



**HARROW<sup>®</sup>**

Your patients. Our purpose.

Corporate Presentation | November 2022

# Safe Harbor

This presentation contains express “forward-looking statements” as defined in the U.S. Private Securities Litigation Reform Act of 1995. You are cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Harrow Health, Inc. (the “Company” or “Harrow”). Some of these risks and uncertainties include, but are not limited to: the impact of the COVID-19 pandemic and any future health epidemics on Harrow’s financial condition, liquidity and results of operations; the Company’s ability to gain market approval (i.e., FDA) of its drug candidates; the Company’s ability to make commercially available its formulations, drug candidates and technologies in a timely manner or at all; market acceptance of the Company’s formulations and challenges related to the marketing of the Company’s formulations; risks related to Harrow’s compounding pharmacy operations; the Company’s ability to enter into other strategic alliances, including arrangements with pharmacies, physicians and healthcare organizations for the development and distribution of the Company’s formulations; its ability to obtain intellectual property protection for its assets; its ability to accurately estimate its expenses and cash burn and raise additional funds when necessary; its ability to generate profits from sales of its formulations; risks related to research and development activities; its estimates of the current and potential market size for its technologies and formulations; unexpected data, safety and technical issues; regulatory and market developments impacting compounding pharmacies, outsourcing facilities and the pharmaceutical industry; competition; and market conditions. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company’s filings with the Securities and Exchange Commission, including its Annual Reports on Form 10-K and its Quarterly Reports on Form 10-Q filed with the SEC. Such documents may be read free of charge on the SEC’s web site at [www.sec.gov](http://www.sec.gov). All forward-looking statements are qualified in their entirety by this cautionary statement. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Harrow expressly disclaims any intent or obligation to update these forward-looking statements except as required by law. The Company’s compounded formulations are not FDA approved. All trademarks, service marks and trade names included in this presentation are the property of their respective owners. This presentation refers to non-GAAP financial measures, specifically adjusted EBITDA, Core Results, such as core gross margin, core net income and core diluted net income per share, and equity values of equity positions in non-controlled investments. A reconciliation and/or further description of any non-GAAP measures with the most directly comparable GAAP measures are included in the Company’s Letters to Stockholders, available on its website, and as an annex to this presentation.

# Harrow (NASDAQ: HROW)

- Commercial stage ophthalmic-focused pharmaceutical company headquartered in Nashville, TN.
- Serves the U.S. surgical, acute, and chronic care markets with FDA-approved branded pharmaceutical products (BPPs) and cGMP compounded pharmaceutical products (CPPs); 10,000+ customers (doctors, hospitals, and ASCs).
- **22% year-over-year revenue growth rate (YTD 3Q22 vs. YTD 3Q21); 7-year revenue CAGR of 72%.**
- **Last offering of common stock to raise capital was in 2017 – over 5 years ago.**
- Investing profits in preparation for 2022/2023 major product launches.
- 2022/2023 Value Drivers:
  - Current business expected to continue to grow and deliver profits and cash flow, including recent launch of two new compounded product lines, re-launch of Iopidine<sup>®</sup> and Maxitrol<sup>®</sup>, and the anticipated launch of IHEEZO in 2Q23.
  - Within 24 months of launch of IHEEZO, revenues are expected to double with aggregate core gross margins expected to increase into the 80s.
  - Additional accretive acquisitions, leveraging the Harrow commercial eyecare platform, are in various stages of completion.
  - Pivotal clinical trial readouts in Q4 2022 from companies in which Harrow owns significant equity positions.

# Harrow's Eyecare Pharmaceuticals Platform

- A vertically integrated pharmaceutical and pharmacy platform and trusted ophthalmic brand (ImprimisRx), consisting of national sales and customer service teams, automated cGMP drug compounding facilities, and an efficient, scalable, and tech-enabled national distribution platform for prescription products, including a 50-state mail order pharmacy.
- ~40 SKUs serve large and growing surgical, acute, and chronic eyecare markets:
  - 5.5 million annual ocular surgeries;<sup>1</sup>
  - 16+ million U.S. dry eye disease patients;<sup>3</sup> and
  - 3+ million U.S. glaucoma patients.<sup>4</sup>
- Product lines supported by 60+ patents and peer-reviewed literature.
- Service 4,000+ monthly accounts of over 10,000 prescribers and institutions.
- Net Promoter Score ranked consistently in 80s and 90s in recent years.

<sup>1</sup> According to a 2019 report by *Market Scope*, a third-party provider of market data.

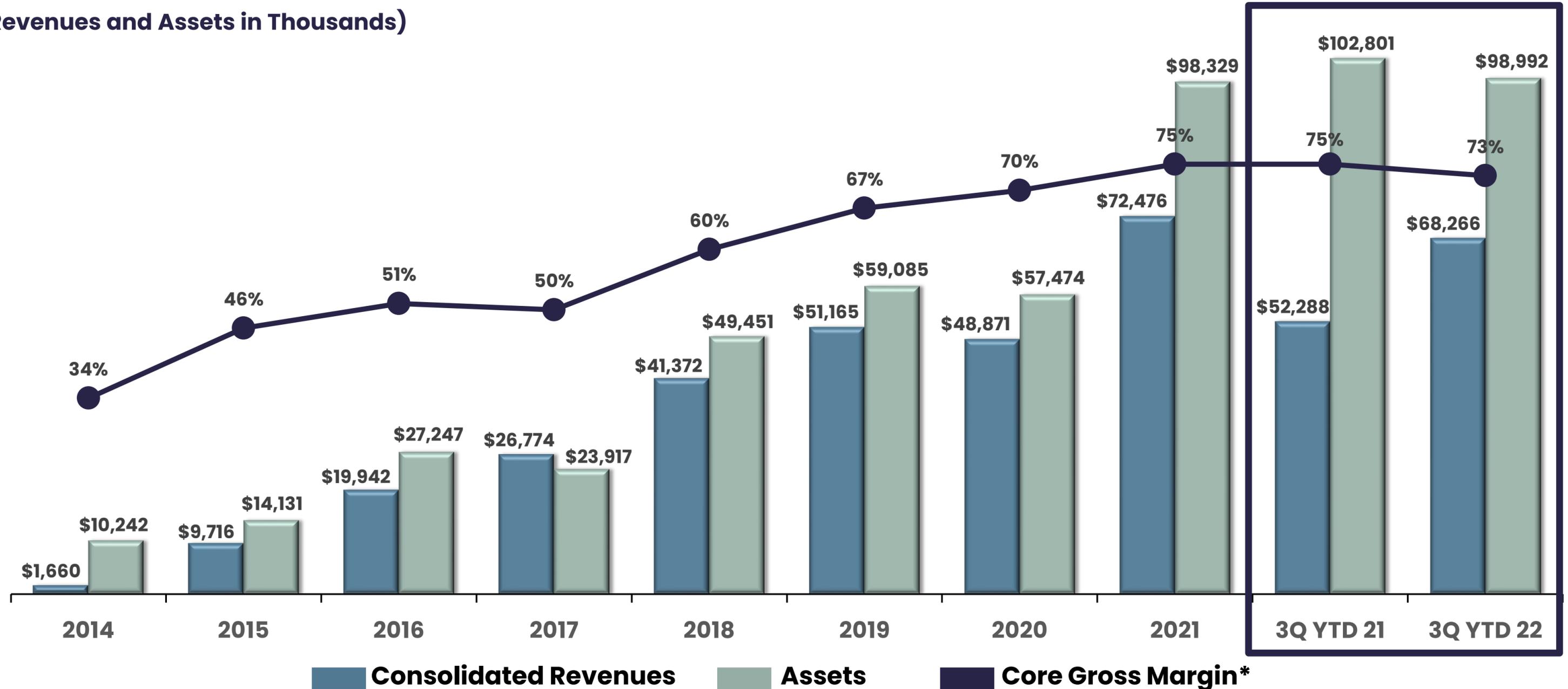
<sup>2</sup> According to a September 2021 report by *Market Scope*.

<sup>3</sup> Farrand KF, Fridman M, Stillman IO, Schaumberg DA. Prevalence of Diagnosed Dry Eye Disease in the United States Among Adults Aged 18 Years and Older. *Am J Ophthalmol* 2017;182:90-8.

<sup>4</sup> According to Glaucoma Research Foundation: <https://www.glaucoma.org/about/fast-facts-glaucoma-research-foundation.php>.

# Revenues, Core Gross Margin and Assets

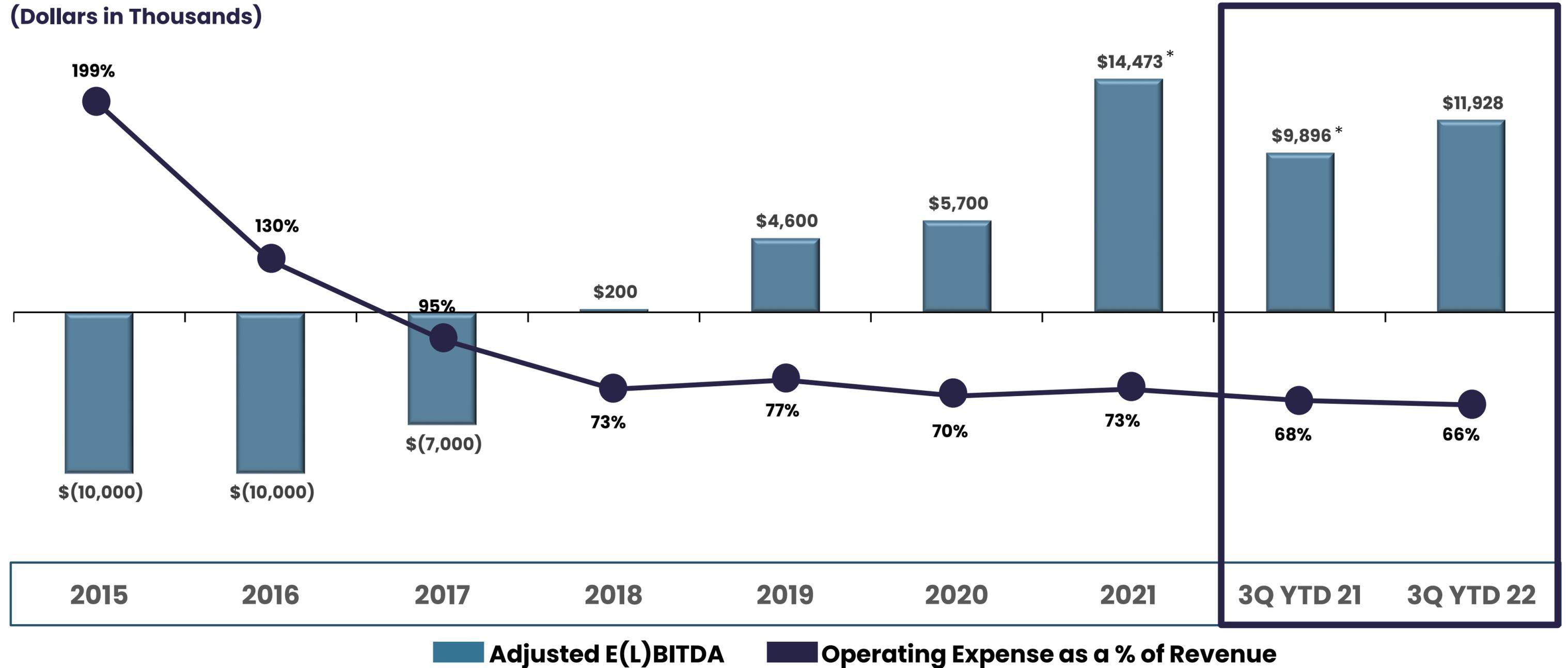
(Revenues and Assets in Thousands)



\*Core gross margin is a non-GAAP measure that excludes from gross profit all amortization and impairment charges of intangible assets associated with acquired NDAs.

# Adjusted EBITDA Growth and Expense Control

(Dollars in Thousands)



\*The Company recently made a change to its methodology for reporting of Adjusted EBITDA to include acquired in-process R&D ("IPR&D") charges. During the 2021 reporting periods, similar IPR&D transactions were excluded from Adjusted EBITDA for reporting purposes. This change is the result of the U.S. Securities and Exchange Commission's recent industry correspondence on this matter.

# Equity Holdings and Royalty Pipeline

- Surface Ophthalmics, Melt Pharmaceuticals, and Eton Pharmaceuticals (NASDAQ: ETON), founded as Harrow subsidiaries, were carved-out after hiring management and closing external financings.
- Harrow owns:
  - 2 million shares of Eton and equity in Surface and Melt (20% and 46%, respectively);
  - \$13.5M senior secured note and ROFR on 3rd party commercialization rights of Melt's products; and
  - Royalty rights on Surface's SURF-100, 200, 201 and Melt's MELT-300 drug candidates.

	Pre-Clinical	Phase 1	Phase 2	Phase 3	NDA Filed
<b>SURF-201</b> Prevention of post-cataract surgery inflammation	Best reported data for post cataract surg. steroid				
<b>SURF-200</b> Treatment of acute dry eye disease	Phase 2 data expected in Q4 2022				
<b>SURF-100</b> Treatment of chronic dry eye disease	Phase 2 study completed; data expected soon				
<b>MELT-300</b> Procedural sedation and analgesia	Pivotal efficacy study readout in Q4 2022				

# Summary of Harrow (NASDAQ: HROW)

- 2022 expectations: Growing revenues, stable gross margins and OpEx/revenue ratio.
- Completed seven accretive/consequential deals during last 24 months; others in various stages of progress.
- Revenues expected to double within a few years of the IHEEZO product launch.
- Core gross margin profile expected to increase post IHEEZO launch from the 70s to the 80s.
- Strengthened cash position is expected to sufficiently fund expected growth.
- Additional accretive business development and acquisition activities are underway.
- Balance sheet bolstered by large equity positions and royalties connected to Surface and Melt.
- Management is aligned with shareholders with market-based vesting stock grants.
- *Positioned to be both a high growth and profitable U.S.-focused public eyecare company.*



# HARROW™

Your patients. **Our purpose.**

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