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

April 18, 2019

WATERTOWN, Mass.--(BUSINESS WIRE)--Apr. 18, 2019-- Kala Pharmaceuticals, Inc. (NASDAQ:KALA), today announced that the Company granted non-statutory stock options to new employees as inducement awards outside the Company's 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 5,500 shares of Kala Pharmaceuticals common stock to two new employees. The stock options were granted on April 15, 2019. The grant was approved by the Compensation Committee and was made as an inducement material to each employee entering into employment with Kala Pharmaceuticals in accordance with NASDAQ Listing Rule 5635(c)(4). The option awards have an exercise price of $8.02 per share, the closing price of Kala Pharmaceuticals' common stock on April 15, 2019. 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 applicable employee's new hire date and the remainder vesting in equal monthly installments over the following three years. Vesting of each option is subject to such employee's continued service with Kala Pharmaceuticals through the applicable vesting dates.

About Kala Pharmaceuticals, Inc.

Kala is a biopharmaceutical company focused on the development and commercialization of therapeutics using its proprietary AMPPLIFY™ mucus-penetrating particle (MPP) Drug Delivery Technology, with an initial focus on the treatment of eye diseases. Kala has applied the AMPPLIFY Drug Delivery Technology to a corticosteroid, loteprednol etabonate (LE), designed for ocular applications, resulting in recently approved INVELTYS™ for the treatment of inflammation and pain following ocular surgery and its lead product candidate, KPI-121 0.25%, for the temporary relief of the signs and symptoms of dry eye disease, for which a New Drug Application (NDA) was accepted for review with the United States Food and Drug Administration (FDA) and a target action date under the Prescription Drug User Fee Act (PDUFA) has been set for August 15, 2019.

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Source: Kala Pharmaceuticals, Inc.

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