Any potential acquisitions of products, technologies, or businesses;
- Progress with preclinical studies, clinical trials, and product approvals and clearances by the FDA and other agencies;
- Requirement to conduct additional preclinical studies and clinical trials for future products;
- The cost and timing of our efforts to manage our manufacturing capabilities and related costs;
- Expanding our manufacturing capacity to support growing demand for our products and add redundancies to our manufacturing process;
- The cost of filing, prosecuting, defending, and enforcing patent claims and other intellectual property rights and the cost of defending any other legal proceeding;
- Competing technological and market developments;
- The development of strategic alliances for the marketing of certain of our products;
- The terms of such strategic alliances, including provisions (and our ability to satisfy such provisions) that provide upfront and/or milestone payments to us;
- The cost of maintaining adequate inventory levels to meet current and future product demand; and
- Further expanding our business in international markets.

To the extent funds generated from our operations, together with our existing capital resources, are insufficient to meet future requirements, we will be required to obtain additional funds through equity or debt financing, through strategic alliances with corporate partners and others, or through other sources. The terms of any future equity financing may be dilutive to our investors, and the terms of any debt financing may contain restrictive covenants, which limit our ability to pursue certain courses of action. Our ability to obtain financing is dependent on the status of our future business prospects as well as conditions prevailing in the relevant capital markets at the time, we seek financing. No assurance can be given that any additional financing will be made available to us or will be available on acceptable terms should such a need arise.

If we succeed in raising additional funds through the issuance of equity or convertible securities, then the issuance could result in substantial dilution to existing stockholders. Furthermore, the holders of these new securities or debt may have rights, preferences and privileges senior to those of the holders of common stock. In addition, any preferred equity issuance or debt financing that we may obtain in the future could have restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Changes in tax law could adversely affect our business and financial condition.

The rules dealing with U.S. federal, state, and local and non-U.S. taxation are constantly under review by persons involved in the legislative process, the Internal Revenue Service, the U.S. Treasury Department and other taxing authorities. Changes to tax laws or tax rulings, or changes in interpretations of existing laws (which changes may have retroactive application), could adversely affect us or the holders of our common stock. These changes could subject us to additional income-based taxes and non-income taxes (such as payroll, sales, use, value-added, net worth, property, and goods and services taxes), which in turn could materially affect our financial position and results of operations. Additionally, new, changed, modified, or newly interpreted or applied tax laws could increase our customers' and our compliance, operating and other costs, as well as the costs of our products. In recent years, many such changes have been made, and changes are likely to continue to occur in the future. As we expand the scale of our business activities, any changes in the United States and non-U.S. taxation of such activities may impact our effective tax rate, result in higher tax payments and harm our business, financial condition, cash flows and results of operations.

Substantial changes to U.S. tax law may adversely affect our business.

On July 4, 2025, tax reform legislation included in the One Big Beautiful Bill Act (the "OBBBA") was enacted in the United States. Key corporate tax provisions include the restoration of 100% bonus depreciation, allowing for the potential for immediate expensing of domestic research and experimental expenditures, changes to Section 163(j) interest limitations, updates to Global Intangible and Low-Taxed Income ("GILTI") and Foreign Derived Intangible Income ("FDII") rules, amendments to energy credits, and expanded Section 162(m) aggregation requirements. We have evaluated the elective provisions allowed under the new U.S. tax legislation and accounted for tax deductions for bonus depreciation and research and development expenses allowed under the new legislation. Other changes enacted did not have a material impact to our financial statements.

Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect the Company's current and projected business operations and its financial condition and results of operations.

Actual events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. If any of our customers, suppliers or other parties with whom we conduct business are unable to access funds pursuant to lending arrangements with financial institutions, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected.

Although we assess our banking and customer relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with which we have credit agreements or arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could involve financial institutions or financial services industry companies with which the Company has financial or business relationships but could also include factors involving financial markets or the financial services industry generally.

The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. These could include, but may not be limited to, the following:

- Delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets;
- Delayed or lost access to, or reductions in borrowings available under revolving existing credit facilities or other working capital sources and/or delays, inability or reductions in the company's ability to refund, roll over or extend the maturity of, or enter into new credit facilities or other working capital resources;
- Potential or actual breach of contractual obligations that require the Company to maintain letters of credit or other credit support arrangements;
- Potential or actual breach of financial covenants in our credit agreements or credit arrangements;
- Potential or actual cross-defaults in other credit agreements, credit arrangements or operating or financing agreements; or
- Termination of cash management arrangements and/or delays in accessing or actual loss of funds subject to cash management arrangements.

The impact of the ongoing conflict between Russia and Ukraine and the conflict in the Middle East on the global economy, energy supplies and raw materials is uncertain, but may prove to negatively impact our business and operations.

The short and long-term implications of the ongoing conflict between Russia and Ukraine and the conflict in the Middle East are difficult to predict at this time. We continue to monitor any adverse impact that the outbreak of war in Ukraine, the subsequent institution of sanctions against Russia by the United States and several European and Asian countries, and the conflict in the Middle East may have on the global economy in general, on our business and operations and on the businesses and operations of our suppliers and other third parties with which we conduct business. For example, a prolonged conflict in Ukraine or the Middle East may result in increased inflation, escalating energy prices and constrained availability, and thus increasing costs, of raw materials. We also have suppliers and customers in and around those areas that we periodically do business with that could be disrupted by these events. We will continue to monitor this fluid situation and develop contingency plans as necessary to address any disruptions to our business operations as they develop. To the extent these conflicts may adversely affect our business as discussed above, it may also have the effect of heightening many of the other risks described herein. Such risks include, but are not limited to, adverse effects on macroeconomic conditions, including inflation; disruptions to our global technology infrastructure, including through cyberattack, ransom attack, or cyber-intrusion; adverse changes in international trade policies and relations; disruptions in global supply chains; and constraints, volatility, or disruption in the capital markets, any of which could negatively affect our business and financial condition.

Significant political, trade, regulatory developments, and other circumstances beyond our control, could have a material adverse effect on our financial condition or results of operations.

Significant political, trade, or regulatory developments, such as those stemming from changes in the U.S. federal administration, are difficult to predict and may have a material adverse effect on us, as we both import materials and equipment necessary to manufacture our products in the U.S., and export materials and products from the U.S. Similarly, changes in U.S. federal policy that affect the geopolitical landscape could give rise to circumstances outside our control that could have negative impacts on our business operations. Changes to U.S. policy implemented by the U.S. Congress, the current administration or any new administration have impacted and may in the future impact, among other things, the U.S. and global economy, international trade relations, unemployment, immigration, healthcare, taxation, the U.S. regulatory environment, inflation and other areas. For example, certain governments (including the United States and other countries) have imposed or may impose tariffs on a wide range of products, raw materials, and intermediate goods, including on products that we purchase from certain key suppliers. Additional tariffs, or retaliatory measures by other countries in response, may be implemented at any time. Historically, tariffs have led to increased trade and political tensions. In response to tariffs, other countries have implemented retaliatory tariffs on U.S. goods. Political tensions as a result of trade policies could reduce trade volume, investment, technological exchange, and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. Any changes in political, trade, regulatory, and economic conditions, including U.S. trade policies, could have a material adverse effect on our financial condition or results of operations. Until we know what policy changes are made, whether those policy changes are challenged and subsequently upheld by the court system, the duration that those policy changes remain in effect, and how those changes impact our business and the business of our competitors over the long term, we will not know if, overall, we will benefit from them or be negatively affected by them.

Risks Related to Our Commercialization Activities

Our license agreements with J&J MedTech provide substantial control of Monovisc and Orthovisc in the United States to J&J MedTech and J&J MedTech's actions could have a material impact on our business, financial condition and results of operations.

Our license and distribution agreements with J&J MedTech related to Monovisc and Orthovisc provide J&J MedTech with, among other things, the exclusive right to market and sell Monovisc and Orthovisc in the United States, unilateral decision-making authority over the sale, price, and promotion of Monovisc and Orthovisc in the United States, substantial control over the future development of Monovisc and Orthovisc related to the treatment of pain associated with osteoarthritis, a license to manufacture and have manufactured such products in the event that we are unable to supply J&J MedTech with Monovisc or Orthovisc in accordance with the terms of the relevant agreement, and certain rights of first refusal with respect to future products we develop for the treatment of pain associated with osteoarthritis. In exchange, J&J MedTech pays us a transfer price calculated with reference to historical end-user prices in the market and a fixed royalty rate per product on their net product sales. As J&J MedTech accounts for a large percentage of our revenue and has unilateral decision-making authority over in-market activities, including end-user pricing and discounts, reimbursement strategy, and overall promotion strategy, actions taken by J&J MedTech impact our ability to predict and generate revenue and have a material impact on our business, financial condition, and results of operations.

In October 2025, J&J MedTech announced that it planned to divest its orthopedics implants and related surgical products business which would include Monovisc and Orthovisc products that we manufacture. This action by J&J MedTech could impact our ability to predict and generate revenue and have a material impact on our business, financial condition, and results of operations.

We may not succeed in our buildout of our direct sales channel in the United States, and our failure to do so could negatively impact our business and financial results.

Beginning in 2019, we started selling and marketing many of our products directly to customers, including hospitals and ASCs, through our direct Anika sales team and a network of independent third-party distributors. This approach was a departure from our historical distribution model in the United States, and we cannot be certain that we will be successful in implementing and executing on this commercial approach or that, even if we are able to implement it, the approach will be successful at scale. We may not be able to attract or retain the sophisticated personnel required for our approach, to identify or negotiate favorable or acceptable terms with distribution agents and ensure that they dedicate time and focus to our products, to achieve in-market pricing at the levels we have targeted, to develop and tailor our product portfolio to be specifically desired by clinicians who practice in ASCs, or to timely execute on our strategies for market penetration generally. Our failure to successfully implement and execute this commercial approach could have a material adverse effect on our business, financial condition, and results of operations.

We are dependent upon marketing and distribution partners and the failure to maintain strategic alliances on acceptable terms will have a material adverse effect on our business, financial condition, and results of operations.

Our success is dependent, in part, upon the efforts of our marketing, distribution, and logistics partners, including our sales agent partners in the United States, and the terms and conditions of our relationships with such partners. We cannot assure you that our commercial partners, including J&J MedTech, will not seek to renegotiate their current agreements on terms less favorable to us or terminate such agreements. A failure to maintain relationships with our commercial partners on terms satisfactory to us, or at all, could result in a material adverse effect on our operating results.

We continue to seek to establish long-term partnerships in regions and countries not covered by existing agreements, and we may need to obtain the assistance of additional marketing partners to bring new and existing products to market and to replace certain marketing partners. There can be no assurance that we will be able to identify or engage appropriate distribution or collaboration partners or effectively transition to any such new partnerships. The failure to establish strategic partnerships for the marketing and distribution of our products on acceptable terms and within our planned timeframes could have a material adverse effect on our business, financial condition, and results of operations.

Sales of our products are largely dependent upon third-party health insurance coverage and reimbursement and our performance may be harmed by health care cost containment initiatives or decisions of individual third-party payers.

In the United States and other foreign markets, health care providers, such as hospitals and physicians, that purchase health care products, such as our products, generally rely on third-party payers, including Medicare, Medicaid, and other health insurance and managed care plans, to provide coverage and to reimburse for all or part of the cost of the health care product or procedures that use such products. Coverage and reimbursement by third-party payers, both in the United States and internationally, may depend on several factors, including the individual payer's determination that our products or procedures that use our products are clinically useful and cost-effective, medically necessary, and not experimental or investigational. Since insurance coverage determinations and reimbursement decisions are made by each payer individually, seeking positive coverage and reimbursement decisions can be a time consuming and costly process, which could require us or our marketing partners to provide supporting scientific, clinical, and cost-effectiveness data for the use of our products to each payer separately. Significant uncertainty exists as to the insurance coverage and reimbursement status of newly approved health care products or procedures that use such products, and any failure or delay in obtaining reimbursement approvals can negatively impact sales of our new products. In addition, we cannot be certain that payers who currently provide reimbursement for our products or procedures that use our products will continue to provide such reimbursement in the future, and such payer decisions could negatively impact the sales of our current or future products.

Even when our products or procedures that use our products are covered by third-party payers, reimbursement may be subject to significant administrative requirements, including prior authorization, claims documentation, and utilization management processes. Payers may delay, deny, or reduce payment for administrative or technical reasons, or may require providers to pursue appeals or resubmissions, which can be costly and time-consuming. Such delays or denials may discourage providers from purchasing or administering our products and could negatively impact sales, cash flows, and operating results.

In addition, third-party payers are increasingly attempting to contain the costs of health care products and services by limiting both coverage and the level of reimbursement for new therapeutic products and by refusing, in some cases, to provide coverage for uses of approved products for disease indications for which the FDA, or the applicable foreign regulatory agency, has granted marketing approval. Also, the U.S. Congress, certain state legislatures, and certain foreign governments and regulatory agencies have considered reforms, including, among other items, any material changes to the ACA or the potential repeal of reference drug pricing in the United States, which may affect current reimbursement practices and create additional uncertainty about the pricing of our products, including the potential implementation of controls on health care spending through limitations on the growth of Medicare and Medicaid spending. For example, in 2010, the ACA was enacted and was intended to expand access to health insurance coverage and improve the quality of health care over time. There has been ongoing litigation and congressional efforts to modify or repeal all or certain provisions of the ACA. There may be uncertainties that result from modification or repeal of any of the provisions of the ACA, including as a result of current and future executive orders and legislative actions. We cannot predict what other health care programs and regulations will ultimately be implemented at the federal or state level or the effect that any future legislation or regulation in the United States may have on our business. There can be no assurance that third-party coverage will be available or that reimbursement will be adequate for any products or services developed by us or procedures using our products or services.

Outside the United States, the success of our products is also dependent in part upon the availability of reimbursement and health care payment systems. Domestic and international reimbursement laws and regulations may change from time to time. Lack of adequate coverage and reimbursement provided by governments and other third-party payers for our products and services, including continuing coverage for Monovisc and Orthovisc in the United States, and any change of classification by the Centers for Medicare and Medicaid Services for reimbursement of Orthovisc and Monovisc, could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Our Product Development and Regulatory Compliance

We are facing a longer than expected pathway to commercialize our Cingal product in the United States, and we may face other unforeseen difficulties in achieving regulatory approval for Cingal and Hyalofast, which could affect our business and financial results.

In 2018, we received and analyzed the results of our second Phase III clinical trial for Cingal and found that the data did not meet the primary study endpoint of demonstrating a statistically significant difference in pain reduction between Cingal and the approved steroid component of Cingal at the six-month time point. After discussions with the FDA, it was determined that an additional Phase III clinical trial would most likely be necessary to support U.S. marketing approval for Cingal. In 2022, we completed this third Phase III clinical trial, which achieved its primary endpoint. Together with previous clinical studies, Cingal has demonstrated superiority over each of its active ingredients and placebo over 26 weeks for long-acting pain relief. We have been engaging with the FDA on next steps for U.S. regulatory approval. In parallel, we are exploring the potential to advance Cingal through commercial partnerships in the U.S. and select Asian markets. Other unforeseen future developments could have a substantial negative impact on the timeline for and the cost associated with a potential Cingal regulatory approval, our overall business condition, financial results, and competitive position could be affected.

We may experience difficulties or delays in securing regulatory approval for Hyalofast, which could negatively affect our business and financial results.

In July 2025, we announced topline results from our U.S. pivotal FastTRACK Phase III trial of Hyalofast, our single-stage, off-the-shelf, cartilage repair therapy, currently sold only outside the United States. This trial failed to achieve the pre-specified co-primary endpoints, although it did demonstrate consistent improvements in treated patients across all measures of pain and function relative to microfracture. Based on this clinical and other data, we submitted a PMA on October 31, 2025, with the FDA for Hyalofast.

As expected, we received in January 2026 a deficiency letter from the FDA informing us that the Hyalofast PMA lacks information needed to complete its review. Among other things, the letter addressed matters related to chemistry, manufacturing and controls (CMC) and the statistical analysis plan for both primary and secondary endpoints and whether any of these endpoints achieved statistical significance. We plan to continue to engage with the FDA to explore potential approaches to address the FDA's concerns so that it might complete its review. Although there can be no assurance that we will be able to fully address the FDA's concerns, we continue to believe the totality of evidence presented in this study and the data from outside the United Sates demonstrates the clinical value of Hyalofast.

Although we believe the totality of the data may be sufficient to support approval, there can be no assurance that the FDA will agree. Failure to achieve the pre-specified co-primary endpoints in the trial could materially negatively impact our ability to obtain regulatory approval or delay a decision by FDA. Moreover, the FDA may determine that any post hoc analyses or alternative endpoints we propose are not sufficient to support approval. Although the FDA may have used similar endpoints for other cartilage repair product approvals in the past, there can be no assurance they will apply the same standards in this case because, among other factors, these endpoints used by the FDA were not part of our original trial design. If the FDA's review of this submission is delayed, or if we fail to achieve regulatory approval for this product candidate, it would have a material adverse effect on our future revenue and adversely impact our business and financial results, including impairment of our in-process research and development intangible asset.

Any unforeseen developments or delays could have a substantial negative impact on the timeline for and the cost associated with a potential Hyalofast regulatory approval, and our overall business condition, financial results, and competitive position could be affected.

Failure to obtain, or any delay in obtaining, FDA or other U.S. and foreign governmental clearances or approvals for our products may have a material adverse effect on our business, financial condition, and results of operations.

Several of our current products under development, and certain future products we may develop, will require clinical trials to determine their safety and efficacy for marketing approval by regulatory bodies, including the FDA. Product development and clearance or approval within the FDA and international regulatory frameworks takes several years and involves the expenditure of substantial resources. There can be no assurance that the FDA or other regulatory authorities will accept submissions related to our new products or the expansion of the indications of our current products, and, even if submissions are accepted, there can be no guarantee that the FDA or other regulatory authorities will grant clearance or approval for our new products, on a timely basis, if at all. In addition to regulations enforced by the FDA, we are subject to other existing and future federal, state, local, and foreign regulations applicable to product clearance or approval, which may vary significantly across jurisdictions. Additional clearance or approval of existing products may be required when changes to such products may affect safety and effectiveness, including for new indications for use, labeling changes, process or manufacturing changes, the use of a different facility to manufacture, process or package the product, and changes in performance or design specifications. For our devices that are subject to 510(k) clearances, the FDA requires device manufacturers to make a determination of whether a modification requires a clearance; however, the FDA can review a manufacturer's decision not to submit for additional clearances. We cannot provide any assurance that the FDA will agree with our decisions not to seek clearances for particular device modifications. If the FDA disagrees, and requires new clearances or approvals for any modifications, and we fail to obtain such approvals or clearances or fail to secure approvals or clearances in a timely manner, we may be required to recall and to stop the manufacturing and marketing of the modified device until we obtain the FDA approval or clearance, and we may be subject to significant regulatory fines or penalties. Failure to obtain regulatory clearance or approvals of our products, including any changes to existing products, could have an adverse material impact on our business, financial condition, and results of operations.

Even if ultimately granted, the FDA and international regulatory clearances or approvals may be subject to significant, unanticipated delays throughout the regulatory review process. Internally, we make assumptions regarding product clearance or approval timelines, both in the United States and internationally, in our business planning, and any delay in clearance or approval could materially affect our competitive position in the relevant product market and our projections related to future business results.

We cannot be certain that product clearance or approvals, both in the United States and internationally, will not include significant limitations on the product indications, and other claims sought for use, under which the products may be marketed. The relevant approval or clearance may also include other significant conditions such as post-market testing, tracking, or surveillance requirements. Any of these factors could significantly impact our competitive position in relation to such products and could have a negative impact on the sales of such products.

Once obtained, we cannot guarantee that the FDA or international product clearances or approvals will not be withdrawn or that relevant agencies will not require other corrective action, and any withdrawal or corrective action could materially affect our business and financial results.

Once obtained, marketing approval can be withdrawn by the FDA or comparable foreign regulatory agencies for a number of reasons, including the failure to comply with ongoing regulatory requirements or the occurrence of unforeseen problems following initial approval. Regulatory authorities could also limit or prevent the manufacture or distribution of our products. Any regulatory limitations on the use of our products or any withdrawal or suspension of approval or rescission of approval or reclassification by the FDA or a comparable foreign regulatory agency could have a material adverse effect on our business, financial condition, and results of operations.

Our operations and products are subject to extensive regulation, compliance with which is costly and time consuming, and our failure to comply may result in substantial penalties, including recalls of our products.

The FDA and foreign regulatory bodies impose extensive regulations applicable to our operations and products, including regulations governing product and sterilization standards, packaging requirements, labeling requirements, adverse event reporting, quality management system and manufacturing requirements, import restrictions, tariff regulations, duties, and tax requirements. The FDA and other foreign regulatory bodies worldwide conduct periodic inspections of our facilities to determine compliance with the FDA's requirements and all comparable foreign regulations. We cannot assure you that we will be able to achieve and maintain compliance required for the FDA, CE marking, or other foreign regulatory clearances or approvals for any or all our operations and products or that we will be able to produce our products in a timely and profitable manner while complying with applicable requirements.

Failure to comply with applicable regulatory requirements could result in substantial penalties, including warning letters, fines, injunctions, civil penalties, seizure of products, total or partial suspension of production, refusal to grant pre-market clearance or pre-market approval for devices or drugs, withdrawal of approvals, and criminal prosecution. Additionally, regulatory authorities have the power to require the recall of our products. It also might be necessary for us, in applicable circumstances, to initiate a voluntary recall per regulatory requirements of one or several of our products. The imposition of any of the foregoing penalties, whether voluntarily or involuntary, could have a material negative impact on our business, financial condition, and results of operations.

Any changes in the FDA or international regulations related to product approval or approval renewal, including those currently under consideration by the FDA or those that apply retroactively, could adversely affect our competitive position and materially affect our business and financial results.

The FDA and foreign regulations depend heavily on administrative interpretation, and we cannot assure you that future interpretations made by the FDA or other regulatory bodies, with possible retroactive effects, will not adversely affect us. Additionally, any changes, whether in interpretation or substance, in existing regulations or policies, or any future adoption of new regulations or policies by relevant regulatory bodies, could prevent or delay approval of our products. In the event our future, or current, products, including HA generally, are classified, or re-classified, as human drugs, combination products, or biologics by the FDA or an applicable international regulatory body, the applicable review process-related to such products is typically substantially longer and substantially more expensive than the review process to which they are currently subject as medical devices. In 2018, the FDA publicly indicated its intent to consider HA products for certain indications for regulation as a drug and has indicated that industry should submit new products or indication expansions to its Office of Combination Products to designate the appropriate FDA office for review. There exists uncertainty with respect to the final interpretation, implementation, and consequences of this development, and this or any other potential regulatory changes in approach or interpretation similar in substance to those mentioned in this paragraph and affecting our products could materially impact our competitive position, business, and financial results.

Additionally, the implementation of the EU MDR, which was put into effect in 2021, has changed several aspects of the medical device regulatory framework in the EU. Specifically, the EU MDR requires (i) changes in the clinical evidence required for medical devices, (ii) post-market clinical follow-up evidence, (iii) annual reporting of safety information for Class III and Class IIb products, and reporting every two years for Class IIa products, (iv) Unique Device Identification ("UDI") for all products and submission of core data elements to an EU UDI database prior to placement of a device on the market, (v) reclassification of some medical devices, and (vi) multiple other labeling changes. Approvals for certain of our currently marketed products could be curtailed or withdrawn as a result of the implementation of the EU MDR, and acquiring approvals for new products could be more challenging and costly. The EU MDR requires all devices to undergo review and approval for compliance to EU MDR by the expiry of a transitional period. The original expiry date of May 26, 2024 has been extended to May 26, 2026, or December 31, 2027 or December 31, 2028 for certain devices, depending on the risk classification of the device, in response to concerns raised about notified body capacity and the ability for devices to be re-certified within the original time period. We have reviewed our products that are sold in the EU market and have completed the product rationalization exercise to identify the products that we will continue to market in the EU. Products we intend to continue marketing require substantial submissions to be made to the notified bodies for a conformity assessment under the EU MDR. We secured certification extensions for several products in accordance with EU MDR transitional guidance. We have achieved EU MDR certification for Monovisc and Hyalofast, and have other products' submissions either under review, or planned to meet updated certification deadlines. Compliance with this and any other requirements is time-consuming and costly, and our failure to comply may subject us to significant liabilities, which could have a material adverse effect on our business, financial condition, and results of operations.

Notices of inspectional observations or deficiencies from the FDA or other regulatory bodies require us to undertake corrective and preventive actions or other actions to address the FDA's or other regulatory bodies' concerns. These actions could be expensive and time-consuming to complete and could impose an additional burden on us.

We are subject to periodic inspections by the FDA and other regulatory bodies related to regulatory requirements that apply to products designed and manufactured, and clinical trials sponsored by us. If we receive notice of inspectional observations or deficiencies from the FDA or other regulatory bodies following an inspection, we may be required to undertake corrective and protective actions or other actions to address the FDA or other regulatory bodies concerns which could be expensive and time-consuming to complete and could impose additional burdens and expenses. We have previously received notices of observations or deficiencies from the FDA. Failure to adequately address the FDA's or other regulatory bodies' concerns could expose us to enforcement or administrative actions.

We may rely on third parties to support certain aspects of our clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory clearance or approval or commercialize our products, and our business could be substantially harmed.

We have hired experienced clinical development and regulatory staff, and we have also retained the services of knowledgeable external service providers, including consultants and clinical research organizations, to develop and supervise our clinical trials and regulatory processes. Despite our internal investment in staffing, we will remain dependent upon these third-party contract research organizations and consultants to carry out portions of our clinical and pre-clinical research studies and regulatory filing assistance for the foreseeable future. As a result, we have had and will have less control over the conduct of the clinical trials, the timing and completion of the trials, the required reporting of adverse events, and the management of data developed through the trials that would be the case if we were relying entirely on our own staff. Outside parties may have staffing difficulties, may undergo changes in priorities or may become financially distressed, adversely affecting their willingness or ability to conduct our trials. Failure by these third parties to comply with regulatory requirements or to meet timing expectations may require us to repeat clinical trials or preclinical studies, which would delay the regulatory clearance or approval process, or require substantial unexpected expenditures.

If we are found to have improperly promoted our products for off label uses, we may become subject to significant fines and other liability.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about medical devices and drugs. For example, devices cleared under section 510(k) of the FDCA cannot be marketed for any intended use that is outside of the FDA's substantial equivalence determination for such devices. Physicians nevertheless may use our products on their patients in a manner that is inconsistent with the intended use cleared by the FDA. If we are found to have promoted such "off label" uses, we may become subject to significant government fines and other related liability. In the current administration, the FDA has increased its enforcement scrutiny over prescription drug advertising, particularly direct-to-consumer product promotion and advertising. If the FDA finds any of our promotional communications or advertising to be violative, we may receive an untitled or warning letter, requests for corrective advertising, or fines, amongst other enforcement tools available to the FDA. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

We are subject to various healthcare laws and regulations, and any failure to comply with applicable laws could subject us to significant liability and harm our business.

The sales, marketing, pricing, and reimbursement practices of medical product companies, and their relationships with healthcare providers such as physicians, hospitals, ASCs, and others, are subject to extensive regulation and enforcement scrutiny. Our industry is subject to various laws and regulations pertaining to healthcare fraud and abuse, as well as other laws that impose extensive tracking and reporting related to all transfers of value provided to certain health care providers and others. These laws include the False Claims Act, the Anti-Kickback Statute, the Stark law, the Physician Payments Sunshine Act, the FDCA, and similar laws and regulations in the United States and around the world. These laws and regulations are broad in scope and are subject to evolving interpretation. Because our products are administered by healthcare providers and reimbursed by government healthcare programs under a "buy-and-bill" model, our pricing, contracting, discounting, reimbursement support, and other arrangements with customers and third parties may be subject to heightened scrutiny under federal and state fraud and abuse laws, including the Anti-Kickback Statute and the False Claims Act. Even arrangements intended to facilitate product access, reimbursement, or patient affordability may be subject to regulatory interpretation or enforcement. We could be required to incur substantial costs to investigate, audit, and monitor compliance or to alter our practices, to the extent that we are subject to government scrutiny under these laws. In addition, we are subject

to various laws concerning anti-corruption and anti-bribery matters (including the Foreign Corrupt Practices Act), sales to countries or persons subject to economic sanctions and other matters affecting our international operations. Violations of these laws are punishable by criminal and/or civil sanctions, including, in some instances, fines, imprisonment and, within the United States, exclusion from participation in government healthcare programs, including Medicare, Medicaid and Veterans Administration health programs. These laws are administered by, among others, the U.S. Department of Justice, the U.S. Department of Health and Human Services Office of Inspector General, the Securities and Exchange Commission, the Office of Foreign Access Control, the Bureau of Industry and Security of the U.S. Department of Commerce, and state attorneys general. Any failure to comply with these laws could subject us to significant liabilities, which could have a material adverse effect on our business, financial condition, and results of operations.

We are subject to environmental regulations and any failure to comply with applicable laws could subject us to significant liabilities and harm our business.

We are subject to a variety of local, state, federal, and foreign government regulations relating to the storage, discharge, handling, emission, generation, manufacture, and disposal of toxic or other hazardous substances used in the manufacture of our products. Any failure by us to control the use, disposal, removal, or storage of hazardous chemicals or toxic substances could subject us to significant liabilities, which could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Our Growth Initiatives

We may have difficulty managing our growth.

As a result of our activities, we have experienced growth in the number of our employees, the scope of our product portfolio and pipeline, the size of our operating and financial systems, and the geographic area of our operations in recent years. This growth has resulted in increased responsibilities for our management. To manage our growth effectively, we must continue to manage, attract, motivate and retain employees, and improve our operating and financial systems. There can be no assurance that our current management systems will be adequate or that we will be able to manage our recent or future growth successfully. Any failure to do so could have a material adverse effect on our business, operating results and financial condition.

We may not generate the expected benefits of our acquisitions, and the actions associated with the divestiture of those acquisitions could disrupt our ongoing business, distract our management and increase our expenses.

In early 2020, we completed the acquisitions of Parcus Medical and Arthrosurface Incorporated, in which we expanded our product portfolio and pipeline, diversified our business, expanded our commercial infrastructure, entered new markets, and increased the scope of our operations and the number of our employees. In October 2024, we sold the Arthrosurface asset group and in March 2025, we sold the Parcus Medical asset group. This decision was made as the cost to manage these product lines impacted our profitability and took focus away from our core HA-related business.

While the divestitures are substantially complete, there may be increased risk with the divestitures of these businesses due to diversion of the attention of management created by the divestiture process, disruptions or other difficulties encountered in the divestiture process, and unforeseen liabilities or unanticipated problems with the businesses being sold, which could have a material adverse effect on our business, operating results and financial condition. The acquisition of these two companies and the related investment in the business have significantly contributed to our net losses in recent years.

We expect to continue to actively explore inorganic growth as a part of our future growth strategy, which exposes us to a variety of risks that could adversely affect our business operations.

Our business and future growth strategy includes as an important component the acquisition of businesses, technologies, services, assets or products that we believe are a strategic fit with or otherwise provide value to our business. We may fund these acquisitions by utilizing our cash, incurring debt, issuing additional shares of our common stock, or by other means. Completed transactions may expose us to a number of risks and expenses, including unanticipated liabilities, amortization expenses related to intangible assets with definite lives, or risks associated with entering new markets with which we have limited experience or where commercial alliances with experienced partners or existing sales channels are not available. Whether or not completed, transactions may result in diversion of management resources otherwise available for ongoing development of our business and significant expenditures.

Customer and employee uncertainty about the effects of any acquisitions or divestitures could harm us.

Customers of any companies we acquire or divest may, in response to the consummation of the acquisitions, delay or defer purchasing decisions, which could adversely affect the success of our business. Similarly, our employees may experience uncertainty about their future roles, which may adversely affect our ability to attract and retain key management, sales, marketing, and technical personnel.

As our international sales and operations grow, we could become increasingly subject to additional economic, political, and other risks that could harm our business.

Since we manufacture our products for sale worldwide, our business is subject to risks associated with doing business internationally. During 2025, 2024, and 2023, 38%, 31%, and 28%, respectively, of our product sales were to international customers. We continue to be subject to a variety of risks, which could cause fluctuations in the results of our international and domestic operations. These risks include:

- The impact of recessions, inflation and other economic conditions in economies outside the United States;
- Instability of foreign economic, political, and labor conditions;
- Fluctuations in foreign currency exchange rates relative to the U.S. dollar;
- Unfavorable labor regulations applicable to our European operations, such as severance and the unenforceability of non-competition agreements in the EU;
- The impact of strikes, work stoppages, work slowdowns, grievances, complaints, claims of unfair labor practices, or other collective bargaining disputes;
- Difficulties in complying with restrictions imposed by regulatory or market requirements, tariffs, or other trade barriers or by U.S. export laws;
- Imposition of government controls limiting the volume of international sales;
- Longer accounts receivable payment cycles;
- Potentially adverse tax consequences, including, if required or applicable, difficulties transferring funds generated in non-U.S. jurisdictions to the United States in a tax efficient manner;
- Difficulties in protecting intellectual property, especially in international jurisdictions;
- Difficulties in managing international operations; and
- Burdens of complying with a wide variety of foreign laws, including the EU MDR and GDPR among others.

Our success depends, in part, on our ability to anticipate and address these and any new risks. We cannot guarantee that these or other factors will not adversely affect our business or operating results.

Risks Related to Our Intellectual Property

We may be unable to adequately protect our intellectual property rights, which could have a material impact on our business and future financial results.

Our efforts to enforce our intellectual property rights may not be successful. We rely on a combination of copyright, trademark, patent, and trade secret laws, confidentiality procedures, and contractual provisions to protect our proprietary rights. Our success will depend, in part, on our ability to obtain and enforce patents and trademarks, to protect trade secrets, to obtain licenses to technology owned by third parties when necessary, and to conduct our business without infringing on the valid proprietary rights of others. The patent positions of pharmaceutical, medical product, and biotechnology firms, including ours, can be uncertain and involve complex legal and factual questions. There can be no assurance that any patent applications will result in the issuance of patents or, if any patents are issued, that they will provide significant proprietary protection or commercial advantage or will not be circumvented by others. Filing and prosecution of patent applications, litigation to establish the validity and scope of patents, assertion of patent infringement claims against others, and the defense of patent infringement claims by others can be expensive and time consuming. There can be no assurance that, in the event that any claims with respect to any of our patents, if issued, are challenged by one or more third parties, any court or patent authority ruling on such challenge will determine that such patent claims are valid and enforceable. An adverse outcome in such litigation or patent review process could cause us to lose exclusivity covered by the disputed rights. If a third party is found to have rights covering products or processes used by us, we could be forced to cease using the technologies or marketing the products covered by such rights, we could be subject to significant liabilities to such third party, and we could be required to license technologies from such third party in order to continue production of the products. Furthermore, even if our patents are determined to be valid, enforceable, and broad in scope, there can be no assurance that competitors will not be able to design around such patents and compete with us using the resulting alternative technology. We have a policy of

seeking patent protection for patentable aspects of our proprietary technology. We intend to seek patent protection with respect to products and processes developed in the course of our activities when we believe such protection is in our best interest and when the cost of seeking such protection is appropriate. However, no assurance can be given that any patent application will be filed, that any filed applications will result in issued patents, or that any issued patents will provide us with a competitive advantage or will not be successfully challenged by third parties. The protections afforded by patents will depend upon their scope and validity, and others may be able to design around our patents.

We also rely upon trade secrets and proprietary know-how for certain non-patented aspects of our technology. To protect such information, we have a policy requiring all employees, consultants, and licensees to enter into confidentiality agreements limiting the disclosure and use of such information. There can be no assurance that these agreements provide meaningful protection or that they will not be breached, that we would have adequate remedies for any such breach, or that our trade secrets, proprietary know-how, and our technological advances will not otherwise become known to others. In addition, there can be no assurance that, despite precautions taken by us, others have not and will not obtain access to our proprietary technology. Further, there can be no assurance that third parties will not independently develop substantially equivalent or better technology.

There can be no assurance that we will not infringe upon the intellectual property rights of others, which could have a significant impact on our business and financial results.

Other entities have filed patent applications for, or have been issued patents concerning, various products or processes in the segments in which we do business. There can be no assurance that the products or processes developed by us will not infringe on the patent rights of others in the future. The cost of defending infringement suits is typically large, and there is no guarantee that any future defense would be successful. In addition, infringement could lead to substantial damages payouts or our inability to produce or market certain of our current or future products. As a result, any such infringement may have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Ownership of Our Common Stock

Our stock price may be highly volatile, and we cannot assure you that market making in our common stock will continue.

The market price of shares of our common stock may be highly volatile. Factors such as announcements of new commercial products or technological innovations by us or our competitors, disclosure of results of clinical testing or regulatory proceedings, government regulation and approvals, developments in patent or other proprietary rights, public concern as to the safety of products developed by us, and general market conditions may have a significant effect on the market price of our common stock. We have highlighted to investors increased volatility and uncertainty in the global macroeconomic environment and the changing dynamics associated with staffing shortages, supply chain disruption and inflation. These actions, as well as general investor uncertainty, could create volatility and unpredictability in our stock price. The trading price of our common stock could also be subject to wide fluctuations in response to quarter-to-quarter variations in our operating results, material announcements by us or our competitors, governmental regulatory action, conditions in the health care industry generally or in the medical products industry specifically, or other events or factors, many of which are beyond our control. In addition, the stock market has experienced extreme price and volume fluctuations, which have particularly affected the market prices of many medical products companies, and which often have been unrelated to the operating performance of such companies. Our operating results in future quarters may be below the expectations of equity research analysts and investors. In such an event, the price of our common stock would likely decline, perhaps substantially.

Our charter documents contain anti-takeover provisions that may prevent or delay an acquisition of our company.

Our charter documents contain anti-takeover provisions that could prevent or delay an acquisition of our company. The provisions include, among others, a classified board of directors, advance notice to the board of stockholder proposals, limitations on the ability of stockholders to remove directors and to call stockholder meetings, and a provision that allows vacancies on the Board of Directors to be filled by vote of a majority of the remaining directors. We are also subject to Section 203 of the Delaware General Corporate Law which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested stockholder” for a period of three years following the date that such stockholder becomes an interested stockholder. Those provisions could have the effect of discouraging a third party from pursuing a non-negotiated takeover of our company at a price considered attractive by many stockholders and could have the effect of preventing or delaying a potential acquirer from acquiring control of our company.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they adversely change their recommendations regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by research and reports that securities or industry analysts may publish about us, our business, our market, or our competitors. No person is under any obligation to publish research or reports on us, and any person publishing research or reports on us may discontinue doing so at any time without notice. If adequate research coverage is not maintained on our company or if any of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business or provide relatively more favorable recommendations about our competitors, our stock price would likely decline. If any analysts who cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We have been, and may continue to be, subject to the actions of activist stockholders, which could cause us to incur substantial costs, divert management's and the board's attention and resources, and have an adverse effect on our business and stock price.

From time to time, we may be subject to proposals by activist stockholders urging us to take certain corporate actions or to nominate certain individuals to our board of directors. In February 2023, Caligan Partners LP ("Caligan") indicated that it intended to consider all available options, including nominating a slate of directors for election to the board of directors at our 2023 annual meeting of stockholders. In April 2023, we entered into a Cooperation Agreement (the "2023 Cooperation Agreement") with Caligan. Pursuant to the 2023 Cooperation Agreement, we agreed to increase the size of our board of directors to eight directors and appointed Mr. Gary Fischetti as an independent Class III director, among other things. On March 6, 2024, Caligan nominated two directors for election to our board of directors at our 2024 annual meeting of stockholders. In May 2024, we entered into another Cooperation Agreement (the "2024 Cooperation Agreement") with Caligan pursuant to which we agreed to increase the size of our board of directors to ten directors and appointed William R. Jellison as an independent Class I director and Joseph H. Capper as an independent Class II director, among other things. If Caligan, or another activist stockholder, solicits proxies for its candidates or proceeds with other similar types of actions, our business could be adversely affected. Responding to such actions by activist stockholders can be costly and time-consuming, disrupt our operations and divert the attention of management and our board of directors. For example, we have retained the services of various professionals to advise us on activist stockholder matters, including legal, financial, and communications advisors, the costs of which negatively impact our financial results and we may be required to retain additional services in the future, which could have a further negative impact on our financial results. In addition, perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist stockholder initiatives may result in the loss of potential business opportunities, harm our ability to attract new investors, customers, and employees, and cause our stock price to experience periods of volatility or stagnation.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cyber Risk Management and Strategy

We rely on information technology and data to operate our business and develop, market, and deliver our products to our customers. We have implemented and maintained various information security processes designed to identify, assess and manage material risks from cybersecurity threats to critical computer networks, third party hosted services, communications systems, hardware, manufacturing equipment and processes, lab equipment, software, and our critical data including confidential, personal, proprietary, financial and sensitive data. Accordingly, we maintain certain risk assessment processes intended to identify risks from cybersecurity threats, determine their likelihood of occurring, and assess potential material impact to our business.

We use a layered approach designed to mitigate the constantly evolving risks from cybersecurity threats by investing in people, processes, and cybersecurity technologies. Our approach is informed by recognized industry standards and frameworks, and incorporates elements of the same, including elements of the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF") and the Center for Internet Security ("CIS") critical security controls.

Our cybersecurity risk management program leverages trusted technology partners and solutions in an effort to identify and track key cybersecurity risks. This program includes period security assessments conducted in collaboration with our key stakeholders, penetration testing and vulnerability assessments, and a mandatory cybersecurity training program for employees. To manage cybersecurity incidents, our global security operations team maintains a cybersecurity incident response plan, conducts readiness exercises, and takes steps to improve the program, as appropriately, to manage the changing threats faced in our industry.

As part of our cybersecurity risk management program, we take a risk-based approach to the evaluation of third-party vendors. We apply mitigations and processes based on our evaluation of the criticality of the vendor and the sensitivity of the data the vendor accesses. Our current vendor evaluation procedures include, as appropriate, an assessment prior to onboarding and implementation of cybersecurity-specific contract provisions. We are in the process of expanding and maturing these vendor risk management procedures.

We, like other companies in our industry, face a number of cybersecurity risks in connection with our business. Risks from cybersecurity threats have, to date, not materially affected, and we do not believe they are reasonably likely to materially affect, us, our business strategy, results of operations or financial condition; however, from time to time, we have experienced threats and security incidents relating to our internal and our third-party vendors' information systems. For additional information, please see the section captioned "Part I. Item 1A. Risk Factors" in this Annual Report on Form 10-K.

Governance Related to Cybersecurity Risks

Our Vice President of Information Technology ("VP of IT") is responsible for the direction of our information technology organization. Our VP of IT has over twenty-five years of cybersecurity and incident management experience. Our VP of IT is supported by a third-party virtual chief information security officer ("vCISO") who also has over twenty-five years of cybersecurity experience. Our VP of IT, supported by our vCISO, assesses our cybersecurity risks through regular meetings with our IT team, and escalates cybersecurity matters as needed to management.

The role of the Board of Directors in our risk oversight process includes receiving reports from management and the chairs of Board committees on areas of material risk to our Company, including cybersecurity risks. The Board has delegated primary responsibility to the Audit Committee to review these matters. As established in the Audit Committee Charter, the Audit Committee oversees cybersecurity risks by reviewing reports, summaries and presentations on data management and security initiatives and significant existing and emerging cybersecurity risks. This includes material cybersecurity incidents, the impact to us and our stakeholders of any significant cybersecurity incident, and any disclosure obligations arising from any such incidents. Our VP of IT reviews the risks from cybersecurity threats to the Audit Committee at least annually and to the full Board, as necessary.

ITEM 2. PROPERTIES

We maintain leases on three facilities, including our corporate headquarters location in Bedford, Massachusetts, where we lease approximately 134,000 square feet of administrative, research and development, and manufacturing space. The lease on this facility contains multiple extension options that allow us to extend the term through October 2038. Our other lease locations are in Warsaw, Indiana and Padova, Italy. These additional facilities provide us with an aggregate of over 64,000 square feet of additional space and have terms expiring between 2026 and 2032, subject to certain renewal provisions contained within the lease agreements.

See Note 8, *Leases,* to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for additional information regarding our specific leaseholds.

ITEM 3. LEGAL PROCEEDINGS

We are involved from time to time in various legal proceedings arising in the normal course of business. Although the outcomes of these legal proceedings are inherently difficult to predict, we do not expect the resolution of these proceedings to have a material adverse effect on our financial position, results of operations, or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

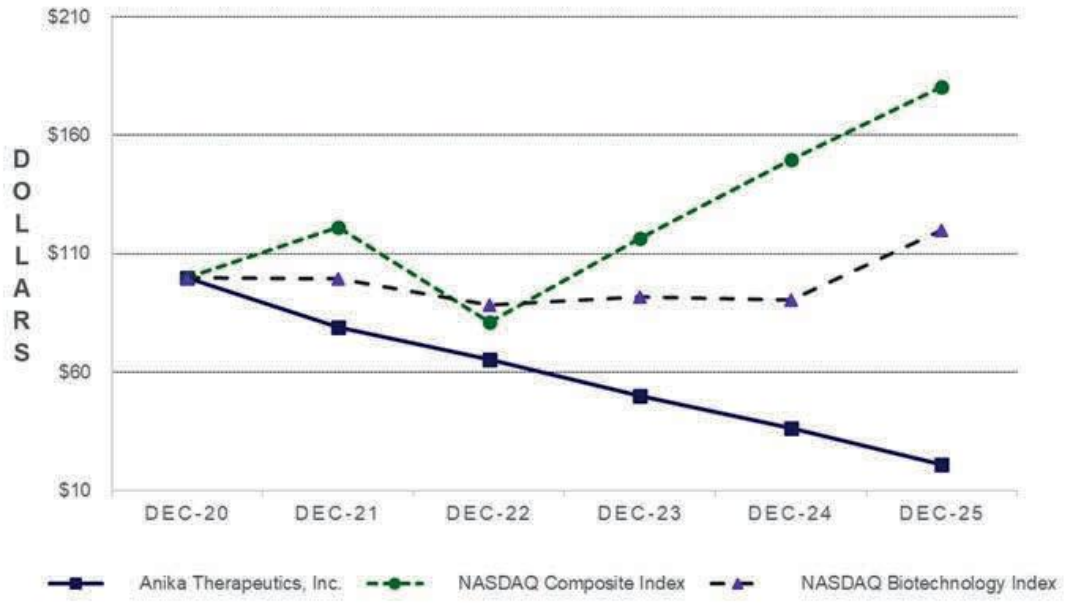
Common Stock Information

Our common stock has traded on the NASDAQ Global Select Market since November 25, 1997, under the symbol "ANIK." At December 31, 2025, the closing price per share of our common stock was $9.61 as reported on the NASDAQ Global Select Market, and there were 96 holders of record. We believe that the number of beneficial owners of our common stock at that date was substantially greater, due to shares being held by intermediaries.

We have never declared or paid any cash dividends on our common stock. We currently intend to retain earnings, if any, for use in our business and do not anticipate paying cash dividends on our common stock in the foreseeable future. Payment of future dividends, if any, on our common stock will be at the discretion of our Board of Directors after considering various factors, including our financial condition, operating results, anticipated cash needs, and plans for expansion.

Performance Graph

Set forth below is a graph comparing the total returns of our company, the NASDAQ Composite Index, and the NASDAQ Biotechnology Index. The graph assumes $100 is invested on December 31, 2020, in our common stock and each of the indices. Past performance is not indicative of future results.



	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Anika Therapeutics, Inc.	$ 100.00	$ 79.16	$ 65.40	$ 50.07	$ 36.37	$ 21.23
NASDAQ Composite Index.....	$ 100.00	$ 121.39	$ 81.21	$ 116.47	$ 149.83	$ 180.33
NASDAQ Biotechnology Index....	$ 100.00	$ 99.37	$ 88.53	$ 91.84	$ 90.58	$ 119.92

Issuer Purchases of Equity Securities

The following is a summary of stock repurchases for the three-month period ended December 31, 2025 (in thousands, except share and per share data):

Period	(a) Total number of shares purchased (1)	(b) Average Price per Share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs
October 1 to 31, 2025	-	$ -	-	$ 25,000
November 1 to 30, 2025	219,660	$ 9.89	219,660	$ 22,828
December 1 to 31, 2025	342,454	$ 9.59	342,454	$ 19,543
Total	562,114		562,114	

(1) In May 2024, we agreed to implement a share repurchase program for an aggregate purchase price of $40.0 million to occur as follows: (i) first $15.0 million was to be effected through a Rule 10b5-1 plan initiated prior to June 1, 2024 and to be effective through June 30, 2025, and (ii) the remaining amount to be purchased in the open market (the "2024 Share Repurchase Program"). In the event of positive "free cash flow" as defined in the 2024 Cooperation Agreement dated May 28, 2024, with Caligan Partners LP, Caligan Partners Master Fund LP and David Johnson, for the period from July 1, 2024 through June 30, 2025, the amount under the share repurchase program shall be increased by 50% of such positive amount and in no event would we be required to make any purchases in the event that our cash would be less than $45.0 million after taking into account the share repurchase and reasonably anticipated capital expenditures and restructuring costs. On May 28, 2024, we entered into a share repurchase agreement under a Rule 10b5-1 plan with Bank of America and we completed the first $15.0 million tranche of the 2024 Share Repurchase Program in March 2025. On November 6, 2026, we entered into a share repurchase agreement under a Rule 10b5-1 plan with Clear Street LLC for another $15.0 million related to the 2024 Share Repurchase Program. As of December 31, 2025, the Company had repurchased 1,308,545 shares at an average cost of $15.63 per share, representing 51% of the then estimated total number of shares expected to be repurchased under the 2024 Share Repurchase Program.

Securities Authorized for Issuance Under Equity Compensation Plans

For information regarding securities authorized for issuance under our employee stock-based compensation plans, see Part III. Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*.

ITEM 6.

[RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following section contains statements that are not statements of historical fact and are forward-looking statements within the meaning of the federal securities laws. These statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievement to differ materially from anticipated results, performance, or achievement, expressed or implied in such forward-looking statements. These statements reflect our current views with respect to future events, are based on assumptions, and are subject to risks and uncertainties. We discuss many of these risks and uncertainties at the beginning of this Annual Report on Form 10-K and under the sections captioned "Business" and "Risk Factors." The following discussion should also be read in conjunction with the consolidated financial statements and the Notes thereto appearing elsewhere in this Annual Report on Form 10-K.

Management Overview

We are a global joint preservation company that creates and delivers meaningful advancements in early intervention orthopedic care. Based on our collaborations with clinicians to understand what they need most to treat their patients, we develop minimally invasive products that restore active living for people around the world. We are committed to leading in high opportunity spaces within orthopedics, including osteoarthritis ("OA") Pain Management and Regenerative Solutions.

We have thirty years of global expertise developing, manufacturing and commercializing products based on our hyaluronic ("HA") technology platform. HA is a naturally occurring polymer found throughout the body that is vital for proper joint health and tissue function. Our proprietary technologies for modifying the HA molecule allow product properties to be tailored specifically to multiple uses, including enabling longer residence time to support OA Pain Management and creating a solid form of HA called Hyaff, which is a platform utilized in our regenerative solutions portfolio.

In early 2020, we expanded our product portfolio and commercial capabilities through the acquisitions of Parcus Medical, LLC and Arthrosurface Incorporated, adding sports medicine, joint preservation, and instrumentation offerings to our business. In 2024, we refined our strategic focus to prioritize OA Pain Management and regenerative solutions and, consistent with this focus, divested Arthrosurface Incorporated in October 2024 and Parcus Medical, LLC in March 2025.

As we look forward to the future, our business is positioned to capture value within our target market of OA Pain Management and Regenerative Solutions product portfolios. We believe our success will be driven by our:

- Over 30 years of experience in HA and HA-based regenerative solutions and early intervention orthopedics combined with seasoned leadership with a strong financial foundation for future investment in meaningful solutions for our customers and their patients;
- Utilizing proprietary HA-based technology and manufacturing expertise to provide new and differentiated solutions in next generation OA Pain Management (eg. Cingal) and regenerative (eg. Integrity Implant System and Hyalofast) markets;
- Growth of the Integrity Implant System, our HA-based scaffold for rotator cuff and other tendon repairs;
- Targeting to introduce key HA-based products into the US market upon FDA approval/clearance, such as Cingal and Hyalofast, and developing additional products that leverage our proprietary Hyaff regenerative platform;
- Robust network of stakeholders in our target markets to identify evolving unmet patient treatment needs;
- Global commercial expertise which we will leverage to drive growth across our product portfolio, including continued international expansion;
- Opportunity to pursue strategic inorganic growth opportunities, including potential partnerships and smaller acquisitions, technology licensing, and leveraging our strong financial foundation and operational capabilities; and
- Energized and experienced team focused on strong values, talent, and culture.

For additional information regarding our business, please refer to "Item 1. Business" of this Annual Report on Form 10-K.

Products

OA Pain Management

Our OA Pain Management product family consists of Monovisc and Orthovisc, our injectable, HA-based OA Pain Management offerings that are indicated to provide pain relief from osteoarthritis conditions; and Cingal, our novel, next-generation, single-injection OA Pain Management product consisting of our proprietary cross-linked HA material combined with a fast-acting steroid. Cingal is our next generation fast-acting, long-lasting, non-opioid, clinically proven osteoarthritis pain product which is designed to provide both short- and long-term pain relief, through at least six months. It is currently sold outside the United States in 53 countries. In 2022, we completed a third Phase III clinical trial for Cingal, which achieved its primary endpoint. Cingal is currently not approved for commercial use in the United States. We have been actively engaging with the U.S. Food and Drug Administration ("FDA") on next steps for U.S. regulatory approval.

Regenerative Solutions

Our Regenerative Solutions product family consists of: (a) our portfolio of orthopedic regenerative solutions products utilizing HA, including Integrity, our new arthroscopic patch system for rotator cuff repair and other tendon procedures, Tactoset to facilitate bone regeneration, and Hyalofast, sold outside of the United States in over 30 countries, for cartilage repair.

For additional information with respect to our products, including information related to how they are sold and new product development initiatives, please see the sections captioned "Products," "Sales Channels," and "Research and Development" contained within "Part I. Item I. Business" of this Annual Report on Form 10-K.

Results of Operations

Year ended December 31, 2025 compared to year ended December 31, 2024

Statement of Operations Detail

	Year Ended December 31,			
	2025	2024	$ Change	% Change
	(in thousands, except percentages)			
Revenue	$ 112,819	$ 119,907	$ (7,088)	(6%)
Cost of revenue	49,012	43,909	5,103	12%
Gross profit	63,807	75,998	(12,191)	(16%)
Gross margin	57%	63%		
Operating expenses:				
Research & development	25,770	25,544	226	1%
Selling, general & administrative	49,088	55,555	(6,467)	(12%)
Total operating expenses	74,858	81,099	(6,241)	(8%)
Loss from operations	(11,051)	(5,101)	(5,950)	117%
Interest and other income, net	1,744	2,337	(593)	(25%)
Loss before income taxes	(9,307)	(2,764)	(6,543)	237%
Provision for income taxes	672	6,064	(5,392)	(89%)
Loss from continuing operations	(9,979)	(8,828)	(1,151)	13%
Loss from discontinued operations, net of tax	(901)	(47,557)	46,656	(98%)
Net loss	$ (10,880)	$ (56,385)	$ 45,505	(81%)

Revenue

We classify our revenue between the Original Equipment Manufacturer ("OEM") Channel and the Commercial Channel. In the OEM Channel, we are responsible for development and manufacturing of products sold to our OEM partners governed by long-term agreements, but we do not control sales, marketing, or pricing with end users. In the Commercial Channel, we have full responsibility for sales, marketing, and pricing of products through our commercial leaders, direct sales representatives, and independent distributors. Revenue from our Regenerative Solutions and international OA Pain Management businesses is included in the Commercial Channel.

The following table presents revenue by product family for fiscal years 2025 and 2024 (dollars in thousands):

	Years Ended December 31,			
	2025	2024	$ Change	% Change
OEM Channel	$ 64,406	$ 77,770	$ (13,364)	(17%)
Commercial Channel	48,413	42,137	6,276	15%
	$ 112,819	$ 119,907	$ (7,088)	(6%)

Revenue for the year ended December 31, 2025 was $112.8 million, a decrease of $7.1 million, or 6%, compared to the prior year. The decrease in revenue was driven by lower pricing with our OEM channel partners, primarily J&J MedTech.

Revenue from our OEM Channel product family decreased 17% for the year ended December 31, 2025, as compared to prior year, due to a $12.6 million decrease in J&J MedTech revenue, primarily due to lower pricing contributing $10.0 million of the decrease and lower volumes contributing to $2.6 million of the decrease. There was a $0.8 million decrease in the Non-Orthopedic category revenue with prior year due to lower veterinary sales offset by higher ophthalmic and surgery product sales.

Revenue from our Commercial Channel product family increased 15% for the year ended December 31, 2025, as compared to prior year, due to international sales growth on Cingal and Orthovisc, offset by lower Monovisc shipments due to manufacturing delays. This sales growth in international OA Pain Management products was primarily related to increased product demand of $3.6 million and minimal change on pricing with international customers. We also continued our full market release of Integrity in the U.S. in 2025 which contributed to a $3.4 million increase during the year ended December 31, 2025 and we had a $0.8 million increase in Hyalofast which is sold only outside of the United States. These increases in international OA Pain Management, Hyalofast and Integrity revenues were offset by a $1.5 million decrease in Tactoset sales during 2025.

Gross Profit and Margin

Gross profit for the year ended December 31, 2025 was $63.8 million, or gross margin of 57%, as compared with $76.0 million, or gross margin of 63%, for the year ended December 31, 2024. The decrease in gross profit for the year ended December 31, 2025, primarily resulted from lower revenue, primarily related to OA Pain Management products in the U.S., product channel mix with a higher percentage of international sales which have a lower selling price, increased manufacturing costs and higher inventory reserves.

Research and Development

Research and development costs for the years ended December 31, 2025 and 2024 were as follows:

	Years Ended December 31,			
	2025	2024	$ Change	% Change
	(in thousands, except percentages)			
External costs by program				
Hyalofast clinical study	$ 2,193	$ 1,789	$ 404	23%
Integrity development costs	1,370	943	427	45%
Cingal clinical study	2,998	363	2,635	726%
Regulatory external costs	906	2,728	(1,822)	(67%)
Other early programs and unallocated expenses	3,631	3,884	(253)	(7%)
Total external costs	11,098	9,707	1,391	14%
Internal costs:				
Employee compensation and benefits	12,692	13,779	(1,087)	(8%)
Facility and other	1,980	2,058	(78)	(4%)
Total internal costs	14,672	15,837	(1,165)	(7%)
Total research and development expense	$ 25,770	$ 25,544	$ 226	1%

Research and development external costs for the years ended December 31, 2025 and 2024 were $11.1 million and $9.7 million, respectively. The increase in research and development external costs was primarily due to increased spending on Cingal regulatory submission activities offset by lower regulatory costs related to EU MDR requirements.

Research and development internal costs for the years ended December 31, 2025 and 2024 were $14.7 million and $15.8 million, respectively. The decrease in internal research and development costs was primarily due to a reduction in headcount and a $0.1 million gain on the sale of an intangible asset during the year ended December 31, 2025.

For additional information on our research and development activities, please see the section captioned "Part I. Item 1. Business—*Research and Development*" in this Annual Report on Form 10-K.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses for the year ended December 31, 2025 were $49.1 million, a decrease of $6.5 million, or 12%, as compared to the prior year. The decrease in SG&A expenses for the year ended December 31, 2025 was due primarily to lower general and administrative expenses such as $2.2 million in shareholder activism costs that occurred in prior year, $1.5 decrease in stock-based compensation and the remainder attributable to lower headcount and professional fees. We have been investing and expect to continue to invest in selling and marketing expenses primarily related to our Commercial Channel.

Loss from Continuing Operations

For the year ended December 31, 2025, the loss from continuing operations was $10.0 million, compared to a loss from continuing operations of $8.8 million for the prior year. The $1.2 million decrease in the loss from continuing operations was due to lower revenues, primarily from J&J MedTech offset somewhat by lower operating expenses, primarily related to lower SG&A expenses.

Income Taxes

The provision for income taxes was $0.7 million for the year ended December 31, 2025, resulting in an effective tax rate of (7.1%). The provision from income taxes was $6.1 million for the year ended December 31, 2024, resulting in an effective tax rate of (219.4%). The decrease in our effective rate for the year ended December 31, 2025 as compared to the year ended December 31, 2024 is primarily due to the fact that we did not incur current income taxes in the United States during the year ended December 31, 2025.

Non-GAAP Financial Measures

We present certain information with respect to adjusted Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA"), adjusted net income, adjusted diluted earnings per share or adjusted Earnings Per Share ("EPS"), which are financial measures not based on any standardized methodology prescribed by accounting principles generally accepted in the United States ("GAAP"), and is not necessarily comparable to similarly titled measures presented by other companies.

We have presented adjusted EBITDA, adjusted net income, adjusted EPS, because they are key measures used by our management and board of directors to understand and evaluate our operating performance and to develop operational goals for managing our business. We believe these financial measures help identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude. We believe that the exclusion of these items in calculating these measures can provide a useful tool for period-to-period comparisons of our core operating performance. Accordingly, we believe that these measures provide useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects and allowing for greater transparency with respect to key financial metrics used by our management in their financial and operational decision-making.

Adjusted EBITDA

We present information below with respect to adjusted EBITDA, which we define as our net loss excluding interest and other income, net, income tax benefit, depreciation and amortization, stock-based compensation, product rationalization charges, and other non-recurring expenses.

Adjusted EBITDA is not prepared in accordance with U.S. GAAP, and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of adjusted EBITDA rather than net income (loss), which is the nearest U.S. GAAP equivalent. Some of these limitations are:

- adjusted EBITDA excludes depreciation and amortization, and, although these are non-cash expenses, the assets being depreciated or amortized may have to be replaced in the future, the cash requirements for which are not reflected in adjusted EBITDA;
- we exclude stock-based compensation expense from adjusted EBITDA although (a) it has been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our employee compensation strategy and (b) if we did not pay out a portion of our compensation in the form of stock-based compensation, the cash salary and bonus expense included in operating expenses likely would be higher, which would affect our cash position;
- we exclude acquisition related expenses, including transaction costs and other related expenses, amortization and depreciation of acquired assets in recent acquisitions ;
- we exclude certain impairment charges, including impairment related to intangible assets, certain product rationalization charges;
- we exclude goodwill impairment charges and changes in the fair value of contingent consideration;
- we exclude certain other non-recurring costs, such as costs associated with shareholder activism;
- the expenses and other items that we exclude in our calculation of adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from adjusted EBITDA when they report their operating results;
- adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- adjusted EBITDA does not reflect provision for (benefit from) income taxes or the cash requirements to pay taxes; and
- adjusted EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments.

The following is a reconciliation of adjusted EBITDA to net loss from operations for the years ended December 31, 2025 and 2024 respectively:

	Years Ended December 31,	
	2025	**2024**
Net loss from continuing operations	$ (9,979)	$ (8,828)
Interest and other income, net	(1,744)	(2,337)
Provision for income taxes	672	6,064
Depreciation and amortization	5,580	5,688
Stock-based compensation	10,216	12,158
Product rationalization charges	-	606
Non-recurring professional fees	596	-
Costs of shareholder activism	-	2,185
Adjusted EBITDA	$ 5,341	$ 15,536

Adjusted EBITDA for year ended December 31, 2025 was $5.3 million, a decrease of $10.2 million as compared to 2024. The decrease in adjusted EBITDA was primarily due to lower revenues, primarily related to J&J MedTech and lower gross profit due to higher inventory reserves and manufacturing costs.

Adjusted Net Loss and Adjusted EPS from Continuing Operations

We present information below with respect to adjusted net loss and adjusted EPS from continuing operations. We define adjusted net loss from continuing operations as our net loss from continuing operations excluding amortization and depreciation of acquired assets, changes in the fair value of contingent consideration, as well as certain impairment charges, including impairment related to IPR&D assets and non-cash product rationalization charges, each on a tax effected basis. Acquisition-related expenses are those that we would not have incurred except as a direct result of acquisition transactions. The amortized assets contribute to revenue generation and the amortization of such assets will recur in future periods until such assets are fully amortized. These assets include the estimated fair value of certain identified assets acquired in acquisitions, including in-process research and development ("IPR&D"), developed technology, customer relationships and acquired trade names. We define adjusted EPS from continuing operations as U.S. GAAP diluted earnings per share from continuing operations excluding the above adjustments to net loss from continuing operations used in calculating adjusted net loss from continuing operations, each on a per share and tax effected basis.

The following is a reconciliation of adjusted net income from continuing operations to net loss from continuing operations for the years ended December 31, 2025 and 2024, respectively:

	Years Ended December 31,	
	2025	2024
Net loss from continuing operations	$ (9,979)	$ (8,828)
Product rationalization charges, tax effected	-	457
Share-based compensation, tax effected	10,954	9,167
Non-recurring professional fees, tax effected	639	-
Costs of shareholder activism, tax effected	-	1,647
Adjusted net income from continuing operations	$ 1,614	$ 2,443

The following is a reconciliation of adjusted diluted income from continuing operations per share to diluted loss from continuing operations per share for the years ended December 31, 2025 and 2024, respectively (in thousands, expect per share data):

	Years Ended December 31,	
	2025	2024
Diluted loss from continuing operations per share	$ (0.70)	$ (0.60)
Product rationalization charges, tax effected	-	0.03
Share-based compensation, tax effected	0.77	0.62
Non-recurring professional fees	0.04	-
Costs of shareholder activism, tax effected	-	0.11
Adjusted diluted income from continuing operations per share	$ 0.11	$ 0.16

Adjusted net income from continuing operations in 2025 was $1.6 million, a decrease of $0.8 million as compared to 2024. The decrease in adjusted net income from continuing operations and adjusted diluted income from continuing operations per share for the period was primarily due to lower revenues and higher manufacturing expenses during the year.

Results of Operations

Year ended December 31, 2024 compared to year ended December 31, 2023

Statement of Operations Detail

	Year Ended December 31,			
	2024	2023	$ Change	% Change
	(in thousands, except percentages)			
Revenue	$ 119,907	$ 120,792	$ (885)	(1%)
Cost of revenue	43,909	38,260	5,649	15%
Gross profit	75,998	82,532	(6,534)	(8%)
Gross margin	63%	68%		
Operating expenses:				
Research & development	25,544	21,763	3,781	17%
Selling, general & administrative	55,555	59,925	(4,370)	(7%)
Total operating expenses	81,099	81,688	(589)	(1%)
(Loss) income from operations	(5,101)	844	(5,945)	(704%)
Interest and other expense, net	2,337	2,312	25	1%
(Loss) income before income taxes	(2,764)	3,156	(5,920)	(188%)
Provision for (benefit from) income taxes	6,064	6,595	(531)	(8%)
Loss from continuing operations	(8,828)	(3,439)	(5,389)	157%
Loss from discontinued operations, net of tax	(47,557)	(79,228)	31,671	(40%)
Net loss	$ (56,385)	$ (82,667)	$ 26,282	(32%)

Revenue

The following table presents revenue by product family for fiscal years 2024 and 2023 (dollars in thousands):

	Years Ended December 31,			
	2024	2023	$ Change	% Change
OEM Channel	$ 77,770	$ 84,645	$ (6,875)	(8%)
Commercial Channel	42,137	36,147	5,990	17%
	$ 119,907	$ 120,792	$ (885)	(1%)

Revenue for the year ended December 31, 2024 was $119.9 million, a decrease of $0.9 million, or 1%, compared to the prior year. The decrease in revenue was driven by lower sales activity with our OEM channel partners, primarily J&J MedTech and the discontinuation of certain non-orthopedic products.

Revenue from our OEM Channel product family decreased 8% for the year ended December 31, 2024, as compared to prior year, due to lower J&J MedTech revenue, primarily due to lower volumes resulting in a decrease of $4.3 million and lower pricing contributing to a $1.6 million decrease and the discontinuation of certain non-orthopedic products resulting in a decrease of $1.1 million.

Revenue from our Commercial Channel product family increased 17% for the year ended December 31, 2024, as compared to prior year, due to an international sales growth on all our main OA Pain Management products (Monovisc, Cingal and Orthovisc). This sales growth for international OA Pain Management products was primarily related to increased product demand of $4.3 million and minimal change on pricing with international customers. We also launched a full market release of Integrity in the U.S. in 2024 which contributed to a $1.7 million increase in regenerative product sales during the year ended December 31, 2024.

Gross Profit and Margin

Gross profit for the year ended December 31, 2024 was $76.0 million, or gross margin of 63%, as compared with $82.5 million, or gross margin of 68%, for the year ended December 31, 2023. The decrease in gross profit for the year ended December 31, 2024, primarily resulted from lower revenue, primarily related to OA Pain Management products in the U.S., product channel mix and higher inventory product rationalization charges.

Research and Development

Research and development costs for the years ended December 31, 2024 and 2023 were as follows:

	Years Ended December 31,			
	2024	2023	$ Change	% Change
	(in thousands, except percentages)			
External costs by program				
Hyalofast clinical study	$ 1,789	$ 1,712	$ 77	4%
Integrity development costs	943	2,290	(1,347)	(59%)
Cingal clinical study	363	-	363	-%
Regulatory external costs	2,728	2,612	116	4%
Other early programs and unallocated expenses	3,884	2,131	1,754	82%
Total external costs	9,707	8,745	962	11%
Internal costs:				
Employee compensation and benefits	13,779	11,259	2,520	22%
Facility and other	2,057	1,759	298	17%
Total internal costs	15,836	13,018	2,818	22%
Total research and development expense	$ 25,544	$ 21,763	$ 3,781	17%

Research and development expenses for the year ended December 31, 2024 were $25.5 million, an increase of $3.7 million, or 17%, as compared to the prior year, primarily due to increased costs to ensure compliance with growing regulatory requirements globally, such as EU MDR, as well as regulatory, clinical and product development costs associated with our research and development pipeline, led by Hyalofast, in which we submitted the first part of our modular PMA application with the FDA in October 2024.

For additional information on our research and development activities, please see the section captioned "Part I. Item 1. Business—*Research and Development*" in this Annual Report on Form 10-K.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses for the year ended December 31, 2024 were $55.6 million, a decrease of $4.4 million, or 7%, as compared to the prior year. The decrease in SG&A expenses from the prior year was primarily due to reduced shareholder activism costs of $0.8 million, lower stock-based compensation of $0.8 million, and $1.2 million in other non-recurring costs incurred in 2023 with the remainder attributed to lower headcount.

Income (Loss) from Continuing Operations

For the year ended December 31, 2024, the loss from operations was $5.1 million, compared to income from operations of $0.8 million for the prior year. The $5.9 million decrease in income from operations was due to lower gross profit and higher research and development costs.

Income Taxes

The provision for income taxes was $6.1 million for the year ended December 31, 2024, resulting in an effective tax rate of (219.4%). The provision from income taxes was $6.6 million for the year ended December 31, 2023, resulting in an effective tax rate of 209.0%. The decrease in our effective rate for the year ended December 31, 2024 as compared to the year ended December 31, 2023 is primarily due to a lower valuation allowance being recorded on U.S. deferred tax assets in 2024.

Concentration of Risk

We have historically derived most of our revenue from a small number of customers, most of whom resell our products to end-users and are significantly larger companies than us. For the year ended December 31, 2025, J&J MedTech accounted for 50% of revenue, as compared to 57% in prior year. While we believe that our expanded commercial infrastructure has been and will continue to diversify our revenue base, we expect to continue to be dependent on a small number of large customers, especially J&J MedTech, for a sizeable portion of our revenues in the near-term future. The failure of these customers to purchase our products in the amounts they historically have or in amounts that we expect could materially impact our business. We also have Notes Receivable that we have recorded as consideration related to the divestiture of the Arthrosurface asset group in which repayment will be dependent upon the cash receipts that we receive from Arthrosurface.

In addition, if present and future customers terminate their purchasing arrangements with us, significantly reduce or delay their orders, or seek to renegotiate their agreements on terms less favorable to us, our business, financial condition, and results of operations will be adversely affected. If we accept terms less favorable than the terms of the current agreements, such renegotiations may have a material adverse effect on our business, financial condition, and/or results of operations. Furthermore, in any future negotiations we may be subject to the perceived or actual leverage that these customers may have given their relative size and importance to us. Any termination, change, reduction, or delay in orders could seriously harm our business, financial condition, and results of operations. Accordingly, unless and until we diversify and expand our customer base, our future success will significantly depend upon the timing and size of future purchases by our largest customers and the financial and operational success of these customers. The loss of any one of our major customers or the delay of significant orders from such customers, even if only temporary, could reduce or delay our recognition of revenues, harm our reputation in the industry, and reduce our ability to accurately predict cash flow, and, consequently, it could seriously harm our business, financial condition, and results of operations.

See Note 12, *Revenue and Geographic Information; Geographic Information*, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for information regarding significant customers.

Liquidity and Capital Resources

We require cash to fund our operating activities and to make capital expenditures and other investments in the business. We expect that our requirements for cash to fund these uses will increase as our operations, particularly for our expansion of manufacturing capacity. We believe that our operating cash flows, cash currently on our balance sheet and availability under our credit facility will be sufficient to allow us to continue to invest in our existing business, to manage our capital structure on a short and long-term basis, and to meet our anticipated operating cash needs. Cash and cash equivalents aggregated $57.5 million and $55.6 million, and working capital totaled $80.2 million and $90.3 million, at December 31, 2025 and 2024, respectively.

We entered into a Third Amendment to Credit Agreement, on November 12, 2021, with Bank of America N.A. as administrative agent, which amended our existing revolving line of credit agreement dated October 24, 2017, and provides up to $75.0 million in the form of a senior revolving line of credit. Subject to certain conditions, we may request up to an additional $75.0 million for a maximum aggregate commitment of $150.0 million. As of December 31, 2025, and 2024, there were no outstanding borrowings, and we are in compliance with the terms of the credit facility.

Summary of Cash Flows (in thousands):

	Years Ended December 31,		
	2025	**2024**	**2023**
Cash provided by (used in)			
Operating activities	$ 11,188	$ 5,403	$ (1,788)
Investing activities	(401)	(8,334)	(5,427)
Financing activities	(10,551)	(12,729)	(6,324)
Effect of exchange rate changes on cash	86	(48)	79
Net increase (decrease) in cash and cash equivalents	$ 322	$ (15,708)	$ (13,460)

The following changes contributed to the net change in cash and cash equivalents from 2024 to 2025.

Operating Activities

Cash provided by (used in) operating activities was $11.2 million, $5.4 million and $(1.8) million for 2025, 2024 and 2023, respectively. The increase in cash provided by operating activities was primarily due to a lower net loss in 2025 as we incurred a $47.6 million loss from discontinued operations, offset somewhat by $44.1 million in non-cash impairment charges with the divestitures of Arthrosurface and Parcus Medical during the year ended December 31, 2024.

For the foreseeable future, we expect to continue to invest in research and development for new products and clinical trials related to our HA-based technology to support our growth strategy, particularly on Cingal and Integrity. These costs will be funded with a combination of cash on hand and cash expected to be generated from future operations.

Investing Activities

Cash used in investing activities was $0.4 million, $8.3 million and $5.4 million for 2025, 2024 and 2023, respectively. The decrease in cash used in investing activities was primarily related to proceeds received from the sales of Arthrosurface and Parcus Medical offset by an increase in capital expenditures in 2025 to support the expansion of manufacturing capacity at our Bedford facility.

Financing Activities

Cash used in financing activities was $10.6 million, $12.7 million and $6.3 million for 2025, 2024 and 2023, respectively. The decrease in cash used in financing activities was primarily due a reduction in stock repurchases as we incurred $9.5 million in 2025 versus $10.9 million on the stock repurchase program we started in May 2024. We also had lower payments in cash withheld for taxes related the vesting of restricted stock awards.

For a discussion of our liquidity and capital resources as of December 31, 2024, and our cash flow activities for the fiscal year ended December 31, 2024, see “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our annual report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 17, 2025, which is incorporated by reference in this Report.

Contractual Obligations and Other Commercial Commitments

The table below summarizes our non-cancelable operating leases, purchase commitments, and contractual obligations related to future periods which are not reflected in our consolidated balance sheet at December 31, 2025. Purchase commitments relate primarily to non-cancellable inventory commitments and capital expenditures entered in the normal course of business:

	Payments due by period (in thousands)				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Operating Leases	$ 32,733	$ 2,848	$ 5,544	$ 5,544	$ 18,797
Year Ended December 31, 2025	$ 32,733	$ 2,848	$ 5,544	$ 5,544	$ 18,797

We also have purchase orders and commitments for materials and other day-to-day business requirements in which there are no material commitments greater than one year.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, which consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. We monitor our estimates on an ongoing basis for changes in facts and circumstances, and material changes in these estimates could occur in the future. Changes in estimates are recorded in the period in which they become known. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from our estimates if past experience or other assumptions do not turn out to be substantially accurate.

We have identified the policies below as critical to our business operations and the understanding of our results of operations. The impact and any associated risks related to these policies on our business operations are discussed throughout this section captioned "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" where such policies affect our reported and expected financial results. For a detailed discussion on the application of these and other accounting policies, see Note 2 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Revenue Recognition – General

Pursuant to Accounting Standards Codification ("ASC") 606, we recognize revenue when a customer obtains control of promised goods or services. The amount of revenue that is recorded reflects the consideration that we expect to receive in exchange for those goods or services. We apply the following five-step model in order to determine this amount: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are capable of being distinct or distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) we satisfy each performance obligation.

We generate sales principally through three types of customers: (i) commercial partnerships (ii) hospitals and ambulatory service centers, and (iii) distributors, referred to as distribution model.

For commercial partnership sales, we sell our products directly to these partners, who perform most of the downstream sales and marketing activities to customers and end users. These arrangements may include the grant of certain licenses, performance of development services, and the supply of products. We recognize revenue from product sales when the customer obtains control of our product, which typically occurs upon shipment to the customer. Commercial partnership agreements may also include sales-based royalties and milestones. Sales-based royalties and milestones are only recognized when the latter of the underlying sale occurs or the performance obligation to which some or all of the sales-based royalties have been satisfied (or partially satisfied). This is generally in the same period that our commercial partners complete their product sales in their territory, for which we are contractually entitled to a percentage-based royalty. We record royalty revenues based on estimated net sales of licensed products as reported to us by our commercial partners. The differences between actual and estimated royalty revenues have not been material and are typically adjusted in the following quarter when the actual amounts are known. Revenue from sales-based royalties is included in revenues in our consolidated statement of operations.

Our largest customer, J&J MedTech, represented 50% of total revenues for the year ended December 31, 2025. Our collaboration agreement with J&J MedTech includes contracts with Orthovisc and Monovisc products, which were entered into in 2003 and 2011, respectively. Pursuant to the J&J MedTech contracts, we are the exclusive supplier responsible for the manufacture and sale to J&J MedTech of the Orthovisc and Monovisc products pursuant to J&J MedTech's purchase orders, while J&J MedTech is responsible for the marketing, sales and distribution to end-customers. In general, our long-term contractual arrangements do not allow for any other product source suppliers for the OEM Channel partners. Furthermore, given the proprietary nature of the products, manufacturing would not be easily replicated by the OEM Channel partners, including J&J MedTech nor would an alternative source of supply be available, such that the product supply and license are not distinct. For these reasons, we believe that revenue earned from the combined fixed and variable consideration paid for the sales of the product meets the objective of ASC 606-10-50-5 in depicting how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

For sales to hospitals and ambulatory service centers, which generally pair in-house sales representatives with local or regional distributors, the inventory is generally consigned so that products are available when needed for surgical procedures. No revenue is recognized upon the placement of inventory into consignment, as we retain the ability to control the inventory. Revenue is recognized typically as of the date of surgical implantation of the product.

For distributor sales, we sell our products to our distributors, generally outside the United States, who subsequently resell the products to sub-distributors and health care providers, among others. We recognize revenue from product sales when the distributor obtains control of our product, which typically occurs upon shipment to the distributor, in return for agreed-upon, fixed-price consideration. Performance obligations are generally settled quickly after purchase order acceptance. We have no performance obligations greater than one year; therefore, the value of unsatisfied performance obligations at the end of any reporting period is generally insignificant. We sell to a diversified base of distributors and, therefore, we believe there is no material concentration of credit risk.

Certain of our supply agreements contain terms that represent a promise to deliver product at the customer's discretion that are considered distributor options. We assess if these options provide a material right to the licensee, and if so, they are accounted for as separate performance obligations. Our supply agreements do not provide options that are considered material rights.

Our payment terms are consistent with prevailing practice in the respective markets in which we do business. Most of our customers make payments based on contract terms, which are not affected by contingent events that could impact the transaction price. Payment terms fall within the one-year guidance for the practical expedient, which allows us to forgo adjustment of the contractual payment amount of consideration for the effects of a significant financing component.

Some of our distributor agreements have volume-based discounts with tiered pricing which are generally prospective in nature. These prospective discounts together with any free-of-charge sample units offered are evaluated as potential material rights. If the prospective discounts or free-of-charge sample units are considered material rights, these would be separate performance obligations, and a portion of the sales transaction price is allocated to the material right. Revenue allocated to the material rights are recognized when the additional goods are transferred to the customer or when the option expires. During 2025, the consideration allocated to material rights was not significant.

We receive payments from our customers based on billing schedules established in each contract. Up-front payments and fees are recorded as deferred revenue upon receipt or when due and may require deferral of revenue recognition to a future period until we perform our obligations under these arrangements. Amounts are recorded as accounts receivable when our right to consideration is unconditional. There was no deferred revenue as of December 31, 2025 and 2024, respectively.

Generally, customer contracts contain Free on Board ("FOB") or Ex-Works shipping point terms where the customer pays the shipping company directly for all shipping and handling costs. In those contracts in which we pay for shipping and handling, the associated costs are generally recorded along with the product sale at the time of shipment in cost of revenue when control over the products has been transferred to the customer. Value-added and other taxes we collected concurrently with revenue-producing activities are excluded from revenue. Our general product warranty does not extend beyond an assurance that the product or services delivered will be consistent with stated contractual specifications, which does not create a separate performance obligation. We recognize the incremental costs of obtaining contracts as an expense when incurred as the amortization period of the assets that we otherwise would have recognized is one year or less in accordance with the practical expedient in paragraph Code 340-40-25-4. These costs are included in selling, general and administrative expenses.

Inventories

Inventories are primarily stated at the lower of standard cost and net realizable value, with approximate cost determined using the first-in, first-out method. Work-in-process and finished goods inventories include materials, labor, and manufacturing overhead. Manufacturing variances attributable to abnormally low production are expensed in the period incurred. Inventory costs associated with product candidates that have not yet received regulatory approval are capitalized if we believe there is probable future commercial use and future economic benefit.

Our policy is to write down inventory when conditions exist that suggest inventory may be in excess of anticipated demand or is obsolete based upon assumptions about future demand for our products and market conditions. We regularly evaluate the ability to realize the value of inventory based on a combination of factors including, but not limited to, historical usage rates, forecasted sales or usage, product end of life dates, and estimated current or future market values. Inventory needs and alternative usage avenues are explored within these processes to mitigate inventory exposure.

When recorded, inventory write-downs are intended to reduce the carrying value of inventory to its net realizable value. If actual demand for our products deteriorates, or if market conditions are less favorable than those projected, additional inventory write-downs may be required. Other long-term assets include inventory expected to remain on hand beyond one year.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We manage our investment portfolio in accordance with our investment policy. The primary objectives of our investment policy are to preserve principal, maintain a high degree of liquidity to meet operating and other needs, and obtain competitive returns subject to prevailing market conditions without significantly increasing risk. To achieve this objective, we maintain our portfolio of cash equivalents and investments in a variety of high-quality securities, including money market funds and U.S. treasury bills. The investments are classified as available-for-sale and consequently are recorded at fair value with unrealized gains or losses reported as a separate component of accumulated other comprehensive income (loss). Our portfolio of cash equivalents and investments is subject to interest rate fluctuations, changes in credit quality of the issuer, and other factors.

Foreign Currency Exchange Risk

Foreign currency risk arises from our investments in subsidiaries owned and operated in non-U.S. countries. Such risk is also a result of transactions with customers in countries outside the United States. Approximately $27.6 million of our revenue was denominated in foreign currencies (primarily the Euro and UK pound sterling) for the year ended December 31, 2025. Gains and losses arising from transactions denominated in foreign currencies are primarily related to intercompany accounts that have been determined to be temporary in nature and cash, accounts payable, and accounts receivable denominated in non-functional currencies. We also utilize clinical vendors that are located in various countries outside of the United States that invoice us in their local currency and we have one major supplier contract denominated in a foreign currency. We do not engage in foreign currency hedging arrangements for these transactions, and, consequently, foreign currency fluctuations may adversely affect our earnings. Unfavorable fluctuations in exchange rates would have a negative impact on our financial statements. The impact of currency exchange rate fluctuations related to our international subsidiaries on our financial statements was insignificant in 2025. We recognize foreign currency gains or losses arising from our operations in the period incurred.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ANIKA THERAPEUTICS, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Anika Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Anika Therapeutics, Inc. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America (GAAP).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 2, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Reserve for Excess and Obsolete Inventories — Refer to Notes 2 and 5 to the financial statements

Critical Audit Matter Description

The Company evaluates inventory each reporting period for excess quantities and obsolescence, establishing reserves when necessary, based upon historical experience, assessment of economic conditions, and expected demand. Once recorded, the inventory reserve write-offs are considered permanent adjustments to the carrying value of inventory. As of December 31, 2025, the Company has total inventories of $22.3 million, net of excess quantities and obsolescence reserves.

We identified the reserve for excess quantities and obsolete inventory as a critical audit matter because of the significant estimates and assumptions management makes to quantify and to record the reserve, including the determination of expected demand. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the methodology and the reasonableness of assumptions including expected demand.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the reserve for excess quantities and obsolete inventory including management's estimate of expected demand, included the following, among others:

- We tested the effectiveness of controls over the estimation of reserve for excess quantities and obsolete inventory.
- We evaluated the reasonableness of the Company's excess and obsolete inventory policy, considering historical experience and the underlying assumptions.
- We tested the calculation of the excess and obsolescence reserve pursuant to the Company's policy, on a sample basis, including the completeness and accuracy of the data used in the calculation.
- We performed procedures to evaluate management's ability to accurately forecast by comparing the historical expiring inventory estimates to subsequent inventory destructions and expirations.
- We performed a retrospective review by comparing management's prior year projections of future demand by product, with actual product sales in the current year to identify potential bias in the inventory reserve.
- We made inquiries of senior financial and operating management to determine whether any strategic, regulatory, or operational changes in the business were consistent with the projections of future demand that were utilized as the basis for the excess and obsolescence reserve recorded.
- We considered the existence of contradictory evidence based on consideration of internal communications to management and the board of directors, Company press releases, and analysts' reports, as well as any changes within the business.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
March 2, 2026

We have served as the Company's auditor since 2017.

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

	December 31,	
ASSETS	**2025**	**2024**
Current assets:		
Cash and cash equivalents	$ 57,481	$ 55,629
Accounts receivable, net	23,690	23,594
Inventories	18,787	23,809
Prepaid expenses and other current assets	3,400	5,494
Current assets held for sale	-	5,126
Total current assets	103,358	113,652
Property and equipment, net	40,324	38,994
Right-of-use assets	25,939	25,685
Other long-term assets	4,034	5,656
Notes receivable	5,636	5,935
Deferred tax assets	1,275	1,177
Intangible assets, net	1,650	2,490
Goodwill	8,054	7,125
Non-current assets held for sale	-	2,026
Total assets	$ 190,270	$ 202,740
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 6,041	$ 5,617
Accrued expenses and other current liabilities	15,867	13,567
Current liabilities held for sale	-	4,122
Total current liabilities	21,908	23,306
Other long-term liabilities	701	772
Lease liabilities	24,196	24,014
Non-current liabilities held for sale	-	659
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 1,250 shares authorized, no shares issued and outstanding at December 31, 2025 and 2024, respectively	-	-
Common stock, $.01 par value; 90,000 shares authorized, 15,385 issued and 13,889 outstanding and 15,010 shares issued and 14,416 outstanding at December 31, 2025 and 2024, respectively	139	144
Additional paid-in-capital	87,498	88,961
Accumulated other comprehensive loss	(4,959)	(6,783)
Retained earnings	60,787	71,667
Total stockholders' equity	143,465	153,989
Total liabilities and stockholders' equity	$ 190,270	$ 202,740

The accompanying notes are an integral part of these consolidated financial statements.

Anika Therapeutics, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except per share data)

	For the Years Ended December 31,		
	2025	**2024**	**2023**
Revenue	$ 112,819	$ 119,907	$ 120,792
Cost of revenue	49,012	43,909	38,260
Gross profit	63,807	75,998	82,532
Operating expenses:			
Research & development	25,770	25,544	21,763
Selling, general & administrative	49,088	55,555	59,925
Total operating expenses	74,858	81,099	81,688
(Loss) income from operations	(11,051)	(5,101)	844
Interest and other income, net	1,744	2,337	2,312
(Loss) income before income taxes	(9,307)	(2,764)	3,156
Provision for income taxes	672	6,064	6,595
Loss from continuing operations	(9,979)	(8,828)	(3,439)
Loss from discontinued operations, net of tax	(901)	(47,557)	(79,228)
Net loss	$ (10,880)	$ (56,385)	$ (82,667)
Loss per share:			
Basic			
Continuing operations	$ (0.70)	$ (0.60)	$ (0.23)
Discontinued operations	(0.06)	(3.23)	(5.41)
	$ (0.76)	$ (3.83)	$ (5.64)
Diluted			
Continuing operations	$ (0.70)	$ (0.60)	$ (0.23)
Discontinued operations	(0.06)	(3.23)	(5.41)
	$ (0.76)	$ (3.83)	$ (5.64)
Weighted average common shares outstanding:			
Basic	14,339	14,721	14,656
Diluted	14,339	14,721	14,656
Net loss	$ (10,880)	$ (56,385)	$ (82,667)
Foreign currency translation adjustment	1,824	(840)	500
Comprehensive loss	$ (9,056)	$ (57,225)	$ (82,167)

The accompanying notes are an integral part of these consolidated financial statements.

Anika Therapeutics, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(in thousands, except per share data)

	Common Stock				Accumulated Other	
	Number of Shares	$.01 Par Value	Additional Paid in Capital	Retained Earnings	Comprehensive Loss	Total Stockholders' Equity
Balance, December 31, 2022	14,625	$ 146	$ 81,141	$ 210,719	$ (6,443)	$ 285,563
Issuance of common stock for equity awards	2	-	23	-	-	23
Vesting of restricted stock units	262	3	(3)	-	-	-
Issuance of common stock from employee purchase plan	41	-	805	-	-	805
Stock-based compensation expense	-	-	15,243	-	-	15,243
Repurchase of common stock	(188)	(2)	(5,048)	-	-	(5,050)
Retirement of common stock for minimum tax withholdings	(82)	-	(2,152)	-	-	(2,152)
Net loss	-	-	-	(82,667)	-	(82,667)
Other comprehensive loss	-	-	-	-	500	500
Balance, December 31, 2023	14,660	$ 147	$ 90,009	$ 128,052	$ (5,943)	$ 212,265
Issuance of common stock for equity awards	3	-	76	-	-	76
Vesting of restricted stock units	312	3	(2)	-	-	1
Issuance of common stock from employee purchase plan	44	-	708	-	-	708
Stock-based compensation expense	-	-	11,677	-	-	11,677
Repurchase of common stock	(506)	(5)	(10,909)	-	-	(10,914)
Retirement of common stock for minimum tax withholdings	(97)	(1)	(2,598)	-	-	(2,599)
Net loss	-	-	-	(56,385)	-	(56,385)
Other comprehensive loss	-	-	-	-	(840)	(840)
Balance, December 31, 2024	14,416	$ 144	$ 88,961	$ 71,667	$ (6,783)	$ 153,989
Vesting of restricted stock units	319	3	1,692	-	-	1,695
Issuance of common stock from employee purchase plan	55	1	500	-	-	501
Stock-based compensation expense	-	-	7,388	-	-	7,388
Repurchase of common stock	(803)	(8)	(9,477)	-	-	(9,485)
Retirement of common stock for minimum tax withholdings	(98)	(1)	(1,566)	-	-	(1,567)
Net loss	-	-	-	(10,880)	-	(10,880)
Other comprehensive income	-	-	-	-	1,824	1,824
Balance, December 31, 2025	13,889	$ 139	$ 87,498	$ 60,787	$ (4,959)	$ 143,465

The accompanying notes are an integral part of these consolidated financial statements.

Anika Therapeutics, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(in thousands)

	For the years ended December 31,		
	2025	2024	2023
	(a)	(a)	(a)
Cash flows from operating activities:			
Net loss	$ (10,880)	$ (56,385)	$ (82,667)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation	5,372	6,884	6,434
Amortization of acquisition related intangible assets	357	1,237	7,783
Non-cash operating lease cost	2,061	2,150	2,231
(Gain) loss on sale of assets	(166)	2,864	1,917
Loss on impairment of long-lived assets	-	2,462	62,190
Stock-based compensation expense	10,084	13,130	15,243
Deferred income taxes	(7)	260	(6,327)
Provision for doubtful accounts	265	1,185	190
Provision for inventory	5,821	44,708	3,341
Interest income on notes receivable	(896)	-	-
Changes in operating assets and liabilities:			
Accounts receivable	408	3,366	(1,305)
Inventories	30	(9,424)	(11,396)
Prepaid expenses, other current and long-term assets	2,327	558	560
Accounts payable	42	(2,506)	(11)
Operating lease liabilities	(1,996)	(2,082)	(2,149)
Accrued expenses, other current and long-term liabilities	(1,500)	(3,669)	1,648
Income taxes	(134)	665	530
Net cash provided by (used in) operating activities	11,188	5,403	(1,788)
Cash flows from investing activities:			
Purchases of property and equipment	(6,826)	(7,734)	(5,427)
Proceeds from sale of Parcus	4,496	-	-
Note receivable	1,329	-	-
Proceeds from sale of intangible asset	600	-	-
Acquisition of intangible asset	-	(600)	-
Net cash used in investing activities	(401)	(8,334)	(5,427)
Cash flows from financing activities:			
Repurchases of common stock	(9,485)	(10,914)	(5,000)
Proceeds from employee stock purchase program	500	708	805
Cash paid for tax withheld on vested restricted stock awards	(1,566)	(2,599)	(2,152)
Proceeds from exercises of equity awards	-	76	23
Net cash used in financing activities	(10,551)	(12,729)	(6,324)
Exchange rate impact on cash	86	(48)	79
Increase (decrease) in cash and cash equivalents	322	(15,708)	(13,460)
Cash and cash equivalents at beginning of period	57,159	72,867	86,327
Cash and cash equivalents at end of period	$ 57,481	$ 57,159	$ 72,867
Supplemental disclosure of cash flow information:			
Cash paid for income taxes, net of refunds	$ 1,076	$ 3,993	$ 3,117
Right-of-use assets obtained in exchange for operating lease liabilities	$ 2,213	$ -	$ 268
Non-cash investing activities:			
Purchases of property and equipment included in accounts payable and accrued expenses	$ 666	$ 639	$ 815
Notes receivable	$ -	$ 5,935	$ -

(a) The cash flows related to discontinued operations and held-for-sale assets and liabilities have not been segregated and remain included in the major classes of assets and liabilities. Accordingly, the Consolidated Statements of Cash Flows include the results of continuing and discontinued operations.

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business

Anika Therapeutics, Inc. (the "Company") is a global joint preservation company in the osteoarthritis ("OA") pain management and regenerative solutions spaces, focusing on early intervention orthopedics. The Company offers differentiated advancements in regenerative therapies and OA Pain Management, all designed to restore active living, empower surgeon choice, and enhance patient outcomes worldwide.

In early 2020, the Company expanded its overall technology platform through its strategic acquisitions of Parcus Medical, LLC ("Parcus Medical"), a sports medicine implant and instrumentation company, and Arthrosurface Incorporated ("Arthrosurface"), a company specializing in less invasive, bone preserving partial and total joint replacement solutions. These acquisitions broadened the Company's product portfolio, developed over its 30 years of expertise in hyaluronic acid technology, into joint preservation and restoration, added higher-growth revenue streams, increased its commercial capabilities, diversified its revenue base, and expanded its product pipeline and research and development expertise.

In October 2024, the Company announced a strategic shift to concentrate on OA Pain Management and Regenerative Solutions. This strategic decision resulted in the sale of Arthrosurface on October 31, 2024 and the sale of Parcus Medical on March 7, 2025, both of which were acquired in early 2020.

The Company is subject to risks common to companies in the life sciences industry including, but not limited to, development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, commercialization of existing and new products, and compliance with U.S. Food and Drug Administration ("FDA") and foreign regulations and approval requirements, as well as the ability to grow the Company's business through appropriate commercial strategies.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Anika Therapeutics, Inc. and its wholly owned subsidiaries, Anika Securities, Inc., Anika Therapeutics S.r.l. ("Anika S.r.l."), Anika Therapeutics Limited, Parcus Medical and Arthrosurface. All intercompany balances and transactions have been eliminated in consolidation.

As noted above, the Company made a strategic decision in October 2024 that resulted in the divestitures of Arthrosurface and Parcus Medical. The consolidated financial statements reflect the Arthrosurface and Parcus results of operations as discontinued operations, and the related assets and liabilities as held-for-sale for all periods presented.

Certain reclassifications have been made to prior period financial operations to reflect discontinued operations presentation. Unless otherwise noted, amounts and disclosures throughout these consolidated financial statements relate solely to continuing operations and exclude all discontinued operations.

Foreign Currency Translation

The functional currency of Anika S.r.l. is the Euro and the functional currency of Anika Therapeutics Limited is the British Pound Sterling. Assets and liabilities of the foreign subsidiaries are translated using the exchange rate existing on each respective balance sheet date. Revenues and expenses are translated using the average exchange rates for the period. The translation adjustments resulting from this process are included in stockholders' equity as a component of accumulated other comprehensive income (loss) which resulted in a (loss) gain from foreign currency translation of $1.8 million, ($0.8) million, and $0.5 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Gains and losses resulting from foreign currency transactions are recognized in the consolidated statements of operations. Recorded balances that are denominated in a currency other than the functional currency are remeasured to the functional currency using the exchange rate at the balance sheet date and gains or losses are recorded in the statements of operations. The Company recognized a loss from foreign currency transactions of ($0.4) million, ($0.2) million, and ($0.1) million during the years ended December 31, 2025, 2024, and 2023, respectively.

Accounts Receivable

The Company estimates an allowance for credit losses with its accounts receivable resulting from the inability of its customers to make required payments, which is included in selling, general and administrative expenses in the accompanying consolidated statements of operations. In determining the adequacy of the allowance, management specifically analyzes individual accounts receivable, historical bad debts, customer concentrations, customer creditworthiness, current and reasonable and supportable forecasts of future economic conditions, accounts receivable aging trends, and changes in the Company's customer payment terms.

The components of the Company's accounts receivable are as follows:

	As of December 31,	
	2025	**2024**
Accounts Receivable	$ 24,817	$ 24,324
Less: Allowance for credit losses	1,127	730
Net balance, end of the year	$ 23,690	$ 23,594

A summary of activity in the allowance for credit losses is as follows:

	As of December 31,		
	2025	**2024**	**2023**
Balance, beginning of the year	$ 730	$ 666	$ 821
Amounts provided	629	195	101
Amounts recovered	(163)	(65)	(105)
Amounts written off	(139)	(36)	(125)
Translation adjustments	70	(30)	(26)
Balance, end of the year	$ 1,127	$ 730	$ 666

Revenue Recognition

Pursuant to Accounting Standard Codification 606, *Revenue from Contracts with Customers* ("ASC 606"), the Company recognizes revenue when a customer obtains control of promised goods or services. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are capable of being distinct or distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

Revenue

The Company generates sales principally through the sale of products to three types of customers: (i) commercial partnerships (ii) hospitals and ambulatory surgical centers ("ASCs"), and (iii) distributors, referred to as the distribution model.

For commercial partnership sales, the Company sells its products directly to these partners, who perform most of the downstream sales and marketing activities to customers and end-users. These arrangements may include the grant of certain licenses, performance of development services, and the supply of products. The Company recognizes revenue from product sales when the customer obtains control of the Company's product, which typically occurs upon shipment to the customer. Commercial partnership agreements may also include variable revenue measured as a percentage of sales to end-customers ("sales-based royalties") and milestones. Sales-based royalties and milestones are only recognized when the latter of the underlying sale occurs or the performance obligation to which the sales-based royalty has been satisfied (or partially satisfied). This is generally in the same period that the Company's commercial partners complete their product sales in their territory, for which the Company is contractually entitled to a percentage-based royalty. The Company records royalty revenues based on estimated net sales of licensed products as reported to the Company by its commercial partners. The differences between actual and estimated royalty revenues have not been material and are typically adjusted in the following quarter when the actual amounts are known. Revenue from sales-based royalties is included in revenue in the consolidated statement of operations. The Company's certain supply agreements represent a promise to deliver products at the customer's discretion that are considered distributor options. The Company assesses if these options provide a material right to the licensee, and if so, they are accounted for as separate performance obligations. Substantially all the Company's supply agreements do not provide options that are considered material rights.

The Company's largest such customer, Johnson & Johnson MedTech ("J&J MedTech") (previously known as DePuy Synthes Mitek Sports Medicine), a division of DePuy Orthopedics, Inc., part of the Johnson & Johnson Medical Companies, represented 50%, 57% and 62% of total revenues for the years-ended December 31, 2025, 2024 and 2023 respectively. The Company's collaboration agreement with J&J MedTech include contracts with Orthovisc and Monovisc products, which were entered into in 2003 and 2011, respectively. The Company completed the performance obligations related to granted licenses and development services under the agreements with J&J MedTech prior to 2016 and has no remaining material performance obligations. Pursuant to the J&J MedTech contracts, the Company is the exclusive supplier responsible for the manufacture and sale to J&J MedTech of the Orthovisc and Monovisc products pursuant to J&J MedTech's purchase orders, while J&J MedTech is responsible for the marketing, sales and distribution to end-customers. In general, the Company's long-term contractual arrangements do not allow for any other product source suppliers for the OEM Channel partners. Furthermore, given the proprietary nature of the products, manufacturing would not be easily replicated by the OEM Channel partners, including J&J MedTech nor would an alternative source of supply be available, such that the product supply and license are not distinct. For these reasons, the Company believes that revenue earned from the combined fixed and variable consideration paid for the sales of the product meets the objective of ASC 606-10-50-5 in depicting how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

For sales to hospitals and ASCs, which generally pair in-house sales representatives with local or regional distributors, the inventory is generally consigned so that products are available when needed for surgical procedures. No revenue is recognized upon the placement of inventory into consignment, as the Company retains the ability to control the inventory. Revenue is typically recognized as of the date of surgical implantation of the product.

For distributor sales, the Company sells its products principally to distributors, generally outside the United States, who subsequently resell the products to sub-distributors and health care providers, among others. The Company recognizes revenue from product sales when the distributor obtains control of the Company's product, which typically occurs upon shipment to the distributor, in return for agreed-upon, fixed-price consideration.

Performance obligations are generally settled quickly after purchase order acceptance; therefore, the value of unsatisfied performance obligations at the end of any reporting period is generally insignificant. The Company sells to a diversified base of international distributors and, therefore, believes there is no material concentration of credit risk.

The Company's payment terms are consistent with prevailing practice in the respective markets in which the Company does business. Most of the Company's customers make payments based on contract terms, which are not affected by contingent events that could impact the transaction price. Payment terms fall within the one-year guidance for the practical expedient, which allows the Company to forgo adjustment of the contractual payment amount of consideration for the effects of a significant financing component.

Some of the Company's distributor agreements have volume-based discounts with tiered pricing which are generally prospective in nature. These prospective discounts together with any free-of-charge sample units offered are evaluated as potential material rights. If the prospective discounts or free-of-charge sample units are considered material rights, these would be separate performance obligations and a portion of the sales transaction price is allocated to the material right. Revenue allocated to the material rights are recognized when the additional goods are transferred to the customer or when the option expires. During 2025, 2024 and 2023, the consideration allocated to material rights was not significant.

The Company receives payments from its customers based on billing schedules established in each contract. Any up-front payments and fees are recorded as deferred revenue upon receipt or when due and may require deferral of revenue recognition to a future period until the Company performs its obligations under these arrangements. Amounts are recorded as accounts receivable when its right to consideration is unconditional. The Company had no deferred revenue as of December 31, 2025 and 2024, respectively.

Generally, customer contracts contain Free on Board ("FOB") or Ex-Works shipping point terms where the customer pays the shipping company directly for all shipping and handling costs. In those contracts in which the Company pays for the shipping and handling, the associated costs are generally recorded along with the product sale at the time of shipment in cost of revenue when control over the products has been transferred to the customer. Value-add and other taxes collected by the Company with revenue-producing activities are excluded from revenue. The Company's general product warranty does not extend beyond an assurance that the product or services delivered will be consistent with stated contractual specifications, which does not create a separate performance obligation. The Company recognizes the incremental costs of obtaining contracts as an expense when incurred as the amortization period of the assets that the Company otherwise would have recognized is one year or less in accordance with the practical expedient in paragraph Code 340-40-25-4. These costs are included in selling, general and administrative expenses.

Licensing, Milestone and Contract Revenue

The agreements with J&J MedTech include variable consideration such as contingent development and regulatory milestones. Since 2016, there have been no remaining regulatory milestones related to the J&J MedTech agreements. In general, variable consideration is included in the transaction price only to the extent a significant reversal in the amount of cumulative revenue recognized is not probable to occur.

Cash and Cash Equivalents

The Company considers only those investments which are highly liquid, readily convertible to cash, and that mature within 90 days from the date of purchase to be cash equivalents. The Company's cash equivalents consist of money market funds.

Investments

The Company may invest its excess cash in investments, which are classified as available-for-sale. Investments are recognized on a recurring basis at fair value with unrealized gains and losses recorded as a component of accumulated other comprehensive income (loss), net of related income taxes. For securities sold prior to maturity, the cost of securities sold is based on the specific identification method. Realized gains and losses on the sale of investments are recorded in interest and other income, net. Interest is recorded when earned. Investments with original maturities greater than approximately three months and remaining maturities less than one year are classified as short-term investments. Investments with remaining maturities greater than one year are classified as long-term investments. The Company had no long-term investments as of December 31, 2025 or December 31, 2024.

Investments are subject to a periodic impairment review. For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether (i) the Company intends to sell, or (ii) it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis. If either case is affirmative, any previously recognized allowances are charged off and the security's amortized cost is written down to fair value through earnings. If neither case is affirmative, the security is evaluated to determine whether the decline in fair value has resulted from credit losses or other factors.

Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. Adjustments to the allowance are reported in the consolidated statement of operations as a component of credit loss expense. Available-for-sale securities are charged off against the allowance or, in the absence of any allowance, written down through earnings when deemed uncollectible by management or when either of the criteria regarding intent or requirement to sell is met.

During the years ended December 31, 2025, 2024 and 2023, the Company did not record any impairment charges on its available-for-sale securities because it is not more likely than not that the Company will be required to sell these securities before the recovery of their cost basis.

Concentration of Credit Risk

The Company has no significant off-balance sheet risks related to foreign exchange contracts, option contracts, or other foreign hedging arrangements. The Company's cash equivalents and investments are held with three major financial institutions.

The Company, by policy, routinely assesses the financial strength of its customers. As a result, the Company believes that its accounts receivable credit risk exposure is limited.

As of December 31, 2025 and 2024, J&J MedTech represented 55% and 56%, respectively, of the Company's accounts receivable balance. No other single customer accounted for more than 10% of accounts receivable in either period.

Notes Receivable

In October 2024, the Company sold the Arthrosurface Asset Group to Phoenix Brio, Inc. (the "Buyer") (refer to Note 3) in exchange for consideration which included a 10-year $7.0 million non-interest-bearing note receivable (the "Term Note Receivable"), as well as variable consideration to be paid by the Buyer in twenty quarterly installments of 3% of the Buyer's net sales (the "Royalty Note Receivable" and collectively the "Notes Receivable"). The Company recognized the Term Note Receivable and the Royalty Note Receivable at their estimated fair values of $3.8 million and $2.1 million, respectively. The fair value of the Notes Receivable was determined based on a discounted cash flow analysis of the contractually scheduled repayments for the Term Note Receivable and the forecasted variable payments for the Royalty Note Receivable, using a discount rate of 12.75%. The Notes Receivable are subsequently measured at amortized cost, as adjusted for estimated credit losses.

Inventories

Inventories are primarily stated at the lower of standard cost and net realizable value, with cost determined using the first-in, first-out method. Work-in-process and finished goods inventories include materials, labor, and certain manufacturing overhead. Manufacturing variances attributable to abnormally low production are expensed in the period incurred.

The Company's policy is to write down inventory when conditions exist that suggest inventory may be in excess of anticipated demand or is obsolete based upon assumptions about future demand for the Company's products and market conditions. The Company regularly evaluates the ability to realize the value of inventory based on a combination of factors including, but not limited to, historical usage rates, forecasted sales or usage, product end of life dates, and estimated current or future market values. Purchasing requirements and alternative usage avenues are explored within these processes to mitigate inventory exposure.

When recorded, inventory write-downs are intended to reduce the carrying value of inventory to its net realizable value. If actual demand for the Company's products deteriorates, or if market conditions are less favorable than those projected, additional inventory write-downs may be required. Other long-term assets include inventory expected to remain on hand beyond one year.

Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the circumstances present and evaluates whether the lease is an operating lease or a finance lease at the commencement date. Operating and finance leases with a term greater than one year are recognized on the consolidated balance sheet as right-of-use assets, lease liabilities, and, if applicable, long-term lease liabilities. The Company includes renewal options to extend the lease in the lease term where it is reasonably certain that it will exercise these options. Operating and finance lease liabilities and the corresponding right-of-use assets are recorded based on the present values of lease payments over the lease terms. The Company elected an accounting policy to combine the non-lease components (which include common area maintenance, taxes and insurance) with the related lease component. The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company utilizes the appropriate incremental borrowing rates, which are the rates that would be incurred to borrow on a collateralized basis, over similar terms, amounts equal to the lease payments in a similar economic environment. Lease contracts do not include residual value guarantees nor do they include restrictions or other covenants. Certain adjustments to the right-of-use assets may be required for items such as initial direct costs paid, incentives received or lease prepayments. If significant events, changes in circumstances, or other events indicate that the lease term or other inputs have changed, the Company would reassess lease classification, remeasure the finance and operating lease liabilities by using revised inputs as of the reassessment date, and adjust the right-of-use asset. Operating lease expense is recognized on a straight-line basis over the lease term. Finance lease expense is recognized based on the effective-interest method over the lease term.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives, which are typically:

Asset	**Estimated useful life (in years)**		
Computer equipment and software	3	-	12
Furniture and fixtures	5	-	7
Equipment	5	-	20
Leasehold improvements	Shorter of useful life or term of lease		

Maintenance and repairs are charged to expense when incurred; additions and improvements are capitalized. Fully depreciated assets are retained in the accounts until they are no longer used and no further charge for depreciation is made in respect of these assets. When an item is sold, retired or removed from service, the cost and related accumulated depreciation is relieved, and the resulting gain or loss, if any, is recognized in income.

Construction-in-process assets are stated at cost, which includes the cost of construction and other direct costs attributable to the construction. Construction-in-process assets are not depreciated until such time as the relevant assets are completed and put into use.

Goodwill and In-Process Research and Development ("IPR&D") Assets

Goodwill is the amount by which the purchase price of acquired net assets in a business combination exceeded the fair values of net identifiable assets on the date of acquisition. Acquired In-Process Research and Development ("IPR&D") represents the fair value assigned to research and development assets that the Company acquires that have not been completed at the date of acquisition or are pending regulatory approval in certain jurisdictions. The value assigned to the acquired IPR&D assets is determined by estimating the costs to develop the acquired technology into commercially viable products, estimating the resulting revenue from the projects, and discounting the net cash flows to present value.

Goodwill and IPR&D assets are not amortized but are evaluated for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The goodwill impairment assessment is performed by reporting unit. A reporting unit is the operating segment, or a business one level below that operating segment (the component level) if discrete financial information is prepared and regularly reviewed by segment management. However, components are aggregated as a single reporting unit if they have similar economic characteristics. The Company has currently one reporting unit that it is has defined as its the legacy Anika reporting unit, which specializes in therapies based on its hyaluronic acid ("HA") technology platform. Factors that the Company considers important, on an overall company basis, that could trigger an impairment review include significant underperformance relative to historical or projected future operating results, significant changes in the Company's use of the acquired assets or the strategy for its overall business, significant negative industry or economic trends, a significant decline in the Company's stock price for a sustained period, or a reduction of its market capitalization relative to net book value.

Under U.S. GAAP, the Company has the option to perform a qualitative assessment to determine if it is necessary to perform the impairment test. If the Company concludes, based on a qualitative assessment, it is not more likely than not that Goodwill or the IPR&D assets are impaired, the Company is not required to perform the quantitative test. The Company has an unconditional option to bypass the qualitative assessment in any period and proceed directly to the quantitative impairment test.

To conduct quantitative impairment tests of goodwill, the fair value of the reporting unit is compared to its carrying value. If the reporting unit's carrying value exceeds its fair value, the Company records an impairment loss to the extent that the carrying value of goodwill exceeds its implied fair value, not to exceed the recorded amount of goodwill.

The Company performed a quantitative annual assessment for impairment of the remaining goodwill with respect to legacy Anika reporting unit as of November 30, 2025, where the estimated fair value of the reporting unit was based on a combination of an income and market approach. The discounted cash flow method of the income approach which is based on the present value of projected cash flows and a terminal value, which represents the expected normalized cash flows of the reporting units beyond the cash flows from the discrete projection period. The market approach utilizes our market capitalization plus an appropriate control premium, whereby the market capitalization is determined by multiplying the number of shares of common stock outstanding by the market price of our common stock and the control premium is determined by utilizing data from publicly available premium studies for similarly situated public company transactions. As a result of this impairment testing, the Company determined it was not more likely than not that the fair value of the legacy Anika reporting unit is less than its carrying amount and thus goodwill was not impaired as of November 30, 2025.

To conduct impairment tests of IPR&D assets, the fair value of the IPR&D project is compared to its carrying value. If the carrying value exceeds its fair value, the Company records an impairment loss to the extent that the carrying value of the IPR&D project exceeds its fair value. The Company estimates the fair value for IPR&D assets using the income approach, which is based on the Multi-Period Excess Earnings Method ("MPEEM"). MPEEM measures economic benefit indirectly by calculating the income attributable to an asset after appropriate returns are paid to complementary assets used in conjunction with the subject asset to produce the earnings associated with the subject asset, commonly referred to as contributory asset charges. This approach incorporates significant estimates and assumptions related to the forecasted results including revenues, expenses, expected economic life of the asset, contributory asset charges and discount rates to estimate future cash flows.

Long-Lived Assets

Long-lived assets primarily include property and equipment and intangible assets with finite lives. The Company's intangible assets are comprised of purchased developed technologies, patents, trade names, customer relationships and distributor relationships. These intangible assets are carried at cost, net of accumulated amortization. Amortization is recorded on a straight-line basis over the intangible assets' useful lives, which range from approximately three to sixteen years. The Company reviews long-lived assets for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of those assets are no longer appropriate. Each impairment test is based on a comparison of the undiscounted cash flows to the recorded value of the asset. If impairment is indicated, the asset is written down to its estimated fair value based on a discounted cash flow analysis.

In determining the useful lives of intangible assets, the Company considers the expected use of the assets and the effects of obsolescence, demand, competition, anticipated technological advances, changes in surgical techniques, market influences and other economic factors. For technology-based intangible assets, the Company considers the expected life cycles of products, absent unforeseen technological advances, which incorporate the corresponding technology.

Fair Value Measurements

Fair value is defined as the price that would be received from selling an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance. The accounting standard establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs that may be used to measure fair value are:

- Level 1 – Valuation is based upon quoted prices (unadjusted) for identical instruments traded in active markets. Level 1 instruments include securities traded on active exchange markets, such as the New York Stock Exchange.

- Level 2 – Valuation is based upon inputs other than quoted prices, for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are directly observable in the market.

- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect the Company's own estimates of assumptions market participants would use in pricing the instrument.

The Company's financial assets have been classified as Level 1. The Company's financial assets (which include cash equivalents and investments) have been initially valued at the transaction price and subsequently valued, at the end of each reporting period, utilizing third-party pricing services.

Non-Recurring Fair Value Measurement

In measuring the impairment of intangible assets, the fair value of the Company's developed technology definite lived intangible assets are classified within Level 3 of the fair value hierarchy because of the use of unobservable inputs in measuring the estimated fair value. When performing a quantitative assessment for impairment of these definite lived intangible assets, the Company measures the amount of impairment by calculating the amount by which the carrying value of the definite lived intangible assets exceeds its estimated fair value (as discussed in Note 7 – Acquired Intangible Assets, Net).

Research and Development

Research and development costs consist primarily of salaries and related expenses for personnel, clinical trial expenses and fees paid to outside consultants and outside service providers. Research and development costs are expensed as incurred.

Stock-Based Compensation

The Company has stock-based compensation plans under which it grants various types of equity-based awards, the cost of which is based on the grant-date fair value of the underlying award and recognized over the period during which an employee is required to provide service in exchange for the award, which is generally the vesting period.

For performance-equity awards with market-based conditions, compensation cost is measured at the date of the award and is recorded over the vesting period, regardless of the likelihood of achievement of the market-based performance criteria. For performance-based equity awards with financial and business milestone achievement targets, compensation cost is based on the probable outcome of the performance conditions. Changes to the probability assessment and the estimated shares expected to vest will result in adjustments to the related stock-based compensation expense that will be recorded in the period of the change. If the performance targets are not achieved, no compensation cost is recognized, and any previously recognized compensation cost is reversed.

See Note 14, *Equity Incentive Plan*, for a description of the types of stock-based awards granted, the compensation expense related to such awards, and detail of equity-based awards outstanding.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets ("DTAs") and deferred tax liabilities ("DTLs"), for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine DTAs and DTLs based on the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on DTAs and DTLs is recognized in income in the period that includes the enactment date.

We recognize DTAs to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law, and results of recent operations.

We record uncertain tax positions in accordance with Code 740, *Income Taxes*, on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. Interest and penalties associated with income tax filings are recorded in income tax expense.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss), which includes foreign currency translation adjustments. For the purposes of comprehensive income (loss) disclosures, the Company does not record tax provisions or benefits for the net changes in the foreign currency translation adjustment, as it intends to indefinitely reinvest undistributed earnings of its foreign subsidiary. Accumulated other comprehensive income (loss) is reported as a component of stockholders' equity.

Contingencies

In the normal course of business, the Company is involved from time to time in various legal proceedings and other matters such as contractual disputes, which are complex in nature and have outcomes that are difficult to predict. The Company records accruals for loss contingencies to the extent that it concludes that it is probable that a liability has been incurred, and the amount of the related loss can be reasonably estimated. The Company considers all relevant factors when making assessments regarding these contingencies. Although the outcomes of any potential legal proceedings are inherently difficult to predict, the Company does not expect the resolution of any potential legal proceedings to have a material adverse effect on its financial position, results of operations, or cash flows.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update 2023-09, *Improvements to Income Tax Disclosures, ("ASU 2023-09"),* which is effective for annual periods beginning after December 15, 2024. ASU 2023-09 intends to enhance the transparency as well as usefulness of income tax disclosures, primarily related to the rate reconciliation and income taxes paid. The Company adopted ASU 2023-09 during the year ended December 31, 2025. See Note 17 *Income Taxes* in the accompanying notes to the consolidated financial statements for further detail.

Recent Issued Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*: *Disaggregation of Income Statement Expenses*, and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*. ASU 2024-03 requires additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific types of expenses included in the expense captions presented in the income statement. ASU 2024-03, as clarified by ASU 2025-01, is effective for public companies for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating the impact of ASU 2024-03 on its disclosures.

3. Discontinued Operations

In October 2024, the Company announced a strategic shift to concentrate on OA pain management and regenerative solutions. This strategic decision involved the sale of Arthrosurface Incorporated and the planned divestiture of Parcus Medical, LLC, both of which were acquired in early 2020.

Arthrosurface

On October 31, 2024 (the "Closing Date"), the Company completed the sale of all of the outstanding equity interests of Arthrosurface Incorporated, a Delaware corporation and former wholly-owned subsidiary of the Company ("Arthrosurface"), which held the Company's Arthrosurface business, to Phoenix Brio, Incorporated, a Delaware corporation ("Buyer"), pursuant to the terms and conditions of a Share Purchase Agreement, dated as of the Closing Date (the "Purchase Agreement"), by and among the Company, Arthrosurface and Buyer (the "Arthrosurface Transaction").

As consideration for the Arthrosurface Transaction, at the closing, the Buyer delivered to the Company a ten-year non-interest-bearing promissory note in the principal amount of $7.0 million. Under the terms of the Purchase Agreement, the Company is also eligible to receive: (i) for each calendar quarter, an amount equal to a percentage of the net sales (the "Revenue Payments") for the sale of certain commercial and pipeline products during the period commencing on the Closing Date and ending on the earlier of the fifth (5th) anniversary of the Closing Date or the date on which the Buy-Out Payment (as defined below) is paid to the Company; and (ii) a percentage of the gross proceeds with respect to the sale of certain commercial and pipeline products in a bona-fide arm's length transaction with a third party that is not an affiliate of Buyer or the Company occurring within the first twenty four (24) months following the Closing Date. The Buyer can also elect to make a payment in an amount equal to the greater of (A) $14.0 million or (B) ten (10) times the Revenue Payments ((A) and (B) together, the "Buy-Out Payment") paid to the Company during the last full calendar year prior to the consummation of a change of control transaction or Buyer's written notice to the Company that it is electing to make the Buy-Out Payment. Pursuant to the Purchase Agreement, the aggregate consideration is subject to customary post-closing adjustments. The Company valued the consideration with the sale of the Arthrosurface asset group to be $5.9 million and recorded as Notes Receivable on its balance sheet at December 31, 2024. The Notes Receivable balance was $5.6 million at December 31, 2025.

As a result of the Arthrosurface Transaction, the Company tested the assets associated with the Arthrosurface asset group to determine if the carrying value of the assets at September 30, 2024 were fully recoverable. Given that the proceeds from the sale of the Arthrosurface assets group was less than the carrying value of its net assets, the Company recorded asset impairment charges totaling $27.4 million during the three-month period ended September 30, 2024 related to a write-down of its accounts receivable, inventories, property and equipment and intangible assets related to the Arthrosurface asset group.

Parcus Medical

On March 7, 2025, the Company completed the sale of all of the outstanding equity interests of Parcus Medical, LLC, ("Parcus Medical") to Medacta Americas Manufacturing, Inc. ("Medacta"), pursuant to the terms and conditions of a Membership Interest Purchase Agreement (the "Parcus Transaction"). As consideration for the Parcus Transaction, at closing, Medacta delivered to the Company a payment of $4.5 million in cash. Pursuant to the terms of the agreement, the aggregate consideration is subject to customary post-closing adjustments.

As a result of the Parcus Transaction, the Company tested the assets associated with the Parcus Medical asset group to determine if the carrying value of the assets at December 31, 2024 were fully recoverable. Given that the proceeds from the sale of the Parcus Medical assets group was less than the carrying value of its net assets, the Company recorded asset impairment charges totaling $20.1 million during the three-month period ended December 31, 2024 related to a write-down of its inventories, property and equipment and intangible assets related to the Parcus Medical asset group.

The results of operations for Arthrosurface and Parcus are reported in income from discontinued operations within the consolidated statements of operations for the years ended December 31, 2025, 2024 and 2023, and the related assets and liabilities are presented within assets and liabilities held-for-sale on the consolidated balance sheets as of December 31, 2024.

	Years Ended December 31,		
	2025	**2024**	**2023**
Revenue	$ 2,710	$ 39,495	$ 45,870
Costs and expenses	3,611	87,469	134,353
Loss from discontinued operations before income taxes	(901)	(47,974)	(88,483)
Benefit from income taxes	-	(417)	(9,255)
Net loss from discontinued operations	$ (901)	$ (47,557)	$ (79,228)

The assets and liabilities reported as held-for-sale consist of the following (in thousands):

	As of December 31, 2024
Assets	
Cash and cash equivalents	$ 1,531
Accounts receivable, net	3,285
Inventories	221
Prepaid expenses and other current assets	89
Property and equipment, net	1,134
Right-of-use assets	892
Total assets held-for-sale	$ 7,152
Liabilities	
Accounts payable	$ 797
Accrued expenses and other current liabilities	3,324
Lease liabilities	660
Total liabilities held-for-sale	$ 4,781

There are no assets and liabilities reported as held-for-sale as of December 31, 2025, as the Company completed the divestitures of the Arthrosurface and Parcus Medical asset groups during the year ended December 31, 2025.

Selected financial information related to significant operating and investing cash flow items from discontinued operations are as follows (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Depreciation	$ 149	$ 1,874	$ 1,563
Amortization of acquisition related intangible assets	-	559	7,148
Non-cash operating lease cost	55	322	398
Loss on impairment of long-lived assets	-	2,142	62,190
Stock-based compensation expense	132	972	1,706
Provision for inventory	-	42,013	1,262
Purchases of property and equipment	19	467	3,310

4. Fair Value Measurements

There were no available-for-sale securities as of December 31, 2025 and 2024.

The Company’s investments, including cash equivalents, are all classified within Levels 1 of the fair value hierarchy and are valued based on quoted prices in active markets. For cash, accounts receivable, accounts payable, and accrued interest, the carrying amounts approximate fair value, because of the short maturity of these instruments, and therefore fair value information is not included in the table below.

The classification of the Company's cash equivalents and investments within the fair value hierarchy is as follows:

	December 31, 2025	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Amortized Cost
Cash equivalents:					
Money Market Funds.....	$ 48,758	$ 48,758	$ -	$ -	$ 48,758

	December 31, 2024	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Amortized Cost
Cash equivalents:					
Money Market Funds.....	$ 46,061	$ 46,061	$ -	$ -	$ 46,061

There were no transfers between fair value levels during the years ended December 31, 2025 and 2024, respectively.

5. Inventories

Total inventories included in the balance sheet consist of the following:

	As of December 31,	
	2025	2024
Raw materials	$ 10,724	$ 13,180
Work-in-process	8,105	7,001
Finished goods	3,508	8,761
Total	$ 22,337	$ 28,942
Inventories	$ 18,787	$ 23,809
Other long-term assets	3,550	5,133
Total	$ 22,337	$ 28,942

Inventories are stated net of inventory reserves of approximately $4.8 million and $3.9 million, as of December 31, 2025 and 2024, respectively.

6. Property and Equipment

Property and equipment is stated at cost and consists of the following:

	December 31,	
	2025	2024
Equipment and software	$ 49,503	$ 41,390
Furniture and fixtures	1,696	1,509
Leasehold improvements	36,824	36,340
Construction in progress	3,729	6,039
Subtotal	91,752	85,278
Less accumulated depreciation	(51,428)	(46,284)
Total	$ 40,324	$ 38,994

Depreciation expense was $5.4 million, $5.0 million, and $4.9 million for the years ended December 31, 2025, 2024, and 2023, respectively.

7. Acquired Intangible Assets, Net

Intangible assets consist of the following:

	Year Ended December 31, 2025					
	Gross Cost	Less: Disposals	Less: Accumulated Currency Translation Adjustment	Less: Accumulated Amortization	Net Book Value	Weighted Average Useful Life (in Years)
Developed technology	$ 12,080	$ (600)	$ (1,608)	$ (9,872)	$ -	14
IPR&D	2,656	-	(1,006)	-	1,650	Indefinite
Patents	1,000	-	(189)	(811)	-	16
Total	$ 15,736	$ (600)	$ (2,803)	$ (10,683)	$ 1,650	Indefinite

	Year Ended December 31, 2024					
	Gross Cost	Plus: Additions	Less: Accumulated Currency Translation Adjustment	Less: Accumulated Amortization	Net Book Value	Weighted Average Useful Life (in Years)
Developed technology	$ 11,480	$ 600	$ (1,608)	$ (9,667)	$ 805	14
IPR&D	2,656	-	(1,006)	-	1,650	Indefinite
Distributor relationships	4,700	-	(415)	(4,285)	-	5
Patents	1,000	-	(189)	(776)	35	16
Total	$ 19,836	$ 600	$ (3,218)	$ (14,728)	$ 2,490	11

Total amortization expense with respect to the definite lived acquired intangible assets was $0.4 million, $0.7 million and $0.6 million for each of the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the Company's definite lived acquired intangible assets are fully amortized.

The Company performed its annual assessment of the IPR&D intangible asset as of November 30, 2025. The Company estimated the fair value of the IPR&D intangible assets using the income approach which is based on the Multi-Period Excess Earnings Method ("MPEEM"). MPEEM measures economic benefit indirectly by calculating the income attributable to an asset after appropriate returns are paid to complementary assets used in conjunction with the subject asset to produce the earnings associated with the subject asset, commonly referred to as contributory asset charges. This approach incorporates significant estimates and assumptions related to the forecasted results including revenues, expenses, expected economic life of the asset, contributory asset charges and discount rates to estimate future cash flows. While assumptions utilized are subject to a high degree of judgment and complexity, the Company made its best estimate of future cash flows under a high degree of economic uncertainty that existed as of November 30, 2025. In developing its assumptions, the Company also considered observed trends of its industry participants. No impairment existed as the estimated fair value of the remaining IPR&D intangible asset was greater than its carrying value.

8. Goodwill

The following table provides a roll forward of goodwill for the years ended December 31, 2025 and 2024:

	As of December 31,	
	2025	2024
Balance, beginning January 1	$ 7,125	$ 7,571
Effect of foreign currency adjustments	929	(446)
Balance, ending December 31	$ 8,054	$ 7,125

The goodwill balance at December 31, 2025 and 2024 was related to the Company's legacy Anika reporting unit.

The Company estimated the fair value of its reporting unit using a combination of the income and market approaches. The discounted cash flow method of the income approach estimates the present value of projected cash flows and a terminal value, which represents the expected normalized cash flows of the reporting units beyond the cash flows from the discrete projection period. This approach incorporates significant estimates and assumptions related to the forecasted results including revenues, expenses, the achievement of certain cost synergies, terminal growth rates and discount rates to estimate future cash flows. While assumptions utilized are subject to a high degree of judgment and complexity, the Company made its best estimate of future cash flows under a high degree of economic uncertainty that existed as of November 30, 2025. In developing its assumptions, the Company also considered observed trends of its industry participants. In addition, the Company estimated the fair value of its reporting unit based on its market capitalization and an appropriate control premium. Market capitalization is determined by multiplying the number of shares of common stock outstanding by the market price of its common stock. The control premium, or the amount paid by a new controlling shareholder for the benefits resulting from synergies and other potential benefits derived from controlling the acquired company, is determined by utilizing data from publicly available premium studies for similarly situated public company transactions. As a result of this impairment testing, the Company determined it was not more likely than not that the fair value of the legacy Anika reporting unit is less than its carrying amount and thus goodwill was not impaired as of November 30, 2025.

For its legacy Anika reporting unit, the Company performed a quantitative assessment as of November 30, 2025. The results of the impairment test indicated that the estimated fair value of the legacy Anika reporting unit was greater than its carrying value, therefore the Company determined that was more likely than not that the fair value of the legacy Anika reporting unit was not impaired as of November 30, 2025.

9. Leases

The Company leases its buildings and manufacturing facilities under operating leases. As of December 31, 2025, the Company has real estate leases in Bedford, Massachusetts, Warsaw, Indiana and Padova, Italy.

In June 2022, the Company finalized a renewal option to extend the current term for its operating headquarters and manufacturing facility in Bedford through 2027. There are also lease renewal options into 2038 that the Company is reasonably certain to exercise.

The Company leases office space in Padova, Italy. The current term of the Padova lease extends to 2032, with a right to terminate at the Company's option in 2026 without penalty. The Company is not expected to terminate this lease prior to the lease expiration date in 2032. During 2025, the Company determined that it became reasonably certain that the Company would not exercise its option to terminate and accordingly, the right of use asset and lease liability were increased to account for the lease extension to 2032.

The significant assumptions in recognizing the right-of-use asset and lease liability are as follows:

Incremental borrowing rate. The Company derives its incremental borrowing rate from information available at the lease commencement date in determining the present value of lease payments. The incremental borrowing rate represents a collateralized rate of interest the Company would have to pay to borrow over a similar term an amount equal to the lease payments in a similar economic environment. The Company's lease agreements do not provide implicit rates. As the Company did not have any external borrowings at either the transition or subsequent renewal dates with comparable terms to its lease agreements, the Company estimated its incremental borrowing rate based on its credit quality, line of credit agreement and by comparing interest rates available in the market for similar borrowings, and adjusting this amount based on the impact of collateral over the term of the lease. The weighted average discount rate at December 31, 2025 was 3.7% for operating leases.

Lease term. The lease term begins at the lease commencement date and is determined on that date based on the non-cancelable term of the lease together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option, or periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The components of lease expense and other information for continued and discontinued operations are as follows:

	Years Ended December 31		
	2025	2024	2023
Operating lease expense	$ 2,910	$ 3,333	$ 3,320
Variable lease expense	248	497	425
Total lease expense	$ 3,158	$ 3,830	$ 3,745

	Years Ended December 31	
	2025	2024
Weighted Average Remaining Lease Term (in years)		
Operating leases	12.2	13.2
Weighted Average Discount Rate		
Operating leases	3.7%	3.5%
Other information		
Operating cash flows from operating leases	$ 2,837	$ 3,267

Future commitments due under these lease agreements as of December 31, 2025 are as follows:

Years ended December 31,	Operating Leases
2026	$ 2,848
2027	2,772
2028	2,772
2029	2,772
2030	2,772
Thereafter	18,797
Present value adjustment	(6,485)
Present value of lease payments	26,248
Less current portion included in accrued expenses and other current liabilities	(2,052)
Total lease liabilities	$ 24,196

10. Accrued Expenses

Accrued expenses consist of the following:

	As of December 31,	
	2025	2024
Compensation and related expenses	$ 8,658	$ 6,828
Share based compensation	2,448	1,213
Operating lease liability - current	2,052	1,918
Professional fees	1,800	2,485
Clinical trial costs	441	295
Income taxes payable	-	63
Other	468	765
Total	$ 15,867	$ 13,567

11. Revolving Credit Agreement

On November 12, 2021, the Company, entered into a "Third Amendment to Credit Agreement" amending the existing revolving line of credit agreement dated October 24, 2017 with Bank of America, N.A., as administrative agent, swingline lender and issuer of letters of credit, for a $75.0 million senior revolving line of credit (the "Credit Agreement"). Subject to certain conditions, the Company may request up to an additional $75.0 million in commitments for a maximum aggregate commitment of $150.0 million, which requests must be approved by the Revolving Lenders (as defined in the Credit Agreement). Loans under the Credit Agreement generally bear interest at a rate equal to (a) the Bloomberg Short-Term Bank Yield Index, ("BSBY"), rate plus (b) an additional percentage that will range from 0.25% to 1.00%, based on the Company's consolidated leverage ratio at the time of the borrowings. The Company is required to pay a commitment fee in an amount that is equal to 0.20% to 0.30% per annum, based on the Company's consolidated leverage ratio, on the actual daily unused amount of the credit facility and that is due and payable quarterly in arrears. Loan origination costs are included as assets on the balance sheet and are being amortized over the five-year term of the Credit Agreement. As of December 31, 2025 and 2024, there were no outstanding borrowings under the Credit Agreement and the Company is in compliance with the terms of the Credit Agreement.

The Credit Agreement contains customary representations, warranties, affirmative and negative covenants, including financial covenants, events of default, and indemnification provisions in favor of the Lenders. These include restrictive covenants that require the Company not to exceed certain maximum leverage and interest coverage ratios, limit its incurrence of liens and indebtedness, and its entry into certain merger and acquisition transactions or dispositions and place additional restrictions on other matters, all subject to certain exceptions. The Revolving Lenders has been granted a first priority lien and security interest in substantially all of the Company's assets, except for certain intangible assets.

12. Commitments and Contingencies

In certain of its contracts, the Company warrants to its customers that the products it manufactures conform to the product specifications as in effect at the time of delivery of the specific product. The Company may also warrant that the products it manufactures do not infringe, violate or breach any U.S. or international patent or intellectual property rights, trade secret, or other proprietary information of any third party. On occasion, the Company contractually indemnifies its customers against any and all losses arising out of, or in any way connected with, any claim or claims of breach of its warranties or any actual or alleged defect in any product caused by the negligent acts or omissions of the Company. The Company maintains a products liability insurance policy that limits its exposure to these risks. Based on the Company's historical activity, in combination with its liability insurance coverage, the Company believes the estimated fair value of these indemnification agreements is immaterial. The Company had no accrued warranties at December 31, 2025 or 2024, respectively, and has no history of claims paid.

The Company is also involved from time to time in various legal proceedings arising in the normal course of business. Although the outcomes of these legal proceedings are inherently difficult to predict, the Company does not expect the resolution of these occasional legal proceedings to have a material adverse effect on its financial position, results of operations, or cash flows.

13. Revenue and Geographic Information

The Company has two classifications of revenue: Original Equipment Manufacturer ("OEM") Channel and the Commercial Channel. In the OEM Channel, the Company is responsible for development and manufacturing of products sold to the Company's OEM partners governed by long-term agreements, but the Company does not control sales, marketing, or pricing with end users. Revenue from the Company's U.S. OA Pain Management business and the Non-Orthopedic businesses is included in the OEM Channel. In the Commercial Channel, the Company has full responsibility for sales, marketing, and pricing of products through its commercial leaders, direct sales representatives, and independent distributors. Revenue from the Company's Regenerative Solutions and international OA Pain Management businesses is included in the Commercial Channel.

Product revenue by product family is as follows:

	Years Ended December 31,					
	2025		2024		2023	
	Revenue	Percentage of Product Revenue	Revenue	Percentage of Product Revenue	Revenue	Percentage of Product Revenue
OEM Channel	$ 64,406	57%	$ 77,770	65%	$ 84,645	70%
Commercial Channel	48,413	43%	42,137	35%	36,147	30%
Total	$ 112,819	100%	$ 119,907	100%	$ 120,792	100%

Product revenue from the Company's sole significant customer, J&J MedTech, as a percentage of the Company's total product revenue was 50%, 57%, and 62% for the years ended December 31, 2025, 2024, and 2023, respectively.

Total revenue by geographic location based on the location of the customer in total and as a percentage of total revenue are as follows:

	Years Ended December 31,					
	2025		2024		2023	
	Total Revenue	Percentage of Revenue	Total Revenue	Percentage of Revenue	Total Revenue	Percentage of Revenue
Geographic Location:						
United States	$ 70,058	62%	$ 82,446	69%	$ 86,911	72%
Europe	22,214	20%	19,403	16%	17,313	14%
Other	20,547	18%	18,058	15%	16,568	14%
Total	$ 112,819	100%	$ 119,907	100%	$ 120,792	100%

Net long-lived assets, consisting primarily of net property and equipment, are subject to geographic risks because they are generally difficult to move and to effectively utilize in another geographic area in a reasonable time period and because they are relatively illiquid. Net tangible long-lived assets by principal geographic areas are as follows:

	As of December 31,	
	2025	2024
United States	$ 39,469	$ 37,964
Italy	853	1,001
United Kingdom	2	29
Total	$ 40,324	$ 38,994

14. Equity Incentive Plan

Equity Incentive Plan

The Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan (the "2017 Plan") was approved by the Company's stockholders on June 13, 2017 and subsequently amended most recently on June 25, 2024. On June 25, 2025, the Company's stockholders approved an amendment to the 2017 Plan increasing the number of shares by 475,000 shares from 5,285,000 shares to 5,760,000 shares. The 2017 Plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights ("SARs"), restricted stock awards ("RSAs"), performance restricted stock units ("PSUs"), restricted stock units ("RSUs"), total shareholder return options ("TSRs") and performance options that may be settled in cash, stock, or other property. In accordance with the 2017 Plan approved by the Company's stockholders, including the amendments thereto, each share award other than stock options or SARs will reduce the number of total shares available for grant by two shares. Subject to adjustment for specified types of changes in the Company's capitalization, no more than 4.6 million shares of common stock may be issued under the 2017 Plan. There are 1.4 million shares available for future grant at December 31, 2025 under the 2017 Plan. These shares available for future grant exclude 0.9 million of PSUs and RSUs that are subject to liability accounting based on the expectation the shares will be settled in cash. If these PSUs and RSUs were to be settled in shares at vesting then the Company will have fewer shares available for future issuance.

The Anika Therapeutics, Inc. 2021 Inducement Plan (the "Inducement Plan") was adopted by the Company's board of directors on November 4, 2021 in which the Company reserved 125,000 shares of common stock for issuance pursuant to equity-based awards granted under the Inducement Plan. Such awards may be granted only to an individual who was not previously the Company's employee or director with the Company. The Inducement Plan provides for the grant of awards under terms substantially similar to the 2017 Plan (as amended). The Inducement Plan was amended in December 2023 to add 125,000 shares. There are 0.1 million shares available for future grant at December 31, 2025 under the Inducement Plan.

The Company may satisfy the awards upon exercise, or upon fulfillment of the vesting requirements for other equity-based awards, with either newly issued shares or shares reacquired by the Company. Stock-based awards are granted with an exercise price equal to or greater than the market price of the Company's stock on the date of grant. Awards contain service conditions or service and performance conditions, and they generally become exercisable ratably over one to four years with a maximum contractual term of ten years.

For the years ended December 31, 2025, and 2024, the tax benefit associated with stock-based compensation was $0.8 million and $1.9 million, respectively. A summary of the stock-based compensation in the Company's statements of operations is as follows (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Cost of revenue	$ 292	$ 328	$ 575
Research and development	1,232	1,612	1,934
Selling, general and administrative	8,692	10,218	11,028
Total stock-based compensation expense	$ 10,216	$ 12,158	$ 13,537

For the years ended December 31, 2025, 2024 and 2023, windfall (shortfall) tax expense of ($0.5) million, ($0.1) million and ($0.1) million, respectively, are associated with the stock-based compensation expense above.

Stock Options

Stock options are granted to purchase common shares at prices that are equal to the fair market value of the shares on the date the options are granted or, in the case of premium options, are granted with an exercise price at 110% of the market price of the Company's common stock on the date of grant. Options generally vest in equal annual installments over a period of three to four years and expire 10 years after the date of grant. The grant-date fair value of options is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period.

The following summarizes the activity under the Company's stock option plans:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2024	2,089,040	$ 32.07		
Granted	16,300	$ 12.71		
Exercised	-	$ -		
Forfeited and canceled	(340,315)	$ 34.51		
Outstanding as of December 31, 2025	1,765,025	$ 31.42	6.3	$ 1
Vested, December 31, 2025	1,345,721	$ 32.60	5.8	$ -
Vested or expected to vest, December 31, 2025	1,765,025	$ 31.42	6.3	$ 1

The aggregate intrinsic value of options exercised was immaterial for the years ended December 31, 2025, 2024 and 2023, respectively.

The Company granted 16,300 stock options during the year ended December 31, 2025. The Company uses the Black-Scholes pricing model to determine the fair value of options granted. The calculation of the fair value of stock options is affected by the stock price on the grant date, the expected volatility of the Company's common stock over the expected term of the award, the expected life of the award, the risk-free interest rate and the dividend yield.

The assumptions used in the Black-Scholes pricing model for options granted during the years ended December 31, 2025, 2024 and 2023, along with the weighted-average grant-date fair values, were as follows:

	2025			2024			2023		
Risk-free interest rate	3.71%	-	3.99%	3.48%	-	4.62%	3.52%	-	4.64%
Expected stock price volatility	41.64%	-	45.68%	41.54%	-	48.19%	48.19%	-	49.44%
Expected life of options (in years)	4.5			4.5			4.5		
Expected dividend yield	0.0%			0.0%			0.0%		
Fair value per option	$5.13			$10.52			$11.45		

As of December 31, 2025, there was $2.4 million of unrecognized compensation related to unvested stock options. This expense is expected to be recognized over a weighted average period of 1.3 years.

Restricted Stock Units

RSUs generally vest in equal annual installments over a three- or four-year period. The grant-date fair value of RSUs is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period. The Company determines the fair value of restricted stock units based on the closing price of its common stock on the date of grant.

RSU activity for the year ended December 31, 2025 is as follows:

	Number of Shares	Weighted Average Fair Value
Outstanding as of December 31, 2024	836,562	$ 26.70
Granted	569,042	$ 14.85
Vested	(317,850)	$ 25.86
Forfeited and cancelled	(134,041)	$ 23.09
Outstanding as of December 31, 2025	953,713	$ 20.41

The weighted-average grant-date fair value per share of RSUs granted was $14.85, $26.62 and $26.66 for the years ended December 31, 2025, 2024 and 2023, respectively. The total fair value of RSUs vested was $8.2 million, $8.7 million and $6.9 million for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the Company had outstanding 342,713 RSUs being treated as equity awards in which $1.5 million of unrecognized compensation cost related to time-based RSUs, which is expected to be recognized over a weighted-average period of 0.8 years.

The Company's annual grants of RSU awards in March 2024 and 2025 can be settled at vesting in cash or shares at the Company's election. The Company has recorded these RSU grants as a liability due to the expectation that the Company will settle the vesting of these RSU awards in cash due to a potential shortage of shares in the 2017 Plan at the time of vesting. As a result, these RSUs will be subject to change in value at the time of each reporting period. The first tranche of the March 2024 RSU awards vested in March 2025 and the Company issued 106,550 shares to employees. As of December 31, 2025, the Company had 611,000 RSUs outstanding for which a liability of $1.8 million was recorded in Accrued Expenses and Other Liabilities at December 31, 2025 and there is unrecorded compensation cost of $4.1 million which is to be recognized over a weighted-average period of 2.0 years.

Performance Stock Units ("PSUs")

PSU activity for the year ended December 31, 2025 was as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2024	-	$ -
Granted	290,792	$ 15.36
Vested	-	$ -
Forfeited and cancelled	(11,038)	$ 15.42
Outstanding as of December 31, 2025	279,754	$ 15.36

The weighted-average grant-date fair value per share of PSUs granted was $15.36 for the year ended December 31, 2025. There were no PSUs granted in the years ended December 31, 2024 and 2023, respectively.

On March 14, 2025, the Company granted 290,792 PSUs to certain senior management employees. The Company granted two different PSU awards to each PSU award recipient. One form of PSU award has a 3-year cliff vest subject to achievement of certain market-based metrics in which 50-200% of target shares granted may vest based on achievement of the specified Company market price targets during the performance period from March 14, 2025 through March 1, 2028. No shares will vest if these market price targets are not achieved. The Company estimated the fair value of these market-based PSUs using a Monte Carlo simulation model in which multiple simulations were using inputs based on the Black-Scholes formula using inputs for expected volatility, risk-free interest rate and dividend yield. The market-based PSUs were valued at the grant date and the Company will continue to use the Monte- Carlo simulation model to update the fair value at the end of each reporting period.

The second form of PSU awards is vesting in equal annual installments of target on each anniversary date of grant over three years, subject to annual achievement of the specified strategic performance objectives each year based upon certain regulatory milestones and financial targets. Subject to achievement of each milestone, these awards will vest annually on each anniversary date of the grant date over three years. The Company recognizes stock-based compensation based on the evaluation of probability outcomes of achieving these milestones each reporting period.

The Company's annual grants of PSU awards in March 2025 can be settled at vesting in cash or shares at the Company's election. The Company has recorded these PSUs as a liability due to the expectation that the Company will settle the vesting of these PSU awards in cash due to a potential shortage of shares in the 2017 Plan at the time of vesting. As a result, these PSUs will be subject to change in value at the time of each reporting period. As of December 31, 2025, the Company had 279,754 shares outstanding for which a liability of $0.6 million was recorded in Accrued Expenses and Other Liabilities and there is unrecorded compensation cost of $0.8 million associated with these PSUs which is to be recognized over a weighted-average period of 2.3 years.

15. Employee Benefit Plan

The Company's U.S. employees are eligible to participate in the Company's 401(k) savings plan. Employees may elect to contribute a percentage of their compensation to the plan, and the Company will make 100% matching contributions up to a limit of 5% of an employee's eligible compensation. In addition, the Company may make annual discretionary contributions. The Company made matching contributions of $1.4 million, $2.6 million, and $2.7 million for the years ended December 31, 2025, 2024, and 2023, respectively.

16. Share Repurchase Plan

In May 2024, the Company's Board of Directors approved a share repurchase program for an aggregate purchase price of $40.0 million to occur as follows: (i) first $15.0 million was to be effected through a Rule 10b5-1 plan initiated prior to June 1, 2024 and to be effective through June 30, 2025, and (ii) the remaining amount to be purchased in the open market (the "2024 Share Repurchase Program"). In the event of positive "free cash flow" as defined in the 2024 Cooperation Agreement dated May 28, 2024, with Caligan Partners LP, Caligan Partners Master Fund LP and David Johnson, for the period from July 1, 2024 through June 30, 2025, the amount under the share repurchase program shall be increased by 50% of such positive amount and in no event would we be required to make any purchases in the event that our cash would be less than $45.0 million after taking into account the share repurchase and reasonably anticipated capital expenditures and restructuring costs.

On May 28, 2024, the Company entered into a share repurchase agreement under a Rule 10b5-1 plan with Bank of America and we completed the first $15.0 million tranche of the 2024 Share Repurchase Program in March 2025. On November 6, 2026, the Company entered into a share repurchase agreement under a Rule 10b5-1 plan with Clear Street LLC for another $15.0 million related to the 2024 Share Repurchase Program. As of December 31, 2025, the Company had repurchased 1,308,445 shares at a cost of $20.5 million, representing 51% of the 2024 Share Repurchase Program.

17. Income Taxes

Income Tax Expense

The components of the Company's income (loss) before income taxes and its provision for (benefit from) income taxes consist of the following:

	Years ended December 31,		
	2025	**2024**	**2023**
(Loss) income before income taxes			
Domestic	$ (10,247)	$ (4,078)	$ 2,421
Foreign	940	1,314	735
	$ (9,307)	$ (2,764)	$ 3,156

	Years ended December 31,		
	2025	**2024**	**2023**
Provision for income taxes:			
Current:			
Federal	$ 176	$ 4,044	$ 4,910
State	185	1,370	457
Foreign	250	421	312
Total current	611	5,835	5,679
Deferred:			
Federal	-	-	1,579
State	-	-	(692)
Foreign	61	229	29
Total deferred	61	229	916
Total provision for income taxes	$ 672	$ 6,064	$ 6,595

Deferred Tax Assets and Liabilities

Significant components of the Company's deferred tax assets and liabilities consist of the following:

	December 31,	
	2025	2024
Deferred tax assets:		
Capital loss carryforward	$ 19,991	$ 20,714
Net operating loss carryforwards	13,294	650
Capitalized research expenditures	10,760	12,241
Lease liability	6,400	6,555
Stock-based compensation expense	3,629	3,908
Inventory reserves	1,558	2,316
Compensation accrual	1,182	1,202
Accrued expenses and other	819	1,403
Acquisition-related intangible asset	776	5,959
Tax credits	612	-
Impairment of assets	-	4,215
Foreign currency exchange	-	48
Gross deferred tax assets	59,021	59,211
Less: Valuation allowance	(45,581)	(45,148)
Deferred tax assets	$ 13,440	$ 14,063

	December 31,	
	2025	2024
Deferred tax liabilities:		
Depreciation	$ (6,033)	$ (6,552)
Right of use asset	(6,132)	(6,292)
Acquisition-related intangible asset	-	(42)
Deferred tax liabilities	$ (12,165)	$ (12,886)
Net deferred tax assets	$ 1,275	$ 1,177

The One Big Beautiful Bill Act (the "OBBBA"), was enacted on July 4, 2025, among other things, repealed the mandatory capitalization of Internal Revenue Code Section 174 research and development expenditures allowing taxpayers to fully expense qualifying costs in the year incurred. The Company does not expect to accelerate the write-off of previously capitalized research and development costs. This approach results in a more consistent pattern of deductions and moderates the creation of additional tax attributes. The OBBBA did not otherwise have a material impact on the Company's consolidated financial statements.

As of December 31, 2025, the Company had $53.7 million and $34.5 million of Federal and State net operating loss ("NOL") carryforwards, of which $53.7 million and $11.6 million, respectively, do not expire and $22.9 million of State net operating losses that will begin expiring in 2036. The Company also had NOL carryforwards in Italy of $1.6 million that do not expire. As of December 31, 2025, the Company had $0.4 million of Federal research and development credits and $0.2 million of State credits that begin expiring in 2028.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law, and results of recent operations. Based upon future reversals of existing taxable temporary differences and projected future taxable income, the Company believes it is more likely than not it will realize its foreign deferred tax assets.

The Company recorded a full valuation allowance on all deferred tax assets in the U.S. as it was determined that it is more likely than not that these deferred tax assets were not realizable as of December 31, 2025 and 2024. The Company intends to maintain a full valuation allowance until there is sufficient evidence to support release of all or a portion of the allowance. As of December 31, 2025, the Company continues to believe its foreign deferred tax assets are realizable based upon future reversals of existing taxable temporary differences and projected future taxable income in the Company's foreign jurisdictions.

Undistributed earnings of certain of the Company's foreign subsidiaries amounted to approximately $0.7 million at December 31, 2025. The Company expects to be able to take a 100% dividend received deduction to offset any U.S. federal income tax liability on the undistributed earnings. Determination of the amount of unrecognized state and local deferred income tax liability is not practicable due to the complexities associated with its hypothetical calculation.

Effective Tax Rate

During the year ended December 31, 2025, the Company adopted Accounting Standards Update 2023-09, *Improvements to Income Tax Disclosures, ("ASU 2023-09").* ASU 2023-09 requires additional disclosures for income tax reporting, primarily related to a requirement for companies to disaggregate their income tax rate reconciliation. The Company adopted ASU 2023-09 on a prospective basis and a tabular income tax rate reconciliation pursuant to the disclosure requirements of ASU 2023-09 for the year ended December 31, 2025 is as follows:

	Year ended December 31, 2025	
	Amount	**Percent**
Statutory federal income tax rate	$ (1,954)	21.0%
State tax expense, net of federal provision**	207	(2.2%)
Foreign tax effects:		
Italy	196	(2.1%)
Other foreign jurisdictions	63	(0.7%)
Effect of cross-border tax laws:		
Global intangible low-taxed income, net	371	(4.0%)
Tax credits:		
Research and development tax credits	(416)	4.5%
Change in valuation allowance	(13)	0.1%
Nontaxable or nondeductible items:		
Stock-based compensation	1,092	(11.7%)
Section 162(m) limitation	616	(6.5%)
Other	43	(0.5%)
Other reconciling items:		
Return to provision adjustments	591	(6.4%)
Other	(124)	1.4%
Effective income tax rate	$ 672	(7.1%)

** State taxes in Indiana, Massachusetts and Kentucky made up the majority (greater than 50 percent) of the tax effect in this category.

The reconciliation between the U.S. federal statutory rate and the Company's effective rate for the years ended December 31, 2024 and 2023 is summarized as follows:

	Years ended December 31,	
	2024	**2023**
Statutory federal income tax rate	21.0%	21.0%
State tax expense, net of federal benefit	(52.2%)	9.5%
Stock-based compensation	(17.2%)	11.8%
Section 162(m) limitation	(30.1%)	28.3%
Change in tax rates and state apportionment	10.4%	-%
Federal, state and foreign tax credits	22.5%	(23.1%)
Change in valuation allowance	(157.3%)	173.0%
Return to provision adjustments	5.5%	(3.6%)
Tax reserves	(20.9%)	-%
Other permanent items	(1.1%)	(7.9%)
Effective income tax rate	(219.4%)	209.0%

Income Tax Payments

A summary of income taxes paid, net of refunds, by jurisdiction pursuant to the disclosure requirements of ASU 2023-09 for the year ended December 31, 2025 is as follows:

	Year ended December 31, 2025
United States - Federal	$ 250
United States – State and local	69
Canada	76
Italy	481
United Kingdom	154
Other	46
	$ 1,076

Accounting for Uncertainty in Income Taxes

The Company has $0.3 million and $0.6 million of unrecognized tax benefits for the years ended December 31, 2025 and 2024, respectively.

The Company files income tax returns in the United States on a federal basis, in certain U.S. states, and in certain foreign jurisdictions. The associated tax filings remain subject to examination by applicable tax authorities for a certain length of time following the tax year to which those filings relate. With a few exceptions, the Company is no longer subject to income tax examinations for years prior to 2021. In September 2024, the Company was notified by the Italian tax authorities that it had selected the Company's tax returns for its Italian subsidiary for 2021 for examination. The examination was completed in the quarter ended December 31, 2025 and the Company paid $0.4 million in income taxes which reduced the unrecognized tax benefit by $0.2 million during the year ended December 31, 2025.

18. Earnings per Share ("EPS")

Basic EPS is calculated by dividing net income (loss) by the weighted average number of shares outstanding during the period. Unvested restricted shares, although legally issued and outstanding, are not considered outstanding for purposes of calculating basic EPS. Diluted EPS is calculated by dividing net income by the weighted average number of shares outstanding plus the dilutive effect, if any, of outstanding share-based awards using the treasury stock method. Due to the Company's loss position, the share-based payment awards are anti-dilutive.

The Company was in a loss position during the years ended December 31, 2025, 2024 and 2023, therefore all potential common shares would have been anti-dilutive and accordingly were excluded from the computation of diluted EPS.

19. Segment Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker ("CODM") in deciding how to allocate resources and assess performance. The Company operates in one business segment. The Company's CODM is its President and Chief Executive Officer, who reviews financial information presented on a consolidated basis. The CODM's financial review is focused on the consolidated financial results of the Company which is used as the basis for financial performance assessment and allocation of resources. The Company has determined that it only has one operating segment and is managed on a consolidated basis, the measure of profit or loss is consolidated net income or loss.

The following table presents selected financial information with respect to the Company's single operating segment for the years ended December 31, 2025, 2024 and 2023 (in thousands):

	For the Years Ended December 31,		
	2025	**2024**	**2023**
Revenue	$ 112,819	$ 119,907	$ 120,792
Cost of revenue	49,012	43,909	38,260
Gross profit	63,807	75,998	82,532
Operating expenses:			
Research & development	25,770	25,544	21,763
Selling, general & administrative	49,088	55,555	59,925
Total operating expenses	74,858	81,099	81,688
(Loss) income from operations	(11,051)	(5,101)	844
Interest and other income, net	1,744	2,337	2,312
(Loss) income before income taxes	(9,307)	(2,764)	3,156
Provision for income taxes	672	6,064	6,595
Loss from continuing operations	(9,979)	(8,828)	(3,439)
Loss from discontinued operations	(901)	(47,557)	(79,228)
Net loss	$ (10,880)	$ (56,385)	$ (82,667)

Total U.S revenues were $70.1 million, $82.4 million and $86.9 million for the years ended December 31, 2025, 2024 and 2023, respectively. See Note 13 *Revenue and Geographic Information* for additional information about revenue by region.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of the period covered by this report. Based upon that evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures are effective as of December 31, 2025 to ensure that information required to be disclosed by us in reports we file and submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. On an on-going basis, we review and document our disclosure controls and procedures, and our internal control over financial reporting, and we may from time to time making changes aimed at enhancing their effectiveness and ensuring that our systems evolve with our business.

Management's Annual Report on Internal Control over Financial Reporting

Our management, with the participation of our chief executive officer and chief financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States.

Because of its inherent limitations, internal control over financial reporting can provide only reasonable assurance, and it may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in its 2013 *Internal Control—Integrated Framework*.

Based on its assessment and those criteria, our management believes that our company maintained effective internal control over financial reporting as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included below in this Item 9A.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the fourth quarter of our fiscal year ended December 31, 2025.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Anika Therapeutics, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Anika Therapeutics, Inc. and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated March 2, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP
Boston, Massachusetts
March 2, 2026

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the fiscal quarter ended December 31, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025.

We have adopted an Insider Trading Policy governing the purchase, sale and/or other dispositions of our securities by our directors, officers and employees and by us. A copy of the Insider Trading Policy is filed as an exhibit to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required under this item and Item 5 of this Annual Report on Form 10-K under the heading “Equity Compensation Plan Information” is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025.

Our independent public accounting firm is Deloitte & Touche LLP, PCAOB Auditor ID 34.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of Form 10-K.

(1) Financial Statements

(2) Schedules

Schedules have been omitted as all required information has been disclosed in the financial statements and related footnotes.

(3) Exhibits

Exhibit Number	Description
+2.1	Agreement and Plan of Merger, dated January 4, 2020, by and between Anika Therapeutics, Inc., Arthrosurface, Inc., Button Merger Sub, Inc. and Boston Millennia Partners Button Shareholder Representation, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on January 7, 2020)
+2.2	Agreement and Plan of Merger, dated January 4, 2020, by and between Anika Therapeutics, Inc., Parcus Medical, LLC, Sunshine Merger Sub, LLC and Philip Mundy (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on January 7, 2020)
3.1	Certificate of Incorporation of Anika Therapeutics, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on June 6, 2018)
3.2	Bylaws of Anika Therapeutics, Inc., effective as of June 6, 2018 (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on June 6, 2018)
4.1	Description of Securities of Anika Therapeutics, Inc. (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed by the Registrant on March 16, 2023)
10.1a	Lease, dated January 3, 2007, between Anika Therapeutics, Inc. and Farley White Wiggins, LLC, relating to 32 Wiggins Avenue, Bedford, Massachusetts (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed by on January 10, 2007)
10.1b	Amendment No. 1 to Lease, dated February 1, 2007, between Anika Therapeutics, Inc. and Farley White Wiggins, LLC, relating to 32 Wiggins Avenue, Bedford, Massachusetts (incorporated by reference to Exhibit 10.1A to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed by the Registrant on February 24, 2017)
10.2a	Translation of Lease Agreement, dated October 9, 2015, between Anika Therapeutics S.r.l. and Consorzio Zona Industriale E Porto Fluviale di Padova relating to Land Registry of the Municipality of Padova, Page 148, cadastral map 516 and 517 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed by the Registrant on October 14, 2015)
10.2b	Translation of Amendment No. 1 to Lease Agreement, dated February 2, 2017, between Anika Therapeutics S.r.l. and Consorzio Zona Industriale E Porto Fluviale di Padova relating to Land Registry of the Municipality of Padova, Page 148, cadastral map 516 and 517 (incorporated by reference to Exhibit 10.3A to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed by the Registrant on February 24, 2017)
10.3a	Lease Agreement, dated November 26, 2012, between High Properties and Parcus Medical LLC relating to 6423 Parkland Drive, Suites 101 and 102, Sarasota, FL (incorporated by reference to Exhibit 10.3A to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed by the Registrant on March 11, 2022)

10.3b	Amendment #1 to the Lease, Renewal Amendment, dated January 4, 2018, between High Properties and Parcus Medical LLC relating to 6423 Parkland Drive, Suites 101 and 102, Sarasota, FL (incorporated by reference to Exhibit 10.3B to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed by the Registrant on March 11, 2022)
10.3c	Lease Agreement, dated May 25, 2017, between High Properties and Parcus Medical, LLC relating to 6455 Parkland Drive, Suite 101, Sarasota, FL (incorporated by reference to Exhibit 10.3C to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed by the Registrant on March 11, 2022)
10.4a	Credit Agreement, dated as of October 24, 2017, among Anika Therapeutics, Inc., certain subsidiaries of Anika Therapeutics, Inc. as are or may from time to time become parties to the Credit Agreement, Bank of America, N.A., as administrative agent, swingline lender and issuer of letters of credit, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14027) filed by the Registrant on October 27, 2017)
10.4b	Security and Pledge Agreement, dated as of October 24, 2017, among Anika Therapeutics, Inc., certain subsidiaries of Anika Therapeutics, Inc. listed on the signature pages thereto, and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14027) filed by the Registrant on October 27, 2017)
10.4c	First Amendment effective August 13, 2019, with respect to the Credit Agreement dated as of October 24, 2017 and the Security and Pledge Agreement dated as of October 24, 2017 (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14027) filed by the Registrant on May 22, 2020)
10.4d	Second Amendment effective May 14, 2020, with respect to the Credit Agreement dated as of October 24, 2017 and First Amendment to the Security and Pledge Agreement dated as of October 24, 2017 (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14027) filed on May 22, 2020)
10.4e	Third Amendment to Credit Agreement dated as of November 12, 2021, by and among Anika Therapeutics, Inc., the Subsidiary Guarantors party thereto, the Lenders party thereto, Bank of America, N.A., as administrative agent, L/C Issuer and Swingline Lender, and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on November 15, 2021)
*10.5	License Agreement, dated as of December 20, 2003, by and between Anika Therapeutics, Inc. and Ortho Biotech Products, L.P. (incorporated by reference to Exhibit 10.38 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 30, 2004)
*10.6	License Agreement, dated as of December 21, 2011, by and between Anika Therapeutics, Inc. and DePuy Mitek, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on December 22, 2011)
†10.7	Anika Therapeutics, Inc. Senior Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on February 6, 2008)
†10.8	Anika Therapeutics, Inc. Non-Employee Director Compensation Policy (restated as of December 22, 2023) (incorporated by reference to Exhibit 10.8 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 15, 2024)
†10.9a	Second Amended and Restated 2003 Stock Option and Incentive Plan (adopted April 5, 2011) (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on June 10, 2011)
†10.9b	Amendment to Second Amended and Restated 2003 Stock Option and Incentive Plan (adopted April 11, 2013) (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on June 21, 2013)
†10.9c	Form of Incentive Stock Option Agreement under Second Amended and Restated 2003 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on October 5, 2004)
†10.9d	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors under Second Amended and Restated 2003 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on October 5, 2004)
†10.10a	Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan (as amended effective June 14, 2023) (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on June 21, 2023)
†10.10b	Form of Notice of Grant of Incentive Stock Option, including Terms and Conditions of Stock Option, granted under Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan. (incorporated by reference to Exhibit 10.13D to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 5, 2021)

†10.10c	Form of Notice of Grant of Nonqualified Stock Option, including Terms and Conditions of Stock Option, granted under Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.13E to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 5, 2021)
†10.10d	Form of Notice of Grant of Restricted Stock Award, including Terms and Conditions of Restricted Stock Award, granted under Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan. (incorporated by reference to Exhibit 99.4 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on June 19, 2017)
†10.10e	Form of Notice of Grant of Restricted Stock Units, including Terms and Conditions of Restricted Stock Units, granted under Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.13G to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 5, 2021)
†10.10f	Form of Notice of Grant of Deferred Stock Awards Units, including Terms and Conditions of Deferred Stock Units, granted under Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.13H to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 5, 2021)
†10.10g	Anika Therapeutics, Inc. 2021 Employee Stock Purchase Plan (adopted March 17, 2021) (incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on June 22, 2021)
†10.10h	Anika Therapeutics, Inc. 2021 Inducement Plan (as amended on December 22, 2023) (incorporated by reference to Exhibit 99.1 to the Registrant's Post-Effective Amendment No. 1 to Form S-8 Registration Statement (File No. 333-276622) filed January 22, 2024)
†10.10i	Form of Notice of Grant of Nonqualified Stock Option, including Terms and Conditions of Stock Option, granted under Anika Therapeutics, Inc. 2021 Inducement Plan (incorporated by reference to Exhibit 10.10I to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 11, 2022)
†10.10j	Form of Notice of Grant of Restricted Stock Units Award, including Terms and Conditions of Restricted Stock Award, granted under Anika Therapeutics, Inc. 2021 Inducement Plan (incorporated by reference to Exhibit 10.10J to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 11, 2022)
†10.10k	Form of Notice of Grant of Deferred Stock Awards Units, including Terms and Conditions of Deferred Stock Units, granted under Anika Therapeutics, Inc. 2021 Inducement Plan (incorporated by reference to Exhibit 10.10K to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 11, 2022)
†10.10l	Form of Notice of Grant of Restricted Stock Units, including Terms and Conditions of Restricted Stock Units, granted under Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10l to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 17, 2025)
†10.10m	Form of Notice of Grant of Strategic Phantom Performance Restricted Stock Units, including Terms and Conditions of Restricted Stock Units, granted under the Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1a to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14027) filed on May 9, 2025)
†10.10n	Form of Notice of Grant of Market Phantom Performance Restricted Stock Units, including Terms and Conditions of Restricted Stock Units, granted under the Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1b to the Registrant's Quarterly Report on Form 10-Q (File No. 001-14027) filed on May 9, 2025)
†10.10o	Form of Notice of Grant of Stock Appreciation Rights, including Terms and Conditions of Stock Appreciation Rights, granted under the Anika Therapeutics, Inc. 2017 Omnibus Incentive Plan
†10.11	Employment Agreement, dated April 23, 2020, by and between Anika Therapeutics, Inc., and Dr. Cheryl R. Blanchard (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-14027) filed on April 29, 2020)
†10.12	Executive Retention Agreement, dated August 10, 2020, by and between Anika Therapeutics, Inc. and Michael Levitz (incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 11, 2022)
†10.13	Executive Retention Agreement, dated December 12, 2024, by and between Anika Therapeutics, Inc. and David Colleran (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 17, 2025)
†10.14	Executive Retention Agreement, dated September 27, 2021, by and between Anika Therapeutics, Inc. and Anne Nunes (incorporated by reference to Exhibit 10.14 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 15, 2024)
†10.15	Executive Retention Agreement, dated December 12, 2024, by and between Anika Therapeutics, Inc. and Steve Griffin (incorporated by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 17, 2025)
10.17	Cooperation Agreement, dated May 28, 2024, by and among Anika Therapeutics, Inc. and Caligan Partners LP, Caligan Partners Master Fund LP and David Johnson (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-14027) filed by the Registrant on May 28, 2024)

†10.18	Offer letter, dated May 2, 2024, by and among Anika Therapeutics, Inc. and Stephen Griffin (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-14027) filed by the Registrant on May 8, 2024)
†10.19	Transitional Services and Separation Agreement, dated May 2, 2024, by and among Anika Therapeutics, Inc. and Michael Levitz (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K (File No. 001-14027) filed by the Registrant on May 8, 2024)
†10.20	Transitional Services and Separation Agreement, dated January 7, 2026, by and among Anika Therapeutics, Inc. and Cheryl R. Blanchard (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-14027) filed by the Registrant on January 7, 2026)
†10.21	Employment Agreement, dated January 7, 2026, by and among Anika Therapeutics, Inc. and Stephen Griffin (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-14027) filed by the Registrant on January 7, 2026)
19	Restated Insider Trading Policy (incorporated by reference to Exhibit 19 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 17, 2025)
21.1	List of Subsidiaries of Anika Therapeutics, Inc.
23.1	Consent of Deloitte & Touche LLP
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
**32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	Anika Therapeutics, Inc. Compensation Recovery Policy adopted on November 27, 2023 (incorporated by reference to Exhibit 97 to the Registrant's Annual Report on Form 10-K (File No. 001-14027) filed on March 15, 2024)
***101	The following materials from the Annual Report on Form 10-K of Anika Therapeutics, Inc. for the fiscal year ended December 31, 2024, formatted in Inline XBRL: (i) Consolidated Balance Sheets as of December 31, 2024 and December 31, 2023; (ii) Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022; (iii) Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022; (iv) Consolidated Statements of Cash Flows for the Years Ended December 31, 2024, December 31, 2023, and December 31, 2022; and (v) Notes to Consolidated Financial Statements
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

+ Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(2). The omitted information is not material and would likely cause competitive harm to the Company if publicly disclosed.

† Management contract or compensatory plan or arrangement.

* Certain portions of this document have been omitted pursuant to a confidential treatment request filed with the Securities and Exchange Commission. The omitted portions have been filed separately with the Commission.

** The certification attached as Exhibit 32.1 that accompanies this Form 10-K is not deemed filed with the SEC and is not to be incorporated by reference into any filing of Anika Therapeutics, Inc. under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date of this Form 10-K, irrespective of any general incorporation language contained in such filing.

*** Pursuant to Rule 406T of Regulation S-T, XBRL (Extensible Business Reporting Language) information is deemed not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934 and otherwise is not subject to liability under these sections.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANIKA THERAPEUTICS, INC.

Date: March 2, 2026

By: /s/ STEPHEN GRIFFIN
Stephen Griffin
Chief Executive Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ STEPHEN GRIFFIN Stephen Griffin	President and Chief Executive Officer (*Principle Executive Officer and Principal Financial Officer*)	March 2, 2026
/s/ IAN MCLEOD Ian McLeod	Vice President, Chief Accounting Officer *(Principal Accounting Officer)*	March 2, 2026
/s/ CHERYL BLANCHARD Cheryl R. Blanchard, Ph.D.	Director, Executive Chair of the Board	March 2, 2026
/s/ JOSEPH H. CAPPER Joseph H. Capper	Director	March 2, 2026
/s/ SHERYL L. CONLEY Sheryl L. Conley	Director	March 2, 2026
/s/ GARY P. FISCHETTI Gary P. Fischetti	Director	March 2, 2026
/s/ JOHN B. HENNEMAN, III John B. Henneman, III	Lead Director	March 2, 2026
/s/ WILLIAM R. JELLISON William R. Jellison	Director	March 2, 2026
/s/ GLENN R. LARSEN, PH.D. Glenn R. Larsen, Ph.D.	Director	March 2, 2026
/s/ STEPHEN O. RICHARD Stephen O. Richard	Director	March 2, 2026

BOARD OF DIRECTORS

Cheryl R. Blanchard, Ph.D.
Executive Chair of the Board of Directors of Anika Therapeutics, Inc.

Steve Griffin
President and Chief Executive Officer at Anika Therapeutics, Inc.

Joseph H. Capper
Chief Executive Officer and director at MIMEDX

Sheryl L. Conley
Former President and Chief Executive Officer at OrthoWorx, Inc.

Gary P. Fischetti
Former Group Chairman - North American Medical Devices at Johnson & Johnson

John B. Henneman III
Former Chief Administrative Officer at NewLink Genetics Corporation

William R. Jellison
Former Vice President, Chief Financial Officer at Stryker Corporation

Glenn R. Larsen, Ph.D.
President and Chief Executive Officer at Aquinnah Pharmaceuticals, Inc.

Stephen O. Richard
Chief Risk Officer and Chief Audit Executive at Becton, Dickinson and Company

EXECUTIVE OFFICERS

Steve Griffin
President, Chief Executive Officer, and Director

David Colleran
Executive Vice President, General Counsel and Corporate Secretary

Ian McLeod
Vice President, Chief Accounting Officer and Treasurer

CORPORATE HEADQUARTERS

32 Wiggins Avenue
Bedford, MA 01730

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
30 Rockefeller Plaza
New York, NY 10112

TRANSFER AGENT

Equiniti Trust Company, LLC (f/k/a American Stock Transfer & Trust Co.)
PO Box 500
Newark, NJ 07101

INVESTOR RELATIONS

investorrelations@anika.com

As of April 28, 2026