

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net Revenues	\$ 38,525	\$ 19,972	\$ 90,417	\$ 58,287
Operating Expenses				
Cost of sales (excl. depreciation and amortization)	16,669	3,260	31,874	9,152
Research and development	1,041	815	2,771	2,213
Selling, general, and administrative	6,928	5,399	20,460	15,701
Depreciation and amortization	5,966	2,047	16,531	4,789
Total Operating Expenses	30,604	11,521	71,636	31,855
Operating Income	7,921	8,451	18,781	26,432
Other Expense, Net				
Interest expense, net	(2,856)	(2,766)	(8,468)	(8,240)
Other expense/income, net	(21)	(28)	(31)	40
Income Before Provision for Income Taxes	5,044	5,657	10,282	18,232
Provision for Income Taxes	(2,501)	(1,098)	(5,268)	(5,733)
Net Income	\$ 2,543	\$ 4,559	\$ 5,014	\$ 12,499
Basic Earnings Per Share				
Basic Earnings Per Share	\$ 0.22	\$ 0.40	\$ 0.44	\$ 1.09
Diluted Earnings Per Share	\$ 0.22	\$ 0.39	\$ 0.43	\$ 1.07
Basic Weighted-Average Shares Outstanding	11,465	11,384	11,421	11,352
Diluted Weighted-Average Shares Outstanding	11,625	11,563	11,552	11,559

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net Income	\$ 2,543	\$ 4,559	\$ 5,014	\$ 12,499
Add back				
Interest expense, net	2,856	2,766	8,468	8,240
Other expense/income, net	21	28	31	(40)
Provision for income taxes	2,501	1,098	5,268	5,733
Depreciation and amortization	5,966	2,047	16,531	4,789
Add back				
Stock-based compensation	1,365	1,120	4,687	2,717
Excess of fair value over cost of acquired inventory	1,102	-	3,179	-
Adjusted non-GAAP EBITDA	<u>\$ 16,354</u>	<u>\$ 11,618</u>	<u>\$ 43,178</u>	<u>\$ 33,938</u>

ANI Pharmaceuticals, Inc. and Subsidiaries
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 September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net Income	\$ 2,543	\$ 4,559	\$ 5,014	\$ 12,499
Add back				
Tax provision	2,501	1,098	5,268	5,733
Depreciation and amortization expense	5,966	2,047	16,531	4,789
Non-cash interest expense	1,782	1,721	5,264	5,109
Stock-based compensation	1,365	1,120	4,687	2,717
Excess of fair value over cost of acquired inventory	1,102	-	3,179	-
Less				
Current portion of tax provision	(2,862)	(1,252)	(6,045)	(5,444)
Adjustment (A)	282	-	-	-
Adjusted non-GAAP Net Income	\$ 12,679	\$ 9,293	\$ 33,898	\$ 25,403
Diluted Weighted-Average Shares Outstanding	11,625	11,563	11,552	11,559
Adjusted non-GAAP Net Income Per Diluted Share	\$ 1.09	\$ 0.80	\$ 2.93	\$ 2.20

(A) Adjustment to non-GAAP tax provision: ANI has made an adjustment to the calculation of the current portion of tax provision, which is a component of Adjusted non-GAAP Net Income and Adjusted non-GAAP Net Income Per Diluted Share for the six months ended June 30, 2016. The impact to these non-GAAP line items in our previously reported Table 3 reconciliations is as follows:

	Three Months Ended March 31, 2016		Three Months Ended June 30, 2016		Six Months Ended June 30, 2016	
	Previously Reported	Adjusted	Previously Reported	Adjusted	Previously Reported	Adjusted
Current portion of tax provision	\$ 1,620	\$ 1,757	\$ 1,563	\$ 1,708	\$ 3,183	\$ 3,465
Adjusted non-GAAP Net Income	8,705	8,568	12,797	12,652	21,502	21,220
Adjusted non-GAAP Net Income Per Diluted Share	\$ 0.76	\$ 0.75	\$ 1.11	\$ 1.10	\$ 1.87	\$ 1.84