



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

July 17, 2020

WATERTOWN, Mass.--(BUSINESS WIRE)--Jul. 17, 2020-- 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 21,800 shares of Kala Pharmaceuticals common stock to six new employees. The stock options were granted on July 15, 2020. The grants were approved by the Compensation Committee and were 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 \$11.07 per share, the closing price of Kala Pharmaceuticals' common stock on July 15, 2020. 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 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 January 2019 launch of INVELTYS® (loteprednol etabonate ophthalmic suspension) 1% and its investigational product candidate, EYSUVIS™ (loteprednol etabonate ophthalmic suspension) 0.25%, for which a New Drug Application (NDA) is under review by the United States Food and Drug Administration (FDA) with a target action date under the Prescription Drug User Fee Act (PDUFA) set for October 30, 2020.

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