



Kala Pharmaceuticals Reports Inducement Grants Under Nasdaq Listing Rule 5635(c)(4)

June 23, 2023

ARLINGTON, Mass., June 23, 2023 (GLOBE NEWSWIRE) -- Kala Pharmaceuticals, Inc. (NASDAQ:KALA), today announced that the Company granted non-statutory stock options and restricted stock units (RSUs) to new employees as inducement awards outside the Company's Amended and Restated 2017 Equity Incentive Plan in accordance with Nasdaq Listing Rule 5635(c)(4).

The Company granted stock options to purchase up to an aggregate of 840 shares of its common stock to one new employee and granted RSUs with respect to an aggregate of 10,720 shares of its common stock to eight new employees. The stock options and RSUs were granted on June 22, 2023. These grants were approved by the Compensation Committee and made as a material inducement to each such employee entering into employment with Kala Pharmaceuticals in accordance with Nasdaq Listing Rule 5635(c)(4). The option award has an exercise price of \$14.56 per share, the closing price of Kala Pharmaceuticals' common stock on June 22, 2023. The options have a ten-year term and vest 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. The RSUs vest over three years, with one-third of such RSUs vesting on the first anniversary of the employee's new hire date and the remainder vesting in equal yearly installments over the following two years. Vesting of the options and RSUs is subject to the employee's continued service with Kala Pharmaceuticals through the applicable vesting dates.

About Kala Pharmaceuticals, Inc.

Kala is a clinical-stage biopharmaceutical company dedicated to the research, development and commercialization of innovative therapies for rare and severe diseases of the eye. Kala's biologics-based investigational therapies utilize Kala's proprietary mesenchymal stem cell secretome (MSC-S) platform. Kala's lead product candidate, KPI-012, is a human MSC-S, which contains numerous human-derived biofactors, such as growth factors, protease inhibitors, matrix proteins and neurotrophic factors that can potentially correct the impaired corneal healing that is an underlying etiology of multiple severe ocular diseases. KPI-012 is currently in clinical development for the treatment of persistent corneal epithelial defect (PCED), a rare disease of impaired corneal healing, for which it has received Orphan Drug and Fast Track designations from the U.S. Food and Drug Administration. Kala is also targeting the potential development of KPI-012 for the treatment of Limbal Stem Cell Deficiency and other rare corneal diseases that threaten vision and has initiated preclinical studies to evaluate the potential utility of its MSC-S platform for retinal degenerative diseases, such as Retinitis Pigmentosa and Stargardt Disease. For more information on Kala, please visit www.kalarx.com.

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