



Kala Pharmaceuticals Secures \$11.5 Million in Series A Financing

Company to Advance Pipeline of Innovative Ophthalmic Programs Based on its Mucosal Penetrating Product Platform

Waltham, Mass., February 28, 2013 – Kala Pharmaceuticals, Inc., a leading developer of innovative products that rapidly and effectively penetrate the mucosal barrier to treat a wide range of debilitating diseases, announced today that it has secured \$11.5 million in Series A equity financing through new and existing investors. New and lead investor, Crown Venture Fund, LLC, the venture capital arm of the Crown family of Chicago, joined Kala’s existing investors, including Lux Capital Management, Polaris Venture Partners and Third Rock Ventures. Proceeds from the financing will be used to advance a portfolio of innovative ophthalmic programs based on Kala’s Mucosal Penetrating Product (MPP) platform through clinical proof of concept.

"Kala's front of the eye drug delivery advantages and ability to topically deliver a wide variety of drugs to the back of the eye will transform the ophthalmology sector," said Richard Robb, a CVF representative. "Crown Venture Fund is pleased to join Kala’s existing investors and support this team of ophthalmology industry leaders."

"With Crown Venture Fund we are pleased to expand our circle of committed, long-term investors who recognize the significant potential of this breakthrough technology," said Guillaume Pfefer, Ph.D., Kala’s CEO. "This financing provides Kala with the resources to further deploy our technology as we focus our internal drug development efforts on innovative ophthalmic treatments while leveraging our platform to pursue collaborations for a range of other diseases where mucosal barriers have previously limited therapeutic efficacy. The potential breadth of this opportunity is evidenced by our recently announced collaboration with the Cystic Fibrosis Foundation."

The financing will enable Kala to continue to progress on two of its most advanced programs which focus on topical treatment of ocular inflammation and wet age-related macular degeneration (AMD). Beyond ocular diseases, Kala is pursuing collaborations with partners in other disease areas where its proprietary MPP platform can be applied to serious diseases that involve mucosal tissues such as the lung, the gastrointestinal tract, and the female reproductive system.

About Kala Pharmaceuticals

Kala Pharmaceuticals, Inc. is developing innovative products which are capable of penetrating mucosal barriers for the treatment of major diseases that affect the eyes, lungs, gastrointestinal tract, and female reproductive system. Mucosal barriers have been largely overlooked as a limitation for drug efficacy. Using the company’s proprietary technology platform, Kala’s Mucosal-Penetrating Products (MPPs) have the unique ability to rapidly and uniformly coat and permeate mucosal tissues leading to highly effective treatments with improved side effect profiles. The company is leveraging its platform as an internal product engine for a wide spectrum of potential applications, including treatments for respiratory, ophthalmic, female reproductive tract and gastrointestinal diseases. Kala is also pursuing

collaborations with partners to transform the therapeutic properties of marketed drugs and compounds in development. Kala was founded by leaders in the fields of nanomedicine and biopharmaceutical engineering, Dr. Justin Hanes of The Johns Hopkins University School of Medicine, Dr. Robert Langer of the Massachusetts Institute of Technology, and Dr. Colin Gardner formerly of TransForm Pharmaceuticals/Johnson & Johnson and Merck. The company is now backed by leading investors including Lux Capital, Polaris Venture Partners, Third Rock Ventures and, Crown Venture Fund, LLC. For more information, please visit www.kalarx.com.

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