



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

September 18, 2020

WATERTOWN, Mass.--(BUSINESS WIRE)--Sep. 18, 2020-- Kala Pharmaceuticals, Inc. (NASDAQ:KALA), today announced that the Company granted non-statutory stock options to a new employee 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 7,000 shares of Kala Pharmaceuticals common stock to a new employee. The stock options were granted on September 15, 2020. The grant was approved by the Compensation Committee and 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 \$8.05 per share, the closing price of Kala Pharmaceuticals' common stock on September 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 the option award 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 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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