

ANI Pharmaceuticals, Inc. and Subsidiaries
Table 1: US GAAP Income Statement
(unaudited, in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net Revenues	\$ 31,337	\$ 19,516	\$ 51,892	\$ 38,315
Operating Expenses				
Cost of sales (excl. depreciation and amortization)	11,795	3,141	15,205	5,892
Research and development	764	995	1,730	1,398
Selling, general, and administrative	7,628	5,551	13,532	10,302
Depreciation and amortization	5,956	1,415	10,565	2,742
Total Operating Expenses	26,143	11,102	41,032	20,334
Operating Income	5,194	8,414	10,860	17,981
Other Expense, Net				
Interest expense, net	(2,830)	(2,749)	(5,612)	(5,474)
Other expense/income, net	(12)	-	(10)	68
Income Before Provision for Income Taxes	2,352	5,665	5,238	12,575
Provision for Income Taxes	(1,227)	(2,094)	(2,767)	(4,635)
Net Income	\$ 1,125	\$ 3,571	\$ 2,471	\$ 7,940
Basic Earnings Per Share				
Basic Earnings Per Share	\$ 0.10	\$ 0.31	\$ 0.22	\$ 0.70
Diluted Earnings Per Share	\$ 0.10	\$ 0.31	\$ 0.21	\$ 0.68
Basic Weighted-Average Shares Outstanding	11,402	11,344	11,398	11,335
Diluted Weighted-Average Shares Outstanding	11,541	11,549	11,514	11,556

ANI Pharmaceuticals, Inc. and Subsidiaries
Table 2: Adjusted non-GAAP EBITDA Calculation and US GAAP to Non-GAAP Reconciliation
(unaudited, in thousands)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	2016	2015	2016	2015
Net Income	\$ 1,125	\$ 3,571	\$ 2,471	\$ 7,940
Add back				
Interest expense, net	2,830	2,749	5,612	5,474
Other expense/income, net	12	-	10	(68)
Provision for income taxes	1,227	2,094	2,767	4,635
Depreciation and amortization	5,956	1,415	10,565	2,742
Add back				
Stock-based compensation	2,217	1,029	3,322	1,597
Excess of fair value over cost of acquired inventory	2,078	-	2,078	-
Adjusted non-GAAP EBITDA	<u>\$ 15,445</u>	<u>\$ 10,858</u>	<u>\$ 26,825</u>	<u>\$ 22,320</u>

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Table 3: Adjusted non-GAAP Net Income and Adjusted non-GAAP Net Income per Diluted Share Reconciliation

(unaudited, in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net Income	\$ 1,125	\$ 3,571	\$ 2,471	\$ 7,940
Add back				
Tax provision	1,227	2,094	2,767	4,635
Depreciation and amortization expense	5,956	1,415	10,565	2,742
Non-cash interest expense	1,757	1,705	3,482	3,388
Stock-based compensation	2,217	1,029	3,322	1,597
Excess of fair value over cost of acquired inventory	2,078	-	2,078	-
Less				
Current portion of tax provision	(1,563)	(1,937)	(3,183)	(4,175)
Adjusted non-GAAP Net Income	\$ 12,797	\$ 7,877	\$ 21,502	\$ 16,127
Diluted Weighted-Average Shares Outstanding	11,541	11,549	11,514	11,556
Adjusted non-GAAP Net Income Per Diluted Share	\$ 1.11	\$ 0.68	\$ 1.87	\$ 1.40