EyePoint Pharmaceuticals Announces Stockholder Approval of Second Tranche of Capital Financing

June 25, 2018

- ***Expected closing of $25.5 million in capital to be used to accelerate EyePoint's transformation into a commercial-stage specialty biopharmaceutical company***

- ***Financing supports two near-term product launches anticipated in the first half of 2019***

WATERTOWN, Mass., June 25, 2018 (GLOBE NEWSWIRE) -- EyePoint Pharmaceuticals, Inc. (NASDAQ:EYPT), a specialty biopharmaceutical company committed to developing and commercializing innovative ophthalmic products, today announced that it has received stockholder approval for the second tranche of growth capital under a Securities Purchase Agreement (Second Tranche Transaction) with Essex Woodland (EW) Healthcare Partners, an established healthcare-focused investment firm, Rosalind Advisors, Inc., and another accredited investor (Second Tranche Investors). Under the agreement, the Company will offer and sell to the Second Tranche Investors an aggregate of approximately $25.5 million of units, with each Unit consisting of one share of common stock of the Company (Common Stock) and one warrant to purchase a share of Common Stock. The Second Tranche Transaction is expected to close on June 25, 2018.

Upon closing, and together with gross proceeds of approximately $9.5 million from the March 2018 equity financing with EW Healthcare Partners, EyePoint will have received total gross proceeds of $35.0 million. Assuming full exercise of the warrants, the total gross proceeds would reach $60.5 million. In addition, the Company intends to draw down an additional $5.0 million under the terms of its existing Credit Agreement with SWK Funding LLC, increasing the balance of the senior secured term loan to $20.0 million. Proceeds of the financing will be used to accelerate EyePoint's transformation into a commercial-stage specialty biopharmaceutical company. The Company anticipates two product launches in the first half of 2019, including DEXYCU™, the first and only U.S. Food and Drug Administration (FDA)-approved intraocular product administered as a single intraocular dose at the end of ocular surgery for the treatment of postoperative inflammation, and YUTIQ™ three-year treatment of non-infectious uveitis affecting the posterior segment of the eye. YUTIQ has been accepted for filing by the FDA and is currently under standard review with a Prescription Drug User Fee Act (PDUFA) date of November 5, 2018.

"EW Healthcare Partners recognizes the meaningful promise of DEXYCU and YUTIQ and EyePoint's platform technologies, and values the opportunity to further support the commercialization of DEXYCU and, if approved, YUTIQ, two innovative products in areas of high unmet medical need," said Ron Eastman, Managing Director of EW Healthcare Partners and a member of EyePoint's Board of Directors.

"With this additional capital, EyePoint is well-positioned to execute on our transition to a commercial-stage company, with two potential product launches anticipated in the first half of 2019," said Nancy Lurker, President and Chief Executive Officer of EyePoint Pharmaceuticals. "We appreciate the ongoing commitment of our stockholders and of EW Healthcare Partners and Rosalind Advisors, who recognize the value potential in our long-term vision. We look forward to executing on our commercialization plans and to fulfilling our promise of delivering ophthalmic products to patients with serious eye disorders."

About EyePoint Pharmaceuticals

EyePoint Pharmaceuticals, Inc. (formerly pSivida Corp.) (www.eyepointpharma.com), headquartered in Watertown, MA, is a specialty biopharmaceutical company committed to developing and commercializing innovative ophthalmic products in indications with high unmet medical need to help improve the lives of patients with serious eye disorders. The Company has developed three of only four FDA-approved sustained-release treatments for back-of-the-eye diseases. In addition, DEXYCU™ was approved by the FDA on February 9, 2018. DEXYCU, administered as a single intraocular dose at the end of ocular surgery for the treatment of postoperative inflammation, is the first and only FDA-approved intraocular product with this indication. DEXYCU employs EyePoint's Verisome™ extended-release drug delivery technology, which encompasses a broad number of related but distinct drug delivery systems capable of incorporating an extensive range of active agents, including small molecules, proteins and monoclonal antibodies. ILUVIEN® (fluocinolone acetonide intravitreal implant), a micro-insert for diabetic macular edema, licensed to Alimera Sciences, is currently sold directly in the U.S. and several EU countries. Retisert® (fluocinolone acetonide intravitreal implant), for posterior uveitis, is licensed to and sold by Bausch & Lomb. The New Drug Application (NDA) for EyePoint's lead product candidate, YUTIQ™ three-year treatment of non-infectious uveitis affecting the posterior segment of the eye, has been accepted for filing by the FDA and is currently under standard review with a Prescription Drug User Fee Act (PDUFA) date of November 5, 2018. The Company's pre-clinical development program is focused on using its core Durasert™ and Verisome platform technologies to deliver drugs to treat wet age-related macular degeneration, glaucoma, and other diseases. To learn more about the Company, please visit www.eyepointpharma.com and connect on Twitter, LinkedIn, Facebook and Google+.

About DEXYCU™

DEXYCU (dexamethasone intraocular suspension) 9% is indicated for the treatment of postoperative inflammation. WARNINGS AND PRECAUTIONS - Increase in Intraocular Pressure - Steroids should be used with caution in the presence of glaucoma. Delayed Healing - The use of steroids after cataract surgery may delay healing and increase the incidence of bleb formation. Exacerbation of Infection - The use of DEXYCU, as with other ophthalmic corticosteroids, is not recommended in the presence of most active viral diseases of the cornea and conjunctiva including epithelial herpes simplex keratitis (dendritic keratitis), vaccinia, and varicella, and also in mycobacterial infection of the eye and fungal disease of ocular structures. Use of a corticosteroid in the treatment of patients with a history of herpes simplex requires caution and may prolong the course and may exacerbate the severity of many viral infections. Fungal infections of the cornea are particularly prone to coincidentally develop with long-term local steroid application and must be considered in any persistent corneal ulceration where a steroid has been used or is in use. Fungal culture should be taken when appropriate. Prolonged use of corticosteroids may suppress the host response and thus increase the hazard of secondary ocular infections. In acute purulent conditions, steroids may mask infection or enhance existing infection. Cataract Progression – The use of corticosteroids in phakic individuals may promote the development of posterior subcapsular cataracts. ADVERSE REACTIONS - The most commonly reported adverse

reactions occurred in 5-15% of subjects and included increases in intraocular pressure, corneal edema and iritis. Please see full Prescribing Information.

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Various statements made in this release are forward-looking, and are inherently subject to risks, uncertainties and potentially inaccurate assumptions. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. Some of the factors that could cause actual results to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements include uncertainties with respect to: our ability to close the Second Tranche Transaction; our ability to achieve profitable operations and access to needed capital; fluctuations in our operating results; successful commercialization of, and receipt of revenues from, ILUVIEN® for diabetic macular edema, which depends on Alimera's ability to continue as a going concern; Alimera's ability to obtain additional marketing approvals and the effect of pricing and reimbursement decisions on sales of ILUVIEN; the number of clinical trials and data required for marketing approval for YUTIQ™ in the U.S.; our ability to use data in promotion for YUTIQ which includes clinical trials outside the U.S.; our ability to successfully commercialize DEXYCU™ in the U.S.; our ability to successfully build a commercial infrastructure and enter into commercial agreements for the launch of DEXYCU and YUTIQ, if approved; our ability to successfully commercialize YUTIQ, if approved, in the U.S.; potential off-label sales of ILUVIEN for uveitis; consequences of fluocinolone acetonide side effects; the development of our next-generation Durasert™ shorter-duration treatment for uveitis; potential declines in Retisert® royalties; our ability to market and sell products; the success of current and future license agreements, including our agreement with Alimera; termination or breach of current license agreements, including our agreement with Alimera; our dependence on contract research organizations, vendors and investigators; effects of competition and other developments affecting sales of products; market acceptance of products; effects of guidelines, recommendations and studies; protection of intellectual property and avoiding intellectual property infringement; retention of key personnel; product liability; industry consolidation; compliance with environmental laws; manufacturing risks; risks and costs of international business operations; effects of the potential U.K. exit from the EU; legislative or regulatory changes; volatility of stock price; possible dilution; absence of dividends; and other factors described in our filings with the Securities and Exchange Commission. You should read and interpret any forward-looking statements in light of these risks. Should known or unknown risks materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected in the forward-looking statements. You should bear this in mind as you consider any forward-looking statements. Our forward-looking statements speak only as of the dates on which they are made. We do not undertake any obligation to publicly update or revise our forward-looking statements even if experience or future changes makes it clear that any projected results expressed or implied in such statements will not be realized.

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