



Kala Pharmaceuticals Reports Inducement Grant Under NASDAQ Listing Rule 5635(c)(4)

February 20, 2020

WATERTOWN, Mass.--(BUSINESS WIRE)--Feb. 20, 2020-- Kala Pharmaceuticals, Inc. (NASDAQ:KALA), today announced that the Company granted a non-statutory stock option to a new employee as an inducement award outside the Company's 2017 Equity Incentive Plan in accordance with NASDAQ Listing Rule 5635(c)(4).

The Company granted the stock option to purchase up to an aggregate of 4,000 shares of Kala Pharmaceuticals common stock to a new employee. The stock option was granted on February 14, 2020. The grant was approved by the Compensation Committee and was made as an inducement material to the employee entering into employment with Kala Pharmaceuticals in accordance with NASDAQ Listing Rule 5635(c)(4). The option award has an exercise price of \$6.50 per share, the closing price of Kala Pharmaceuticals' common stock on February 14, 2020. The option has a ten-year term and vests over four years, with 25% of the original number of shares vesting on the first anniversary of the employee's new hire date and the remainder vesting in equal monthly installments over the following three years. Vesting of the option is subject to the employee's continued service with Kala Pharmaceuticals through the applicable vesting dates.

About Kala Pharmaceuticals, Inc.

Kala is a biopharmaceutical company focused on the discovery, development and commercialization of innovative therapies for diseases of the eye. Kala has applied its AMPPLIFY™ mucus penetrating particle Drug Delivery Technology to a corticosteroid, loteprednol etabonate (LE), designed for ocular applications, resulting in the August 2018 FDA approval of INVELTYS® (loteprednol etabonate ophthalmic suspension) 1% and its investigational product candidate, EYSUVIST™ (loteprednol etabonate ophthalmic suspension) 0.25%, which is being studied for the temporary relief of the signs and symptoms of dry eye disease.

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Source: Kala Pharmaceuticals, Inc.

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