September 30, 2014

Aerie Announces Closing of $125 Million Convertible Notes Financing

BEDMINSTER, N.J. & RESEARCH TRIANGLE PARK, N.C. & NEWPORT BEACH, Calif.--(BUSINESS WIRE)-- **Aerie Pharmaceuticals, Inc. (NASDAQ:AERI)**, a clinical-stage pharmaceutical company focused on the discovery, development and commercialization of first-in-class glaucoma therapies, announced today that it has closed its $125 million financing with Deerfield Management Company L.P. ("Deerfield"), a current Aerie shareholder. Under the terms of the financing, the notes are secured and will accrue interest at a rate of 1.75% per annum until maturity in September of 2021. The notes are convertible at a conversion price representing a 30% premium over the closing price of Aerie stock on September 8, 2014, resulting in a conversion price of $24.80 per share.

Proceeds of the financing are expected to provide sufficient resources to complete all known clinical requirements for Aerie's development programs advancing Rhopressa™ and Roclatan™, and to commercialize Rhopressa™ later in 2017, pending successful outcome of the trials. Aerie also intends to use the proceeds in part for general corporate purposes and for strategic growth opportunities.

"Now that the Deerfield financing has closed, we have the financial resources to drive our lead clinical programs forward into commercialization while having the additional flexibility to execute our strategy of building a major ophthalmic pharmaceutical company," commented Vicente Anido, Jr., Ph.D., Chairman and Chief Executive Officer at Aerie.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

About Aerie Pharmaceuticals, Inc.

Aerie is a clinical-stage pharmaceutical company focused on the discovery, development and commercialization of first-in-class glaucoma therapies. The Company has commenced two Phase 3 registration trials in the United States for triple-action Rhopressa™, named "Rocket 1" and "Rocket 2," where the primary efficacy endpoint will be to demonstrate non-inferiority of IOP lowering for Rhopressa™ compared to timolol, and has now commenced a third Phase 3 safety trial, named "Rocket 3," in Canada.

The Company also recently completed a Phase 2b clinical trial for quadruple-action Roclatan™, which met the primary efficacy endpoint, demonstrating statistical superiority of Roclatan™ to each of its components. Roclatan™ is a fixed-dose combination of Rhopressa™ with latanoprost, the market-leading PGA, and if approved has the potential to be the most efficacious IOP-lowering therapy.

About Deerfield

Deerfield is a leading investment management firm, committed to advancing healthcare through investment, information and philanthropy. For more information, please visit www.deerfield.com.

Forward-Looking Statements

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" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things: the success, timing and cost of our ongoing and anticipated preclinical studies and clinical trials for our current product candidates, including statements regarding the timing of initiation and completion of the studies and trials;

our expectations regarding the clinical effectiveness of our product candidates and results of our clinical trials; the timing of and our ability to obtain and maintain U.S. Food and Drug Administration or other regulatory authority approval of, or other action with respect to, our product candidates; our expectations regarding the commercialization of our product candidates; our expectations related to the use of proceeds from our initial public offering; our estimates regarding anticipated capital requirements and our needs for additional financing; the potential advantages of our product candidates; and our ability to protect our proprietary technology and enforce our intellectual property rights. By their nature, forward-looking statements involve risks and uncertainties because they relate to events, competitive dynamics and industry change, and depend on regulatory approvals and economic 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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