Aerie Pharmaceuticals Reports Inducement Grant to Chief Executive Officer Under Nasdaq Listing Rule 5635(c)(4)

December 22, 2021

DURHAM, N.C.--(BUSINESS WIRE)--Dec. 22, 2021-- Aerie Pharmaceuticals, Inc. (NASDAQ: AERI), an ophthalmic pharmaceutical company focused on the discovery, development and commercialization of first-in-class therapies for the treatment of patients with open-angle glaucoma, ocular surface diseases and retinal diseases, today reports an inducement grant to Chief Executive Officer, Raj Kannan, appointed on December 16, 2021 with a start date of December 20, 2021.

In connection with his acceptance of the position of Chief Executive Officer, and in accordance with the terms of Mr. Kannan's employment agreement, Mr. Kannan will receive inducement equity awards with a grant date fair value of $5.5 million in the aggregate. These awards will be granted in two parts. The first set of awards, granted on December 20, 2021 and representing $3.5 million of grant date fair value, consists of 387,169 stock options that will vest over 4 years, with 25% vesting on the first anniversary of his start date and the remainder vesting ratably on each of the subsequent 36 monthly anniversaries of his start date, and 215,783 shares of restricted stock that will vest in substantially equal installments on each of the first four anniversaries of his start date. The second set of awards, representing $2.0 million of grant date fair value, will be granted at the same time as other senior executives receive an annual equity grant in February 2022, for which 50% of the value will be granted in the form of stock options that will vest over 4 years, with 25% vesting on the first anniversary of the date of grant and the remainder vesting ratably on each of the subsequent 36 monthly anniversaries of the date of grant, and 50% of the value will be granted in the form of performance-vested restricted shares, the vesting conditions of which remain subject to determination by the Compensation Committee of the Board of Directors of the Company.

These awards are being made outside of Aerie's stockholder-approved equity incentive plan and were approved by the Company's independent directors as an inducement material to Mr. Kannan entering into employment with the Company in reliance on Nasdaq Listing Rule 5635(c)(4), which requires this public announcement.

About Aerie Pharmaceuticals, Inc.

Aerie is an ophthalmic pharmaceutical company focused on the discovery, development and commercialization of first-in-class/best-in-class therapies for the treatment of patients with eye diseases and conditions including open-angle glaucoma, dry eye, diabetic macular edema and wet age-related macular degeneration. Aerie has two approved products, two Phase 3-ready programs, and an ongoing research program. More information about Aerie's products can be found at www.rhopressa.com and www.rocklatan.com. Aerie's first product, Rhopressa ® (netarsudil ophthalmic solution) 0.02%, a once-daily eye drop approved by the U.S. Food and Drug Administration (FDA) for the reduction of elevated intraocular pressure (IOP) in patients with open-angle glaucoma or ocular hypertension, was launched in the United States in April 2018. In clinical trials of Rhopressa®, the most common adverse reactions were conjunctival hyperemia, corneal verticillata, instillation site pain, and conjunctival hemorrhage. More information about Rhopressa®, including the product label, is available at www.rhopressa.com. Aerie's second product for the reduction of elevated IOP in patients with open-angle glaucoma or ocular hypertension, Rocklatan® (netarsudil and latanoprost ophthalmic solution) 0.02%/0.005%, the first and only fixed-dose combination of Rhopressa® and the widely-prescribed PGA (prostaglandin analog) latanoprost, was launched in the United States in May 2019. In clinical trials of Rocklatan®, the most common adverse reactions were conjunctival hyperemia, corneal verticillata, instillation site pain, and conjunctival hemorrhage. More information about Rocklatan®, including the product label, is available at www.rocklatan.com. Aerie continues to focus on the research and development of additional product candidates and technologies in ophthalmology. Rhopressa® and Rocklatan® are trademarks of Aerie. More information is available at www.aeriepharma.com.

Forward Looking Statement

This press release contains forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We may, in some cases, use terms such as "predicts," "believes," "potential," "proposed," "continue," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should," "exploring," "pursuing" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements in this release include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things: the duration and severity of the coronavirus disease (COVID-19) outbreak, including the impact on our clinical and commercial operations, demand for our products, our financial results and condition of our global supply chains; our expectations regarding the commercialization and manufacturing of Rhopressa®, Rocklatan®, Rhokiinsa® and Roclanda® or any product candidates, preclinical implants or future product candidates, including the success of any partnerships or collaborations entered in connection therewith, including the collaboration and license agreements entered into with Santen, and the timing, cost or other aspects of their commercial launch; our commercialization, marketing, manufacturing and supply management capabilities and strategies in and outside of the United States; the

success, timing and cost of our ongoing and anticipated preclinical studies and clinical trials for Rhopressa® and Rocklatan®, with respect to regulatory approval outside of the United States, and any product candidates, preclinical implants or future product candidates, including statements regarding the timing of initiation and completion of the studies and trials; our expectations regarding the effectiveness of Rhopressa®, Rocklatan®, Rhokiinsa®, Roclanda® or any product candidates, preclinical implants or future product candidates; the timing of and our ability to request, obtain and maintain FDA or other regulatory authority approval of, or other action with respect to, as applicable, Rhopressa®, Rocklatan® or any product candidates, preclinical implants or future product candidates; the potential advantages of Rhopressa® and Rocklatan® or any current or future product candidates; our plans to pursue development of additional product candidates and technologies; our plans to explore possible uses of our existing proprietary compounds beyond glaucoma, including development of our retina program; our ability to protect our proprietary technology and enforce our intellectual property rights or to develop new intellectual property; and our expectations regarding strategic operations, including our ability to in-license or acquire additional ophthalmic products, product candidates or technologies. In particular, statements in this press release regarding our development and commercialization agreements with Santen, and payments related thereto, are forward-looking statements. In addition, FDA approval of Rhopressa® and Rocklatan® and EMA approval of Rhokiinsa® and Roclanda® do not constitute regulatory approval of Rhopressa® and Rocklatan® in other jurisdictions, including EMA approval of Rhokiinsa® and Roclanda®, and there can be no assurance that we will receive regulatory approval for Rhopressa® and Rocklatan® in such other jurisdictions. Additionally, FDA approval of Rhopressa® and Rocklatan® do not constitute FDA approval of our product candidates, preclinical implants or future product candidates and there can be no assurance that we will receive FDA approval for our product candidates, preclinical implants or future product candidates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics, industry change and other factors beyond our control, and depend on regulatory approvals and economic and other environmental circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. We discuss many of these risks in greater detail under the heading “Risk Factors” in the quarterly and annual reports that we file with the Securities and Exchange Commission (SEC). Forward-looking statements are not guarantees of future performance and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this press release. Any forward-looking statements that we make in this press release speak only as of the date of this press release. We assume no obligation to update our forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

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