



Kala Pharmaceuticals Secures \$6.2 Million in Additional Equity Financing

NIH Divisions Award Two Grants to Advance Innovative Research Programs

Waltham, Mass., March 14, 2012—Kala Pharmaceuticals, Inc., developer of treatments for diseases that affect mucosal tissues, announced today that it raised \$6.2M in additional equity financing from existing venture investors Lux Capital, Polaris Venture Partners, Third Rock Ventures, and Lighthouse Capital Partners. This new investment completes Kala’s seed financing, which totaled \$11.2M. The company also announced that it has been awarded two grants from separate divisions of the National Institutes of Health that will advance its cystic fibrosis and ocular disease programs.

“Kala’s unique technology platform is generating improved biopharmaceutical formulations that maximize efficacy by increasing the drug residence time at its site of action,” said Dr. Ronald Krall, a Kala advisor and the former Chief Medical Officer of GlaxoSmithKline. “The combination of improved local efficacy and reduced systemic exposure using a biocompatible formulation opens up an array of potential product opportunities.”

The company’s successful preclinical research supports its innovative approach to targeting diseases involving mucosal organs, including the respiratory tract, eye, gastrointestinal tract, and female reproductive system. The new round of funding will support the company as it advances an internal pipeline of products toward human clinical trials.

“We’ve demonstrated that Kala’s formulations of a wide range of therapeutic agents can penetrate and evenly distribute through human mucus secretions, including the exceptionally thick mucus found in cystic fibrosis,” said Dr. Colin Gardner, a Kala cofounder, and the former Chief Scientific Officer and Senior Vice President of Research at TransForm Pharmaceuticals/Johnson and Johnson. “Our goal is to develop therapies that lead to improved clinical outcomes for patients by overcoming the challenges posed by mucus barriers.”

Alongside the equity financing, the National Heart, Lung, and Blood Institute is funding the development of an improved inhaled treatment for cystic fibrosis-related infection, and the National Eye Institute is supporting the advancement of better formulations for ocular drug administration.

“These awards from distinct NIH divisions recognize the broad utility of Kala’s unique formulation platform,” said Robert Langer, ScD, Institute Professor at the David H. Koch Institute for Integrative Cancer Research at MIT, and cofounder of Kala Pharmaceuticals. “The company is already advancing formulations that overcome mucus barriers leading to new approaches to treating a range of diseases with high unmet medical need.”

About Kala Pharmaceuticals, Inc.

Kala Pharmaceuticals, Inc. is a leading developer of improved treatments for diseases that affect mucosal tissues. Using its proprietary mucus penetrating particle (MPP) technology platform, Kala is able to formulate active pharmaceutical ingredients so they are able to pass through human mucus secretions, in diverse organs, including the respiratory tract, eye, cervicovaginal tract and

gastrointestinal tract. Kala's formulations result in a rapid, uniform distribution of drug-loaded particles in human mucus leading to enhanced local efficacy and reduced systemic exposure. The company is advancing its own internal pipeline while establishing research and development collaborations with select partners. Kala was co-founded by Colin Gardner (formerly of TransForm Pharmaceuticals/Johnson and Johnson, and Merck), Justin Hanes (Johns Hopkins University) and Robert Langer (MIT) and has an exclusive license to intellectual property from the laboratory of Dr. Hanes at the Johns Hopkins University School of Medicine. For more information, visit www.kalarx.com.

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