



Kala Pharmaceuticals Completes Sale of EYSUVIS® and INVELTYS® to Alcon Inc

July 11, 2022

ARLINGTON, Mass, July 11, 2022 (GLOBE NEWSWIRE) -- Kala Pharmaceuticals, Inc. (NASDAQ:KALA), a clinical-stage biopharmaceutical company dedicated to the research, development and commercialization of innovative therapies for rare diseases of the eye, announced today that it has completed the sale of its commercial portfolio and related intellectual property assets to Alcon Inc., a transaction that was announced on May 23, 2022. The sale included EYSUVIS, the first and only U.S. Food and Drug Administration approved medicine for the short-term (up to two weeks) treatment of the signs and symptoms of dry eye disease, and INVELTYS, a twice-a-day corticosteroid for the treatment of post-operative inflammation and pain following ocular surgery.

Under the terms of the transaction, Kala received an upfront payment of \$60 million in cash at closing and is eligible to receive commercial-based milestone payments. Kala anticipates that its existing cash resources, together with the net payments received at the closing of the Alcon transaction and planned reductions in operating expenses, will enable it to fund its operations into the second quarter of 2024.

"The completion of this sale marks a significant transformation of our company, as we pivot our efforts to focus on the advancement of KPI-012, our novel biologic with the potential to improve the treatment of multiple rare ophthalmic conditions," said Mark Iwicki, Chief Executive Officer and Chairman of Kala. "As we enter the second half of 2022, we are operating from an enhanced financial position, with sufficient capital to fund our operations beyond the planned data readout from our Phase 2/3 trial of KPI-012 for persistent corneal epithelial defect. We expect to initiate this study in the fourth quarter of 2022, as we continue to pursue our commitment to developing innovative products that can better treat rare, underserved diseases of the eye."

Piper Sandler acted as exclusive financial advisor and Wilmer Cutler Pickering Hale and Dorr LLP served as legal counsel to Kala.

About Kala Pharmaceuticals, Inc.

Kala is a clinical-stage biopharmaceutical company dedicated to the research, development and commercialization of innovative therapies for rare 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 in clinical development for the treatment of persistent corneal epithelial defect (PCED), a rare disease of impaired corneal healing, which has received orphan drug designation from the U.S. Food and Drug Administration. Kala is also targeting KPI-012 for the treatment of Partial Limbal Stem Cell Deficiency and ocular manifestations of moderate-to-severe Sjögren's and plans to initiate preclinical studies to evaluate the 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.

Forward Looking Statements:

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. Any statements in this press release about Kala's future expectations, plans and prospects, including but not limited to statements about Kala's expectations with respect to potential advantages of KPI-012; the future development or commercialization of KPI-012; conduct and timelines of clinical trials; the clinical utility of KPI-012 for PCED; plans to pursue research and development of KPI-012 for other indications; Kala's ability to realize potential milestone payments under the transaction with Alcon and the risk that Kala may not realize the expected benefits of the transaction; the sufficiency of Kala's existing cash resources and other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "likely," "will," "would," "could," "should," "continue," and similar expressions constitute forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: Kala's ability to realize the anticipated benefits of the transaction with Alcon, including the uncertainty regarding the receipt of any milestone payments; the impact of extraordinary external events, such as the current pandemic health event resulting from the novel coronavirus (COVID-19), and their collateral consequences; the uncertainties inherent in the initiation and conduct of preclinical studies and clinical trials; uncertainties regarding availability and timing of data from clinical trials; whether results of early clinical trials or trials in different disease indications will be indicative of the results of ongoing or future trials; whether results of the Phase 1b clinical trial of KPI-012 will be indicative of results for any future clinical trials and studies of KPI-012; uncertainties associated with regulatory review of clinical trials and applications for marketing approvals; Kala's ability to retain and hire key personnel; the sufficiency of cash resources and need for additional financing and other important factors, any of which could cause the Kala's actual results to differ from those contained in the forward-looking statements, discussed in the "Risk Factors" section of Kala's Annual Report on Form 10-K, most recently filed Quarterly Report on Form 10-Q and other filings Kala makes with the Securities and Exchange Commission. These forward-looking statements represent Kala's views as of the date of this press release and should not be relied upon as representing the Kala's views as of any date subsequent to the date hereof. Kala does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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