

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

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 20, 2023**

**HARROW HEALTH, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-35814**  
(Commission  
File Number)

**45-0567010**  
(IRS Employer  
Identification No.)

**102 Woodmont Blvd., Suite 610**  
**Nashville, Tennessee**  
(Address of principal executive offices)

**37205**  
(Zip Code)

Registrant's telephone number, including area code: **(615) 733-4730**

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

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

Title of each class	Trading Symbol(s)	Name on exchange on which registered
Common Stock, \$0.001 par value per share	HROW	The NASDAQ Stock Market LLC
8.625% Senior Notes due 2026	HROWL	The NASDAQ Stock Market LLC
11.875% Senior Notes due 2027	HROWM	The NASDAQ Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Act of 1934: Emerging growth company

If any 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.

## Item 2.01 Completion of Acquisition or Disposition of Assets.

On January 20, 2023, Harrow Health, Inc. along with its wholly-owned subsidiaries, Harrow IP, LLC and Harrow Eye, LLC (individually and together the “Company”) completed the previously announced acquisition from Novartis Technology, LLC and Novartis Innovative Therapies AG (together, “Novartis”) of the exclusive commercial rights to assets associated with the following ophthalmic products (collectively the “Products”) in the U.S. (the “Acquisition”): ILEVRO® (nepafenac ophthalmic suspension) 0.3%; NEVANAC® (nepafenac ophthalmic suspension) 0.1%; VIGAMOX® (moxifloxacin hydrochloride ophthalmic solution) 0.5%; MAXIDEX® (dexamethasone ophthalmic suspension) 0.1%; and TRISENCE® (triamcinolone acetate injectable suspension) 40 mg/ml.

Under the terms of the Asset Purchase Agreement between the Company and Novartis (the “Purchase Agreement”), the Company made a one-time payment of \$130,000,000 at closing, with up to another \$45,000,000 due in a milestone payment related to the commercial availability of Trience. Pursuant to the Purchase Agreement and various ancillary agreements, immediately following the closing and subject to certain conditions, for a period that the Company expects to last approximately six months, and prior to the transfer of the Products’ new drug applications (the “NDAs”) to the Company, Novartis will continue to sell the Products on the Company’s behalf and transfer the net profit from the sale of the Products to the Company. Novartis has agreed to supply certain Products to the Company for a period of time after the NDAs are transferred to the Company and to assist the Company with the transfer of the manufacturing of the Products to other third-party manufacturers, if needed.

The Company funded the initial purchase price payable at closing of the Acquisition with (i) net proceeds of a \$59,750,000 borrowing pursuant to the previously announced Loan and Security Agreement entered into with B. Riley Commercial Capital, LLC (the “Senior Secured Loan”) drawn at closing of the Acquisition, (ii) proceeds of recent sales of the Company’s common stock and 11.875% senior unsecured notes due 2027 and (iii) available cash on hand.

## Item 8.01 Other Events.

On January 23, 2023, the Company issued a press release announcing the closing of the Acquisition. A copy of the press release is attached as [Exhibit 99.1](#) to this Current Report on Form 8-K.

Attached as [Exhibit 99.2](#) to this Current Report on Form 8-K and incorporated herein by reference is the Company’s Unaudited Pro Forma Condensed Consolidated Balance Sheet at September 30, 2022, giving effect to:

- (i) the cash received by the Company in connection with the Company’s sale and divestment of its non-ophthalmology related compounding revenue line and related intangible assets, and the net gain on sale;
- (ii) the net proceeds from the sale of shares of the Company’s common stock, after deducting underwriting discounts and commissions, structuring and commitment fees, and estimated offering expenses payable by the Company;
- (iii) the net proceeds from the sale of 11.875% senior unsecured notes due 2027 (the “Notes”) (including the exercise of the underwriters’ option to purchase additional Notes), after deducting underwriting discounts and commissions, structuring and commitment fees, and estimated offering expenses payable by the Company;
- (iv) the net proceeds of the Senior Secured Loan, after deducting underwriting discounts and commissions, structuring and commitment fees, original issue discount, and estimated offering expenses payable by the Company; and
- (v) cash paid by the Company in connection with closing of the Acquisition, including estimated expenses related to the Acquisition.

## Item 9.01. Financial Statements and Exhibits.

### (d) Exhibits

Item	Description
99.1	<a href="#">Harrow Health Press Release dated January 23, 2023</a>
99.2	<a href="#">Unaudited Pro Forma Consolidated Balance Sheet</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**HARROW HEALTH, INC.**

Dated: January 23, 2023

By: /s/ Andrew R. Boll

Name: Andrew R. Boll

Title: Chief Financial Officer

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**Harrow Closes Acquisition of U.S. Rights to ILEVRO<sup>®</sup>, NEVANAC<sup>®</sup>, VIGAMOX<sup>®</sup>, MAXIDEX<sup>®</sup>, and TRIESENCE<sup>®</sup>  
and Will Begin Receiving Net Profit Payments for Acquired Products**

NASHVILLE, Tenn., January 23, 2023 – Harrow (Nasdaq: HROW), a leading U.S. eyecare pharmaceutical company, today announced the closing of its previously announced acquisition of the exclusive U.S. commercial rights to five branded ophthalmic products: ILEVRO<sup>®</sup>, NEVANAC<sup>®</sup>, VIGAMOX<sup>®</sup>, MAXIDEX<sup>®</sup>, and TRIESENCE<sup>®</sup>.

Pursuant to the terms of an asset purchase agreement, Harrow paid \$130 million at closing, with an additional milestone payment due upon the commercial availability of TRIESENCE. Harrow and the seller have entered into an estimated six-month transition period during which the seller will continue to sell the products in the U.S. and transfer all net profits from the products to Harrow. During the transition period, the product NDAs will be transferred to Harrow. Upon the transfer of a product NDA, Harrow will assume control over all U.S. market activities for the subject product.

Harrow expects these products to be immediately financially accretive and reaffirms 2023 guidance of \$135 million to \$143 million in net revenues and \$44 million to \$50 million in adjusted EBITDA. Harrow believes that both net revenues and adjusted EBITDA should grow further during 2024 and for at least three to five years thereafter.

**About Harrow**

Harrow (Nasdaq: HROW) is a leading U.S. eyecare pharmaceutical company serving ophthalmologists and optometrists by providing FDA-approved branded ophthalmic pharmaceuticals and innovative compounded prescription medicines that are accessible and affordable. Harrow's mission is to help eyecare professionals protect the gift of sight for their patients. For more information about Harrow, please visit the Investors section of the corporate website, [harrow.com](http://harrow.com).

**Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Any statements in this release that are not historical facts may be considered such "forward-looking statements." Forward-looking statements, including net revenues and adjusted EBITDA guidance, are based on management's current expectations and are subject to risks and uncertainties which may cause results to differ materially and adversely from the statements contained herein. Some of the potential risks and uncertainties that could cause actual results to differ from those predicted include the continued impact of the COVID-19 pandemic and any future health epidemics on our financial condition, liquidity and results of operations; our ability to make commercially available our FDA-approved products and compounded formulations and technologies in a timely manner or at all; market acceptance of the Company's products and challenges related to the marketing of the Company's products; risks related to our pharmacy operations; our ability to enter into other strategic alliances, including arrangements with pharmacies, physicians and healthcare organizations for the development and distribution of our products; our ability to obtain intellectual property protection for our assets; our ability to accurately estimate our expenses and cash burn, and raise additional funds when necessary; risks related to research and development activities; the projected size of the potential market for our technologies and products; unexpected new data, safety and technical issues; regulatory and market developments impacting compounding pharmacies, outsourcing facilities and the pharmaceutical industry; changes in federal and state laws and related policies; competition; and market conditions. These and additional risks and uncertainties are more fully described in Harrow's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q. Such documents may be read free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov). Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made. Except as required by law, Harrow undertakes no obligation to update any forward-looking statements to reflect new information, events, or circumstances after the date they are made, or to reflect the occurrence of unanticipated events.

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## **Non-GAAP Financial Measure**

In addition to the Company's results of operations determined in accordance with U.S. generally accepted accounting principles (GAAP), management also utilizes Adjusted EBITDA, an unaudited financial measure that is not calculated in accordance with GAAP, to evaluate the Company's financial results and performance and to plan and forecast future periods. Adjusted EBITDA is considered a "non-GAAP" financial measure within the meaning of Regulation G promulgated by the SEC. Management believes that this non-GAAP financial measure reflects an additional way of viewing aspects of the Company's operations that, when viewed with GAAP results, provide a more complete understanding of the Company's results of operations and the factors and trends affecting its business. However, Adjusted EBITDA and any other non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. Further, non-GAAP financial measures used by the Company and the way they are calculated may differ from the non-GAAP financial measures or the calculations of the same non-GAAP financial measures used by other companies, including the Company's competitors.

The Company defines Adjusted EBITDA as net loss attributable to Harrow Health, Inc., excluding the effects of stock-based compensation and expenses, interest, taxes, depreciation, amortization, investment loss, net, gain on forgiveness of debt, and, if any and when specified, other non-recurring income or expense items. Management believes that the most directly comparable GAAP financial measure to Adjusted EBITDA is net loss attributable to Harrow Health, Inc. The Company is not able to provide a reconciliation of projected Adjusted EBITDA to expected results due to the unknown effect, timing and potential significance of transaction-related expenses.

### **Contacts:**

#### **Investors**

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#### **Media**

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**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**

The accompanying unaudited pro forma condensed consolidated balance sheet for Harrow Health, Inc. and subsidiaries (the “Company”) as of September 30, 2022 gives effect to the following transactions:

- (i) the cash received by the Company in connection with the Company’s sale and divestment of its non-ophthalmology related compounding revenue line and related intangible assets, and the net gain on sale;
- (ii) the net proceeds from the sale of 2,376,426 shares of the Company’s common stock, at a price of \$10.52 per share, after deducting underwriting discounts and commissions, structuring and commitment fees, and estimated offering expenses payable by the Company;
- (iii) the net proceeds from the sale of \$40,250,000 aggregate principal amount of 11.875% senior unsecured notes due 2027, after deducting underwriting discounts and commissions, structuring and commitment fees, and estimated offering expenses payable by the Company;
- (iv) the net proceeds of \$59,750,000 from a Senior Secured Loan facility, after deducting underwriting discounts and commissions, structuring and commitment fees, original issue discount and estimated offering expenses payable by the Company; and
- (v) the cash paid by the Company to Novartis Technology, LLC (“Novartis”) for the exclusive commercial rights to assets associated with the following ophthalmic products in the U.S. (the “Acquisition”): ILEVRO® (nepafenac ophthalmic suspension) 0.3%; NEVANAC® (nepafenac ophthalmic suspension) 0.1%; VIGAMOX® (moxifloxacin hydrochloride ophthalmic solution) 0.5%; MAXIDEX® (dexamethasone ophthalmic suspension) 0.1%; and TRISENCE® (triamcinolone acetonide injectable suspension) 40 mg/ml (the “Products”), and estimated expenses related to the Acquisition.

The accompanying unaudited pro forma condensed consolidated balance sheet reflects the transactions described above as if such events occurred on September 30, 2022.

The unaudited pro forma condensed consolidated balance sheet has been prepared under U.S. GAAP. The adjustments necessary to fairly present the unaudited pro forma condensed consolidated balance sheet have been made based on available information and in the opinion of management are reasonable. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with this unaudited pro forma condensed consolidated balance sheet.

The unaudited pro forma condensed consolidated balance sheet is for illustrative purposes only and does not purport to represent what our financial position would have been had the events noted above in fact occurred on the assumed date. Accordingly, the unaudited pro forma condensed consolidated balance sheet should not be used to project our financial position on any future date.

The unaudited pro forma condensed consolidated balance sheet should be read in conjunction with the accompanying notes and the consolidated financial statements and notes thereto of the Company included in our filings with the Securities and Exchange Commission.

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**HARROW HEALTH, INC.**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS OF SEPTEMBER 30, 2022**

	Historical September 30, 2022	Pro Forma Adjustments	Notes	Pro Forma September 30, 2022
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 44,959,000	\$ (9,554,000)	(a) (b) (c) (d) (e)	\$ 35,405,000
Investment in Eton Pharmaceuticals	4,162,000			4,162,000
Accounts receivable, net	6,743,000			6,743,000
Inventories	5,283,000			5,283,000
Prepaid expenses and other current assets	2,927,000			2,927,000
Total current assets	<u>64,074,000</u>	<u>(9,554,000)</u>		<u>54,520,000</u>
Property, plant and equipment, net	3,291,000			3,291,000
Capitalized software costs, net	1,878,000			1,878,000
Operating lease right-of-use assets	7,688,000			7,688,000
Intangible assets, net	19,632,000	129,814,000	(a) (e)	149,446,000
Investment in Melt Pharmaceuticals	2,097,000			2,097,000
Goodwill	332,000			332,000
<b>TOTAL ASSETS</b>	<u><u>98,992,000</u></u>	<u><u>120,260,000</u></u>		<u><u>219,252,000</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ 14,112,000			\$ 14,112,000
Accrued payroll and related liabilities	3,441,000			3,441,000
Deferred revenue and customer deposits	115,000			115,000
Current portion of loans payable, net of unamortized discount	-	5,557,000	(d)	5,557,000
Current portion of operating lease obligations	703,000			703,000
Total current liabilities	<u>18,371,000</u>	<u>5,557,000</u>		<u>23,928,000</u>
Operating lease obligations, net of current portion	7,520,000			7,520,000
Loans payable, net of current portion and unamortized debt discount	72,239,000	86,789,000	(c) (d)	159,028,000
<b>TOTAL LIABILITIES</b>	<u>98,130,000</u>	<u>92,346,000</u>		<u>190,476,000</u>
<b>Commitments and contingencies</b>				
<b>STOCKHOLDERS' EQUITY</b>				
Common stock, \$0.001 par value, 50,000,000 shares authorized, 27,074,307 issued and outstanding, actual; 29,450,733 shares issued and outstanding, pro forma	27,000	2,000	(b)	29,000
Additional paid-in capital	111,738,000	22,598,000	(b)	134,336,000
Accumulated deficit	(110,548,000)	5,314,000	(a)	(105,234,000)
<b>TOTAL HARROW HEALTH STOCKHOLDERS' EQUITY</b>	<u>1,217,000</u>	<u>27,914,000</u>		<u>29,131,000</u>
Noncontrolling interests	(355,000)			(355,000)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>862,000</u>	<u>27,914,000</u>		<u>28,776,000</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 98,992,000</u></u>	<u><u>120,260,000</u></u>		<u><u>\$ 219,252,000</u></u>

See accompanying Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

**HARROW HEALTH, INC.**  
**NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**

**NOTE 1. BASIS OF PRESENTATION**

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2022 is based on the historical consolidated balance sheet of Harrow Health, Inc. and subsidiaries as of September 30, 2022, after giving effect to:

- (i) the cash received by the Company in connection with the Company's sale and divestment of its non-ophthalmology related compounding revenue line and related intangible assets, and the net gain on sale, which sale and divestment occurred in October 2022;
- (ii) the net proceeds received from the sale of 2,376,426 shares of the Company's common stock, at a price of \$10.52 per share, after deducting underwriting discounts and commissions, structuring and commitment fees, and estimated offering expenses payable by the Company, which sale closed on December 16, 2022;
- (iii) the net proceeds from the sale of \$40,250,000 aggregate principal amount of 11.875% senior unsecured notes due 2027, after deducting underwriting discounts and commissions, structuring and commitment fees, and estimated offering expenses payable by the Company, which sale closed in December 2022 and January 2023;
- (iv) the net proceeds of a \$59,750,000 borrowing pursuant to a Senior Secured Loan facility drawn at closing of the Acquisition, after deducting underwriting discounts and commissions, structuring and commitment fees, original issue discount, and estimated offering expenses payable by the Company; and
- (v) the cash paid by the Company to Novartis for the Products and estimated expenses related to the Acquisition.

The transactions described in (i) through (v) above are referred to herein collectively as the "Recent Transactions."

Significant assumptions and estimates have been made in determining the costs and net proceeds from the Recent Transactions in the unaudited pro forma condensed consolidated balance sheet. These preliminary estimates and assumptions are subject to change as the Company finalizes the calculations related to the Recent Transactions. These changes could result in material variances between the Company's future consolidated financial position and the amounts presented in the unaudited pro forma condensed consolidated balance sheet, including variances in values recorded, as well as expenses and cash flows associated with these items.

**Accounting Period Presented**

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2022 is presented as if the Recent Transactions occurred on September 30, 2022.

**NOTE 2. PRO FORMA AND RECLASSIFICATION ADJUSTMENTS**

Pro forma adjustments are made to reflect the estimated amounts related to the Recent Transactions. The following describes the pro forma adjustments related to the Recent Transactions made in the accompanying unaudited pro forma condensed consolidated balance sheet as of September 30, 2022, giving effect to the Recent Transactions as if they had occurred on September 30, 2022:

- (a) To reflect the cash received (\$6,000,000) by the Company in connection with the Company's sale and divestment of its non-ophthalmology related compounding revenue line and the adjustment to remove the unamortized balance of the related intangible assets (\$686,000) resulting in a net gain of \$5,314,000;
  - (b) To reflect the net proceeds (\$22,600,000) from the sale of 2,376,426 shares of the Company's common stock, at a price of \$10.52 per share, after deducting underwriting discounts and commissions, structuring and commitment fees, and estimated offering expenses payable by the Company (\$2,400,000);
  - (c) To reflect the net proceeds (\$36,779,000) from the sale of \$40,250,000 aggregate principal amount of 11.875% senior unsecured notes due 2027, after deducting underwriting discounts and commissions, structuring and commitment fees, and estimated offering expenses payable by the Company (\$3,471,000);
  - (d) To reflect the net proceeds (\$55,567,000) from a \$59,750,000 draw on a Senior Secured Loan facility, after deducting underwriting discounts and commissions, structuring and commitment fees, original issue discount and estimated offering expenses payable by the Company (\$4,183,000), with a current portion, net of unamortized discounts, of \$5,557,000; and
  - (e) To reflect the cash paid (\$130,000,000) by the Company to Novartis for the Acquisition of the Products, and estimated expenses related to the Acquisition (\$500,000).
-