

Kala Pharmaceuticals Announces \$22.5 Million Series B Financing

Ysios Capital Joins as Lead Investor; Proceeds to Advance Four U.S. Clinical Trials for Lead Ophthalmic Product Candidates

Waltham, Mass., April 23, 2014 – [Kala Pharmaceuticals, Inc.](#), a leading developer of innovative ophthalmic products based on the company’s proprietary Mucus Penetrating Particle (MPP) platform technology, today announced it has completed a \$22.5 million Series B financing. New venture investor [Ysios Capital](#) led the round, which also included a new strategic investor, as well as current investors [Crown Venture Fund](#), [Lux Capital](#), [Polaris Partners](#) and [Third Rock Ventures](#). In conjunction with the financing, Karen Wagner, Ph.D., General Partner at Ysios Capital, will join Kala’s Board of Directors.

“Leveraging its MPP nanotechnology, Kala has developed topical eye drops that allow therapeutic agents to pass through the mucus layer of the eye’s surface, facilitating penetration into deeper tissues of the eye, including the retina. This approach has yielded game-changing clinical-stage product candidates that may provide more convenient dosing for patients and improve efficacy in a range of ophthalmic indications, including dry eye disease and wet age-related macular degeneration,” said Dr. Wagner. “There is significant demand for breakthrough treatments for ocular diseases and Kala is uniquely poised to address these needs. We look forward to supporting the company’s continued progress.”

The proceeds from the financing will be used to advance clinical development of the company’s loteprednol etabonate MPP (“LE-MPP”) program. Kala will be initiating four clinical trials with LE-MPP in 2014: a Phase 3 trial in post-operative inflammation and pain following cataract surgery with 1% and 0.25% LE-MPP; a Phase 2 trial with 0.25% LE-MPP in dry eye disease; a Phase 2 trial with 0.25% LE-MPP in inflammatory meibomian gland disease (blepharitis); and an exploratory trial with 1% LE-MPP in diabetic macular edema and retinal vein occlusion to evaluate the ability to treat retinal diseases via topical administration. The company also plans to advance its novel, small molecule receptor tyrosine kinase inhibitor (RTKi)-MPP for potential first-in-class topical treatment for wet age-related macular degeneration (AMD) toward candidate selection in 2014.

“We are pleased to welcome Ysios to our team and appreciate the confidence of our new and existing investors during this exciting time for Kala,” said Guillaume Pfefer, Ph.D., President and Chief Executive Officer of Kala. “Their collective financial and strategic support will allow Kala to advance its pipeline of ophthalmic product

candidates while also exploring partnerships to maximize the value of our MPP platform technology for potential indications beyond eye care.”

About Kala Pharmaceuticals

Kala Pharmaceuticals, Inc. is advancing innovative treatments for ocular diseases addressing significant needs in both front and back of the eye based on the company’s proprietary Mucus Penetrating Particle (MPP) platform technology. Kala’s topical ocular MPP formulations enhance penetration into ocular tissue by facilitating penetration through the mucus layer of tear film. Kala’s MPP technology has potential applications in other indications, such as respiratory, women’s reproductive health and gastrointestinal diseases.

Kala was founded by leaders in the fields of nanomedicine and biopharmaceutical engineering, and is backed by leading life sciences investors including Crown Venture Fund, Lux Capital, Polaris Partners, Third Rock Ventures and Ysios Capital. For more information, please visit www.kalarx.com

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