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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-36554

Ocular Therapeutix, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-5560161**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
24 Crosby Drive Bedford, MA	**01730**
(Address of principal executive offices)	**(Zip Code)**

(781) 357-4000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	OCUL	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 5, 2022, there were 76,966,889 shares of Common Stock, $0.0001 par value per share, outstanding.

Ocular Therapeutix, Inc.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, contained in this Quarterly Report on Form 10-Q, including statements regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management, are forward-looking statements. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "might," "plan," "predict," "project," "target," "potential," "goals," "will," "would," "could," "should," "continue" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this Quarterly Report on Form 10-Q include, among other things, statements about:

- our ongoing and planned clinical trials, including our Phase 1 clinical trials of OTX-TKI for the treatment of wet age-related macular degeneration, or wet AMD, our Phase 2 clinical trial of OTX-TIC for the reduction of intraocular pressure in patients with primary open-angle glaucoma or ocular hypertension, and our clinical trial to evaluate DEXTENZA® in pediatric subjects following cataract surgery in accordance with the U.S. Food and Drug Administration's post-approval requirement;
- our commercialization efforts for our product DEXTENZA;
- our plans to develop, seek regulatory approval for and commercialize OTX-TKI, OTX-TIC, OTX-DED, OTX-CSI and other product candidates based on our proprietary bioresorbable hydrogel technology platform;
- our ability to manufacture DEXTENZA and our product candidates in compliance with Current Good Manufacturing Practices and in sufficient quantities for our clinical trials and commercial use;
- the timing of and our ability to submit applications and obtain and maintain regulatory approvals for DEXTENZA and our product candidates;
- our estimates regarding future revenue; expenses; the sufficiency of our cash resources; our ability to fund our operating expenses, debt service obligations and capital expenditure requirements; and our needs for additional financing;
- our plans to raise additional capital, including through equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements, royalty agreements and marketing and distribution arrangements;
- the potential advantages of DEXTENZA, ReSure Sealant, and our product candidates;
- the rate and degree of market acceptance and clinical utility of our products;
- our ability to secure and maintain reimbursement for our products as well as the associated procedures to insert, implant or inject our products;
- our estimates regarding the market opportunity for DEXTENZA and our product candidates;
- our license agreement and collaboration with AffaMed Therapeutics Limited under which we are collaborating on the commercialization of DEXTENZA and our product candidate OTX-TIC in mainland China, Taiwan, Hong Kong, Macau, South Korea, and the countries of the Association of Southeast Asian Nations;
- our capabilities and strategy, and the costs and timing of manufacturing, sales, marketing, distribution and other commercialization efforts with respect to DEXTENZA, ReSure Sealant and any additional products for which we may obtain marketing approval in the future;
- our intellectual property position;

- our ability to identify additional products, product candidates or technologies with significant commercial potential that are consistent with our commercial objectives;
- the impact of government laws and regulations;
- the costs and outcomes of legal actions and proceedings;
- uncertainty regarding the extent to which the COVID-19 pandemic and related response measures will adversely affect our business, results of operations and financial condition; and
- our competitive position.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Quarterly Report on Form 10-Q, particularly in Part II, Item 1A — Risk Factors section, and in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission, or the SEC, on February 28, 2022, that could cause actual results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, licensing agreements, collaborations, or investments we may make.

You should read this Quarterly Report on Form 10-Q, the documents that we have filed as exhibits to this Quarterly Report on Form 10-Q, and our other periodic reports completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements included in this Quarterly Report on Form 10-Q are made as of the date of this Quarterly Report on Form 10-Q. We do not assume, and we expressly disclaim, any obligation or undertaking to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

This Quarterly Report on Form 10-Q includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. All of the market data used in this Quarterly Report on Form 10-Q involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such data. While we believe that the information from these industry publications, surveys and studies is reliable, we have not independently verified such data. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of important factors, including those described in the section titled “Risk Factors.”

This Quarterly Report on Form 10-Q contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Quarterly Report and the documents incorporated by reference herein may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Ocular Therapeutix, Inc.

Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(Unaudited)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 134,539	$ 164,164
Accounts receivable, net	20,482	21,135
Inventory	1,500	1,250
Prepaid expenses and other current assets	3,801	4,751
Total current assets	160,322	191,300
Property and equipment, net	6,680	6,956
Restricted cash	1,764	1,764
Operating lease assets	4,305	4,867
Total assets	$ 173,071	$ 204,887
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,703	$ 4,592
Accrued expenses and other current liabilities	19,450	20,121
Deferred revenue	1,189	—
Operating lease liabilities	1,771	1,624
Total current liabilities	26,113	26,337
Other liabilities:		
Operating lease liabilities, net of current portion	4,999	5,924
Derivative liability	10,461	20,192
Deferred revenue, net of current portion	13,000	13,000
Notes payable, net of discount	25,128	25,000
2026 convertible notes, net	27,567	26,435
Total liabilities	107,268	116,888
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 5,000,000 shares authorized and no shares issued or outstanding at June 30, 2022 and December 31, 2021, respectively	—	—
Common stock, $0.0001 par value; 200,000,000 shares authorized and 76,910,026 and 76,731,940 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	8	8
Additional paid-in capital	642,907	633,795
Accumulated deficit	(577,112)	(545,804)
Total stockholders' equity	65,803	87,999
Total liabilities and stockholders' equity	$ 173,071	$ 204,887

The accompanying notes are an integral part of these condensed consolidated financial statements.

Ocular Therapeutix, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue:				
Product revenue, net	$ 12,144	$ 11,718	$ 24,642	$ 19,061
Collaboration revenue	122	—	811	—
Total revenue, net	12,266	11,718	25,453	19,061
Costs and operating expenses:				
Cost of product revenue	1,155	1,096	2,454	1,988
Research and development	13,100	13,859	26,200	24,786
Selling and marketing	10,140	8,391	19,203	16,477
General and administrative	7,787	8,603	15,344	16,268
Total costs and operating expenses	32,182	31,949	63,201	59,519
Loss from operations	(19,916)	(20,231)	(37,748)	(40,458)
Other income:				
Interest income	73	8	89	20
Interest expense	(1,696)	(1,655)	(3,378)	(3,335)
Change in fair value of derivative liability	2,773	13,396	9,731	38,412
Other income (expense), net	—	1	(2)	1
Total other income, net	1,150	11,750	6,440	35,098
Net loss	$ (18,766)	$ (8,481)	$ (31,308)	$ (5,360)
Net loss per share, basic	$ (0.24)	$ (0.11)	$ (0.41)	$ (0.07)
Weighted average common shares outstanding, basic	76,764,296	76,324,367	76,755,028	76,198,384
Net loss per share, diluted	$ (0.25)	$ (0.25)	$ (0.47)	$ (0.51)
Weighted average common shares outstanding, diluted	82,533,528	82,093,599	82,524,260	81,967,616

The accompanying notes are an integral part of these condensed consolidated financial statements.

Ocular Therapeutix, Inc.

Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net loss	$ (31,308)	$ (5,360)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation expense	8,490	7,378
Non-cash interest expense	2,391	2,282
Change in fair value of derivative liability	(9,731)	(38,412)
Depreciation and amortization expense	1,109	1,257
Loss on disposal of property and equipment	2	—
Changes in operating assets and liabilities:		
Accounts receivable	653	(6,482)
Prepaid expenses and other current assets	950	(167)
Inventory	(250)	89
Operating lease assets	562	466
Accounts payable	(809)	1,255
Accrued expenses	(1,946)	928
Deferred revenue	1,189	—
Operating lease liabilities	(778)	(649)
Net cash used in operating activities	(29,476)	(37,415)
Cash flows from investing activities:		
Purchases of property and equipment	(771)	(287)
Net cash used in investing activities	(771)	(287)
Cash flows from financing activities:		
Proceeds from issuance of notes payable, net	—	3,722
Proceeds from exercise of stock options	140	1,735
Proceeds from issuance of common stock pursuant to employee stock purchase plan	482	490
Issuance costs from the issuance of common stock upon public offering	—	(275)
Repayment of notes payable	—	(4,167)
Net cash provided by financing activities	622	1,505
Net decrease in cash, cash equivalents and restricted cash	(29,625)	(36,197)
Cash, cash equivalents and restricted cash at beginning of period	165,928	229,821
Cash, cash equivalents and restricted cash at end of period	$ 136,303	$ 193,624
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 990	$ 1,065
Supplemental disclosure of non-cash investing and financing activities:		
Additions to property and equipment included in accounts payable and accrued expenses	$ 245	$ 8

The accompanying notes are an integral part of these condensed consolidated financial statements.

Ocular Therapeutix, Inc.

Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Par Value			
Balances at December 31, 2021	76,731,940	$ 8	$ 633,795	$ (545,804)	$ 87,999
Issuance of common stock upon exercise of stock options	27,674	—	129	—	129
Stock-based compensation expense	—	—	4,209	—	4,209
Net loss	—	—	—	(12,542)	(12,542)
Balances at March 31, 2022	76,759,614	$ 8	$ 638,133	$ (558,346)	$ 79,795
Issuance of common stock upon exercise of stock options	9,469	—	11	—	11
Issuance of common stock in connection with employee stock purchase plan	140,943	—	482	—	482
Stock-based compensation expense	—	—	4,281	—	4,281
Net loss	—	—	—	(18,766)	(18,766)
Balances at June 30, 2022	76,910,026	$ 8	$ 642,907	$ (577,112)	$ 65,803

The accompanying notes are an integral part of these condensed consolidated financial statements.

Ocular Therapeutix, Inc.

Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Par Value			
Balances at December 31, 2020	75,996,732	$ 8	$ 615,338	$ (539,251)	$ 76,095
Issuance of common stock upon exercise of stock options	228,241	—	1,197	—	1,197
Issuance of common stock upon cashless exercise of warrant	11,737	—	—	—	—
Issuance costs associated with common stock public offering	—	—	(91)	—	(91)
Stock-based compensation expense	—	—	3,086	—	3,086
Net income	—	—	—	3,121	3,121
Balances at March 31, 2021	76,236,710	$ 8	$ 619,530	$ (536,130)	$ 83,408
Issuance of common stock upon exercise of stock options	177,256	—	538	—	538
Issuance of common stock in connection with employee stock purchase plan	40,631	—	490	—	490
Stock-based compensation expense	—	—	4,292	—	4,292
Net loss	—	—	—	(8,481)	(8,481)
Balances at June 30, 2021	76,454,597	$ 8	$ 624,850	$ (544,611)	$ 80,247

The accompanying notes are an integral part of these condensed consolidated financial statements.

Ocular Therapeutix, Inc.

Notes to the Condensed Consolidated Financial Statements
(Amounts in thousands, except share and per share data)
(Unaudited)

1. Nature of the Business and Basis of Presentation

Ocular Therapeutix, Inc. (the "Company") was incorporated on September 12, 2006 under the laws of the State of Delaware. The Company is a biopharmaceutical company focused on the formulation, development and commercialization of innovative therapies for diseases and conditions of the eye using its proprietary, bioresorbable hydrogel platform technology. The Company's product candidates are designed to provide differentiated drug delivery solutions that reduce the complexity and burden of the current standard of care by creating local programmed-release alternatives. Since inception, the Company's operations have been primarily focused on organizing and staffing the Company, acquiring rights to intellectual property, business planning, raising capital, developing its technology, identifying product candidates, undertaking preclinical studies and clinical trials, manufacturing its products and product candidates, building its sales and marketing infrastructure for the commercialization of the Company's approved products and product candidates, and commercializing its approved products.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with government regulations, regulatory approval and compliance, reimbursement, uncertainty of market acceptance of products and the need to obtain additional financing. Newly-approved products will require significant sales, marketing and distribution support up to and including upon their launch. Product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval, prior to commercialization.

As of June 30, 2022, the Company had two U.S. Food and Drug Administration ("FDA")-approved products in commercialization in the United States: DEXTENZA® (dexamethasone insert) 0.4mg, an intracanalicular insert for the treatment of post-surgical ocular inflammation and pain and ocular itching associated with allergic conjunctivitis, and ReSure® Sealant, an ophthalmic device designed to prevent wound leaks in corneal incisions following cataract surgery. While ReSure Sealant is commercially available in the United States, it does not receive sales support, is not currently being manufactured by the Company, and has not in the past generated, nor is it anticipated to in the future to generate, material revenues. The Company's most advanced product candidates are in either Phase 1 or Phase 2 of clinical stage development. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained, that any products developed will obtain necessary government regulatory approval and adequate reimbursement or that any approved products will be commercially viable. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will generate significant revenue from product sales. The Company operates in an environment of rapidly changing technology and substantial competition from pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees and consultants. The Company may not be able to generate significant revenue from sales of any product for several years, if at all. Accordingly, the Company will need to obtain additional capital to finance its operations.

The Company has incurred losses and negative cash flows from operations since its inception, and the Company expects to continue to generate operating losses and negative cash flows from operations in the foreseeable future. As of June 30, 2022, the Company had an accumulated deficit of $577,112. Based on its current plans and forecasted expenses, which include estimates related to anticipated cash inflows from DEXTENZA product sales and cash outflows from operating expenses, the Company believes that its existing cash and cash equivalents of $134,539, as of June 30, 2022, will enable it to fund its planned operating expenses, debt service obligations and capital expenditure requirements through at least the next 12 months from the date of these condensed consolidated financial statements. The future viability of the Company beyond that point is dependent on its ability to generate cash flows from the sale of DEXTENZA and raise additional capital to finance its operations. The Company will need to finance its operations through public or private securities offerings, debt financings, royalty financings or other sources, which may include licensing, collaborations or other strategic transactions or arrangements. Although the Company has been successful in raising capital in the past, there is no assurance that it will be successful in obtaining such additional financing on terms acceptable to the Company, if at all. If the Company is unable to obtain funding, the Company could be forced to delay,

reduce or eliminate some or all of its research and development programs for product candidates, product portfolio expansion or commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The significant accounting policies used in preparation of these financial statements are consistent with those described in Note 2 - Summary of Significant Accounting Policies in our 2021 Annual Report on Form 10-K.

Unaudited Interim Financial Information

The balance sheet at December 31, 2021 was derived from audited financial statements but does not include all disclosures required by GAAP. The accompanying unaudited financial statements as of June 30, 2022 and for the three and six months ended June 30, 2022 and 2021 have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the Company's audited financial statements and the notes thereto for the year ended December 31, 2021 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the Company's financial position as of June 30, 2022 and results of operations and cash flows for the three and six months ended June 30, 2022 and 2021 have been made. The results of operations for the three and six months ended June 30, 2022 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2022.

Effects of COVID-19

The pandemic caused by an outbreak of a new strain of coronavirus, (the "COVID-19 pandemic") that is affecting the U.S. and global economy and financial markets and the related responses of government, businesses and individuals are impacting our employees, patients, customers, communities and business operations. The implementation of travel bans and restrictions, quarantines, shelter-in-place/stay-at-home and social distancing orders and shutdowns, for example, affected our business in 2020 and 2021. During the first half of 2022, the COVID-19 pandemic and related employee recruitment and retention challenges for ambulatory surgical centers ("ASCs"), and hospital out-patient departments ("HOPDs") slowed the overall pace of cataract procedures performed in the United States, thereby reducing the number of opportunities for ophthalmologists to use DEXTENZA as a treatment for post-surgical ocular inflammation and pain. In addition, recruitment and retention challenges with regards to the Company's own sales force have adversely affected its ability to market DEXTENZA to ophthalmologists and in the office setting. The full extent to which the COVID-19 pandemic will continue to directly or indirectly impact the Company's business, results of operations and financial condition and those of the Company's customers, vendors, suppliers, and collaboration partners will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets. Management continues to actively monitor this situation and the possible effects on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. For additional information on risks posed by the COVID-19 pandemic, please see "Item 1A — Risk Factors — Risks Related to the Coronavirus Pandemic," included our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 28, 2022.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in these financial statements include, but are not

limited to, revenue recognition, clinical trial accruals and the fair value of derivatives. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Actual results may differ from these estimates.

Concentration of Credit Risk and of Significant Suppliers and Customers

The Company is dependent on a small number of third-party manufacturers to supply products for research and development activities in its preclinical and clinical programs and for sales of its products. The Company's development programs as well as revenue from future product sales could be adversely affected by a significant interruption in the supply of any of the components of these products.

For the three and six months ended June 30, 2022, four specialty distributor customers accounted for 41%, 26%, 17%, and 10%, and three specialty distributor customers accounted for 41%, 25% and 20%, respectively, of the Company's total product revenue, and no other customer accounted for more than 10% of the Company's total product revenue. At June 30, 2022, four specialty distributor customers accounted for 46%, 25%, 16% and 10% of the Company's total accounts receivable and no other customer accounted for more than 10% of the Company's total accounts receivable at June 30, 2022.

For the three and six months ended June 30, 2021, three specialty distributor customers accounted for 45%, 28%, and 15%, and 45%, 25% and 14%, respectively, of the Company's total product revenue, and no other customer accounted for more than 10% of the Company's total product revenue.

At December 31, 2021, three specialty distributor customers accounted for 42%, 26% and 21% of the Company's total accounts receivable. No other customer accounted for more than 10% of total accounts receivable for the year ended December 31, 2021.

Recently Adopted Accounting Pronouncements

Effective January 1, 2022, the Company adopted ASU No. 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40), which amends the guidance on convertible instruments and the derivatives scope exception for contracts in an entity's own equity and improves and amends the related earnings per share guidance for both Subtopics. The adoption of this standard did not have any impact on the Company's condensed consolidated financial statements.

3. Fair Value of Financial Assets and Liabilities

The following tables present information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2022 and December 31, 2021 and indicate the level of the fair value hierarchy utilized to determine such fair value:

	Fair Value Measurements as of June 30, 2022 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 32,424	$ —	$ —	$ 32,424
Liability:				
Derivative liability (Note 7)	$ —	$ —	$ 10,461	$ 10,461

	Fair Value Measurements as of December 31, 2021 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 62,392	$ —	$ —	$ 62,392
Liability:				
Derivative liability (Note 7)	$ —	$ —	$ 20,192	$ 20,192

4. Restricted Cash

The Company held restricted cash of $1,764 at June 30, 2022 and December 31, 2021, on its condensed consolidated balance sheet. The Company held restricted cash as security deposits for the lease of its research and development space, manufacturing space and corporate headquarters.

The Company's condensed consolidated statements of cash flows include restricted cash with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on such statements. A reconciliation of the cash, cash equivalents, and restricted cash reported within the balance sheet that sum to the total of the same amounts shown in the condensed consolidated statement of cash flows is as follows:

	June 30, 2022	June 30, 2021
Cash and cash equivalents	$ 134,539	$ 191,860
Restricted cash	1,764	1,764
Total cash, cash equivalents and restricted cash	$ 136,303	$ 193,624

5. Inventory

The Company values its inventories at the lower of cost or estimated net realizable value.

Inventory consisted of the following:

	June 30, 2022	December 31, 2021
Raw materials	$ 325	$ 388
Work-in-process	662	605
Finished goods	513	257
	$ 1,500	$ 1,250

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities as of June 30, 2022 and December 31, 2021 consisted of the following:

	June 30, 2022	December 31, 2021
Accrued payroll and related expenses	$ 4,747	$ 6,597
Accrued rebates and programs	3,260	3,615
Accrued professional fees	1,081	1,227
Accrued research and development expenses	1,683	1,102
Accrued interest payable on 2026 convertible notes	7,606	6,475
Accrued other	1,073	1,105
	$ 19,450	$ 20,121

7. Derivative Liability

The unsecured senior subordinated convertible notes (the “2026 Convertible Notes”) (Note 8) contains an embedded conversion option that meets the criteria to be bifurcated and accounted for separately (the “Derivative Liability”) from the 2026 Convertible Notes. The Derivative Liability was recorded at fair value upon the issuance of the 2026 Convertible Notes and is subsequently remeasured to fair value at each reporting period. The Derivative Liability was initially valued and remeasured using a “with-and-without” method. The “with-and-without” methodology involves valuing the whole instrument on an as-is basis and then valuing the instrument without the embedded conversion option. The difference between the entire instrument with the embedded conversion option compared to the instrument without the embedded conversion option is the fair value of the derivative, recorded as the Derivative Liability in the Company’s condensed consolidated balance sheet.

The estimated fair value of the 2026 Convertible Notes was $41,092 at June 30, 2022. The fair value of the 2026 Convertible Notes was estimated utilizing a binomial lattice model which requires the use of Level 3 unobservable inputs. The main inputs when determining the fair value for disclosure purposes are the common stock price and bond yield which are updated each period to reflect the yield of a comparable instrument issued as of the valuation date. The estimated fair value presented is not necessarily indicative of an amount that could be realized in a current market exchange. The use of alternative inputs and estimation methodologies could have a material effect on these estimates of fair value. The main inputs to valuing the 2026 Convertible Notes with the conversion option are as follows:

	As of	
	June 30, 2022	December 31, 2021
Company's stock price	$ 4.02	$ 6.97
Expected annual volatility	80.7 %	82.6 %
Bond yield	16.4 %	12.6 %

A roll-forward of the derivative liability is as follows:

	As of June 30, 2022
Balance at December 31, 2021	$ 20,192
Change in fair value	(9,731)
Balance at June 30, 2022	$ 10,461

8. Convertible Notes

On March 1, 2019, the Company issued $37,500 of 2026 Convertible Notes. Each 2026 Convertible Note accrues interest at an annual rate of 6% of its outstanding principal amount, which is payable, along with the principal amount at maturity, on March 1, 2026, unless earlier converted, repurchased or redeemed. The Company presents accrued interest in accrued current liabilities because the 2026 Convertible Notes are currently convertible and the interest is payable in cash. The effective annual interest rate for the 2026 Convertible Notes was 14.8% through June 30, 2022.

The holders of the 2026 Convertible Notes may convert all or part of the outstanding principal amount of their 2026 Convertible Notes into shares of the Company's common stock, par value $0.0001 per share, prior to maturity and provided that no conversion results in a holder beneficially owning more than 19.99% of the issued and outstanding common stock of the Company. The conversion rate is 153.8462 shares of the Company's common stock per $1,000 principal amount of the 2026 Convertible Notes, which is equivalent to an initial conversion price of $6.50 per share. The conversion rate is subject to adjustment in customary circumstances such as stock splits or similar changes to the Company's capitalization.

At its election, the Company may choose to make such conversion payment in cash, in shares of common stock, or a combination thereof. Upon any conversion of any 2026 Convertible Note, the Company is obligated to make a cash payment to the holder of such 2026 Convertible Note for any interest accrued but unpaid on the principal amount converted. Upon the occurrence of a Corporate Transaction (as defined below), each holder has the option to require the Company to repurchase all or part of the outstanding principal amount of such note at a repurchase price equal to 100% of the outstanding principal amount of the 2026 Convertible Note to be repurchased, plus accrued and unpaid interest to but excluding the repurchase date. In addition, each holder is entitled to receive an additional make-whole cash payment in accordance with a table set forth in each 2026 Convertible Note.

Upon conversion by the holder, the Company has the right to select the settlement of the conversion in shares of common stock, cash, or in a combination thereof. In addition, the Company is obligated to make a cash payment to the holder of such 2026 Convertible Note for any interest accrued but unpaid on the principal amount converted.

- If the Company elects to satisfy such conversion by shares of common stock, the Company shall deliver to the converting holder in respect of each $1,000 principal amount of 2026 Convertible Notes being converted a number of common shares equal to the conversion rate in effect on the conversion date;

- If the Company elects to satisfy such conversion by cash settlement, the Company shall pay to the converting holder in respect of each $1,000 principal amount of 2026 Convertible Notes being converted cash in an amount equal to the sum of the Daily Conversion Values (as defined below) for each of the twenty (20) consecutive trading days during a specified period. The "Daily Conversion Values" is defined as each of the 20 consecutive trading days during the specified period, 5.0% of the product of (a) the conversion rate on such trading day and (b) the Daily VWAP on such trading day. The Daily VWAP is defined as each of the 20 consecutive trading days during the applicable observation period, the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on the Bloomberg page for the Company.

- If the Company elects to satisfy such conversion by combination, the Company shall pay or deliver, as the case may be, in respect of each $1,000 principal amount of 2026 Convertible Notes being converted, a settlement amount equal to the sum of the Daily Settlement Amounts (as defined below) for each of the twenty (20) consecutive trading days during the specified period. The "Daily Settlement Amount" is defined as, for each of the 20 consecutive trading days during the specified period: (a) cash

in an amount equal to the lesser of (i) the Daily Measurement Value (as defined below) and (ii) the Daily Conversion Value on such Trading Day; and (b) if the Daily Conversion Value on such trading day exceeds the Daily Measurement Value, a number of shares equal to (i) the difference between the Daily Conversion Value and the Daily Measurement Value, divided by (ii) the Daily VWAP for such Trading Day. The "Daily Measurement Value" is defined as the Specified Dollar Amount (as defined below), if any, divided by 20. The "Specified Dollar Amount" is defined as the maximum cash amount per $1,000 principal amount of Notes to be received upon conversion as specified in the notice specifying the Company's chosen settlement method.

In the event of a Corporate Transaction, the noteholder shall have the right to either (a) convert all of the unpaid principal at the conversion rate and receive a cash payment equal to (i) the outstanding accrued but unpaid interest under the 2026 Convertible Note to, but excluding, the corporate transaction conversion date (to the extent such date occurs prior to March 1, 2026, the maturity date of the 2026 Convertible Notes) plus (ii) an additional amount of consideration based on a sliding scale depending on the date of such as Corporate transaction or (b) require the Company to repurchase all or part of the outstanding principal amount of such 2026 Convertible Note at a repurchase price equal to 100% of the outstanding principal amount of the 2026 Convertible Note to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

A corporate transaction includes (i) a merger or consolidation executed through a tender offer or change of control (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation); (ii) a sale, lease, transfer, of all or substantially all of the assets of the Company; or (iii) if the Company's common stock ceases to be listed or quoted on any of the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (the "Corporate Transaction").

On or after March 1, 2022, if the last reported sale price of the common stock has been at least 130% of the conversion rate then in effect for 20 of the preceding 30 trading days (including the last trading day of such period), the Company is entitled, at its option, to redeem all or part of the outstanding principal amount of the 2026 Convertible Notes, on a pro rata basis, at an optional redemption price equal to 100% of the outstanding principal amount of the 2026 Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the optional redemption date.

The 2026 Convertible Notes are subject to acceleration upon the occurrence of specified events of default, including a default or breach of certain contracts material to the Company and the delisting and deregistration of the Company's common stock.

As discussed in Note 7, the Company determined that the embedded conversion option is required to be separated from the 2026 Convertible Notes and accounted for as a freestanding derivative instrument subject to derivative accounting. The allocation of proceeds to the conversion option results in a discount on the 2026 Convertible Notes. The Company is amortizing the discount to interest expense over the term of the 2026 Convertible Notes using the effective interest method.

The terms and conditions of the 2026 Convertible Notes are described in the Company's periodic reports including its Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 28, 2022.

A summary of the 2026 Convertible Notes at June 30, 2022 and December 31, 2021 is as follows:

	June 30, 2022	December 31, 2021
2026 Convertible Notes	$ 37,500	$ 37,500
Less: unamortized discount	(9,933)	(11,065)
Total	$ 27,567	$ 26,435

Accrued interest related to the 2026 Convertible Notes amounted to $7,606 and $6,475 at June 30, 2022 and December 31, 2021, respectively.

9. Income Taxes

The Company did not provide for any income taxes in its condensed consolidated statement of operations and comprehensive income (loss) for the three and six month periods ended June 30, 2022 or 2021. The Company has provided a valuation allowance for the full amount of its net deferred tax assets because, at June 30, 2022 and December 31, 2021, it was more likely than not that any future benefit from deductible temporary differences and net operating loss and tax credit carryforwards would not be realized.

10. Collaboration Agreements

AffaMed License Agreement

In October 2020, the Company entered into a license agreement with AffaMed Therapeutics Limited ("AffaMed") for the development and commercialization of the Company's DEXTENZA product regarding ocular inflammation and pain following cataract surgery and ocular itching associated with allergic conjunctivitis and for the Company's OTX-TIC product candidate (collectively with DEXTENZA, the "AffaMed Licensed Products") regarding open-angle glaucoma or ocular hypertension, in each case in mainland China, Taiwan, Hong Kong, Macau, South Korea, and the countries of the Association of Southeast Asian Nations. The Company and AffaMed subsequently amended the license agreement in October 2021 (as amended, the "License Agreement"). The Company retains development and commercialization rights for the AffaMed Licensed Products in the rest of the world.

The terms and conditions of the License Agreement are described in the Company's periodic reports including its Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022.

The Company recognized $122 and $811 of collaboration revenue related to the performance obligation to conduct a Phase 2 clinical trial of OTX-TIC under the License Agreement for the three and six months ended June 30, 2022. During the three months ended March 31, 2022, the Company invoiced AffaMed $2,000 for a clinical trial support payment, under the License Agreement, in connection with the initiation of the OTX-TIC Phase 2 clinical trial. The Company concluded this clinical support payment was no longer constrained and has allocated the amount to the performance obligation to conduct a Phase 2 clinical trial of OTX-TIC. As of June 30, 2022, the aggregate amount of the transaction price allocated to performance obligations that are partially unsatisfied was $1,189. This amount is expected to be recognized as performance obligations are satisfied through June 2023.

For the Phase 2 clinical trial of OTX-TIC, performance obligation revenue is recognized under an input method using the ratio of effort incurred to date compared to the total estimated effort required to complete the performance obligation. The calculation of the total estimated effort includes the total amount of forecasted costs associated with the completion of the Phase 2 clinical trial, as well as the assumed timing of this activity. Such cost estimates include forecasted direct labor and material costs, subcontractor costs, and external contract research organization, or CRO, costs.

Deferred revenue activity for the six months ended June 30, 2022 was as follows:

	Deferred Revenue
Deferred revenue at December 31, 2021	$ 13,000
Additions	2,000
Amounts recognized into revenue	(811)
Deferred revenue at June 30, 2022	$ 14,189

As of June 30, 2022, the aggregate amount of the transaction price allocated to DEXTENZA product and OTX-TIC product performance obligations that are partially unsatisfied was $13,000. This amount is expected to be recognized as performance obligations are satisfied. The Company recognizes revenue related to the amounts allocated to the combined performance obligations for the development and commercialization of the Company's DEXTENZA product regarding ocular inflammation and pain following cataract surgery and allergic conjunctivitis and the Company's OTX-TIC product candidate based on the point in time upon which control of supply is transferred to

AffaMed for each delivery of the associated supply. The Company currently expects to recognize the revenue over a period of approximately seven to eight years commencing on the date the Company begins delivering product to AffaMed. This estimate of this period considers the timing of development and commercial activities under the License Agreement and may be reduced or increased based on the various activities as directed by the joint committees, decisions made by AffaMed, regulatory feedback or other factors not currently known.

11. Notes Payable

The Company entered into a credit and security agreement in 2014 (as amended to date, the "Credit Agreement") establishing the Company's credit facility (the "Credit Facility"). Under the Credit Facility, the Company has a total borrowing capacity of $25,000, which was fully drawn down as of June 30, 2022. The carrying value of the Company's variable interest rate notes payable are recorded at amortized cost, which approximates fair value due to their short-term nature.

The terms and conditions of the Credit Agreement and the Credit Facility are described in the Company's periodic reports including its Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022.

Borrowings outstanding are as follows:

	June 30, 2022	December 31, 2021
Borrowings outstanding	$ 25,000	$ 25,000
Accrued exit fee	222	110
Unamortized discount	(94)	(110)
Long-term notes payable	$ 25,128	$ 25,000

As of June 30, 2022, the annual requirement for the repayment of principal for the Credit Facility, inclusive of the final payment of $875 due at expiration, was as follows:

Year Ending December 31,	Principal	Final Payment	Total
2022 (July 1 to December 31)	—	—	—
2023	—	—	—
2024	8,333	—	8,333
2025	16,667	875	17,542
	$ 25,000	$ 875	$ 25,875

12. Net Loss Per Share

Basic net loss per share was calculated as follows for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator:				
Net loss attributable to common stockholders	$ (18,766)	$ (8,481)	$ (31,308)	$ (5,360)
Denominator:				
Weighted average common shares outstanding, basic	76,764,296	76,324,367	76,755,028	76,198,384
Net loss per share - basic	$ (0.24)	$ (0.11)	$ (0.41)	$ (0.07)

Diluted net loss per share was calculated as follows for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net loss attributable to common stockholders, basic	$ (18,766)	$ (8,481)	$ (31,308)	$ (5,360)
Interest expense on 2026 Convertible Notes	1,141	1,095	2,264	2,173
Change in fair value of derivative liability	(2,773)	(13,396)	(9,731)	(38,412)
Net loss attributable to common stockholders, diluted	$ (20,398)	$ (20,782)	$ (38,775)	$ (41,599)
Weighted average common shares outstanding, basic	76,764,296	76,324,367	76,755,028	76,198,384
Shares issuable upon conversion of 2026 Convertible Notes, as if converted	5,769,232	5,769,232	5,769,232	5,769,232
Weighted average common shares outstanding, diluted	82,533,528	82,093,599	82,524,260	81,967,616
Net loss per share attributable to common stockholders, diluted	$ (0.25)	$ (0.25)	$ (0.47)	$ (0.51)

The Company excluded the following common stock equivalents and restricted stock units, outstanding as of June 30, 2022 and 2021, from the computation of diluted net loss per share for the six months ended June 30, 2022 and 2021 because they had an anti-dilutive impact.

	Six Months Ended June 30,	
	2022	2021
Options to purchase common stock	13,892,884	11,049,287
Restricted stock units	1,017,111	—
	14,909,995	11,049,287

13. Stock-Based Awards

2021 Stock Incentive Plan

The 2021 Stock Incentive Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units, stock appreciation rights and other stock-based awards. Upon its adoption, the number of shares of common stock authorized for issuance under the 2021 Stock Incentive Plan equaled the total of 6,000,000 shares of common stock plus up to the sum of 456,334 shares remaining available for grant under the 2014 Stock Incentive Plan (the "2014 Plan") as of immediately prior to the effective date of the 2021 Plan and 9,766,336 shares subject to awards granted under the 2014 Plan or the Company's 2006 Stock Incentive Plan, which awards expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by the Company at their original issuance price pursuant to a contractual repurchase right (subject to certain limitations).

At the Company's 2022 Annual Meeting of Stockholders held on June 16, 2022, the Company's stockholders approved an amendment to the 2021 Stock Incentive Plan (as amended, the "2021 Plan") to increase the number of shares of common stock authorized for issuance under the 2021 Plan by 3,600,000 shares. As of June 30, 2022, 5,837,806 shares of common stock remained available for issuance under the 2021 Plan.

Stock Option Awards for the Three and Six months Ended June 30, 2022

During the three and six months ended June 30, 2022, the Company granted options to purchase 557,050 and 3,419,253 shares of common stock, at a weighted exercise price of $3.69 and $5.02, respectively, per share under the 2021 Plan.

Restricted Stock Units (RSU) Awards for the Three and Six months Ended June 30, 2022

During the three and six months ended June 30, 2022, the Company granted 120,404 and 1,054,883 restricted stock units ("RSUs"), respectively, under the 2021 Plan. Each RSU is equivalent to one share of common stock upon vesting. Each RSU award vests on an annual basis over a three-year period. Holders of RSUs are not entitled to vote on any matters and are not entitled to dividends. The Company has determined the fair value of each RSU based on the closing price of the Company's common stock on the date of grant and recognizes the compensation expense using the straight-line method over the service period, which coincides with the vesting period.

Stock-based Compensation Expense

The Company recorded stock-based compensation expense related to stock options and RSUs in the following expense categories of its condensed consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Research and development	$ 1,036	$ 1,206	$ 2,098	$ 1,883
Selling and marketing	1,191	1,129	2,329	1,883
General and administrative	2,054	1,957	4,063	3,612
	$ 4,281	$ 4,292	$ 8,490	$ 7,378

As of June 30, 2022, the Company had an aggregate of $25,612 of unrecognized stock-based compensation cost, which is expected to be recognized over a weighted average period of 2.7 years.

14. Related Party Transactions

In November 2020, the Company engaged Specialty Pharma Consulting, LLC ("Specialty Pharma"), an entity affiliated with Kevin Coughenour, to provide services for quality engineering and validation activities in the ordinary course of business. Mr. Coughenour is married to the Company's former Chief Operating Officer Patricia Kitchen. The

Company incurred fees for quality engineering and validation activities rendered by Specialty Pharma of $29 and $155, for the three and six months ended June 30, 2021, respectively. On April 26, 2021, the Company and Specialty Pharma terminated their relationship.

The Company has engaged Wilmer Cutler Pickering Hale and Dorr LLP (“WilmerHale”) to provide certain legal services to the Company. The Company's Chief Business Officer’s sister is a managing partner at WilmerHale, who has not participated in providing legal services to the Company. The Company incurred fees for legal services rendered by WilmerHale of approximately $211 and $535 for the three and six months ended June 30, 2022, respectively. As of June 30, 2022 and December 31, 2021, there was $153 and $119 recorded in accounts payable for WilmerHale. As of June 30, 2022 and December 31, 2021, there was $58 and $68 recorded in accrued expenses for WilmerHale.

15. Common Stock

On August 9, 2021, the Company and Jefferies LLC (“Jefferies”) mutually terminated an Open Market Sale Agreement and entered into another Open Market Sale Agreement (the “2021 Sales Agreement”) under which the Company may offer and sell shares of its common stock having an aggregate offering price of up to $100,000 from time to time through Jefferies, acting as agent. As of August 5, 2022, the Company has not sold any shares of common stock under the 2021 Sales Agreement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties and should be read together with the "Risk Factors" section of this Quarterly Report on Form 10-Q for a discussion of important factors that could cause actual results to differ materially from the results described in, or implied by, the forward-looking statements contained in the following discussion and analysis.

Overview

We are a biopharmaceutical company focused on the formulation, development, and commercialization of innovative therapies for diseases and conditions of the eye using our proprietary bioresorbable hydrogel-based formulation technology. Core to our strategy is to continue to (i) build upon our experience commercializing ophthalmology products that can be administered primarily in the surgical and/or office settings and (ii) develop a clinical pipeline of innovative ophthalmology products that address large areas of unmet need.

We currently have one FDA-approved product in commercialization in the United States, DEXTENZA®, an intracanalicular insert for the treatment of both post-surgical ocular inflammation and pain and ocular itching associated with allergic conjunctivitis. We also have an additional FDA-approved product, ReSure Sealant, an ophthalmic device designed to prevent wound leaks in corneal incisions following cataract surgery that is not commercially available in the United States and that we are not currently manufacturing. We also have product candidates in preclinical and clinical development designed to utilize our proprietary, bioresorbable hydrogel technology to treat retinal diseases including wet age-related macular degeneration, or wet AMD, and other retinal diseases; glaucoma or ocular hypertension; and ocular surface diseases and conditions, including dry eye disease.

Our current products and product candidates in clinical development incorporate therapeutic agents that have previously received regulatory approval from the FDA, including small molecules and proteins, into our proprietary bioresorbable hydrogel-based formulation technology in our internal drug development activities, with the goal of providing local programmed-release to tailor the duration and amount of drug to be delivered to the eye. We believe that our local programmed-release drug delivery technology has the potential to treat conditions and diseases of both the front and the back of the eye and can be administered through a range of different modalities including intravitreal implants, suprachoroidal implants, intracameral implants and intracanalicular inserts.

Our core pipeline assets include four programs in clinical development:

- OTX-TKI, an axitinib intravitreal implant being developed for the treatment of wet AMD and other retinal diseases;
- OTX-TIC, a travoprost intracameral implant being developed for the reduction of intraocular pressure, or IOP, in patients with primary open-angle glaucoma or ocular hypertension;
- OTX-DED, a dexamethasone intracanalicular insert being developed for the short-term treatment of the signs and symptoms of dry eye disease; and
- OTX-CSI, a cyclosporine intracanalicular insert being developed for the chronic treatment of dry eye disease.

Commercial Portfolio

Post-Surgical Ocular Inflammation and Pain
Ocular Itching Associated with Allergic Conjunctivitis

DEXTENZA (dexamethasone ophthalmic insert) 0.4mg for intracanalicular use for the Treatment of Post-Surgical Ocular Inflammation and Pain or Ocular Itching Associated with Allergic Conjunctivitis

DEXTENZA incorporates the FDA-approved corticosteroid dexamethasone as a preservative-free active pharmaceutical ingredient into a hydrogel, drug-eluting intracanalicular insert for the treatment of post-surgical ocular inflammation and pain. The FDA approved a new drug application, or NDA, for DEXTENZA for the treatment of post-surgical ocular pain in November 2018 and approved a supplemental new drug application, or sNDA, for DEXTENZA for the treatment of post-surgical ocular inflammation in June 2019. In July 2019, we commercially launched DEXTENZA in the United States. DEXTENZA is the first FDA-approved, physician-administered intracanalicular insert delivering dexamethasone to treat post-surgical ocular inflammation and pain for up to 30 days with a single administration.

In October 2021, the FDA approved an sNDA for DEXTENZA to include the treatment of ocular itching associated with allergic conjunctivitis as an additional indication. With the approval, DEXTENZA is the first FDA-approved, physician-administered intracanalicular insert for the delivery of a preservative-free drug for the treatment of ocular itching associated with allergic conjunctivitis with a single administration for up to 30 days. DEXTENZA for the treatment of ocular itching associated with allergic conjunctivitis also represents our first indication approved to be administered in an ophthalmology or optometric office during a routine, non-surgical appointment. In the first quarter of 2022, we commercially launched DEXTENZA in the United States for the treatment of ocular itching associated with allergic conjunctivitis. We have established a separate, smaller office sales force team, dedicated to calling on ophthalmology and optometric offices which is comprised of Key Account Managers and supported by the field reimbursement team. This dedicated in-office sales force could also support our broader pipeline of product candidates in the future, as we believe certain other product candidates would be primarily used, if approved, in the office setting.

In July 2022, the Centers for Medicare & Medicaid Services issued its proposed rule for the 2023 Outpatient Prospective Payment System rulemaking cycle recommending that DEXTENZA continue to be separately reimbursed under the non-opioid pain management supply provision through 2023. The final rule regarding the recommendation is anticipated in November 2022. In addition, physician reimbursement for the insertion of DEXTENZA remains available under the product's Category 1 code, which became effective January 1, 2022, ensuring more reliable payment to physicians for DEXTENZA placement across all payer types and in all settings of care.

We are currently conducting one clinical trial as a post-approval requirement of the FDA in accordance with the Pediatric Research Equity Act of 2003, in connection with the FDA's approval of DEXTENZA. In September 2020, we announced that we had dosed the first pediatric subjects in a U.S.-based, randomized, multicenter Phase 3 clinical trial evaluating DEXTENZA for the treatment of post-surgical ocular inflammation and pain in children following cataract surgery. We intend to enroll approximately 60 subjects in this clinical trial. It is designed to evaluate the safety and biological activity of DEXTENZA compared to an active control, prednisolone acetate suspension eye drops, for the treatment of inflammation and pain following ocular surgery for pediatric cataract in children between zero and five years of age. The primary endpoint is the absence of pain at day eight post-treatment as measured by a FLACC (Face, Legs, Activity, Cry, Consolability) score of zero. Enrollment is ongoing. The FDA has agreed that this Phase 3 clinical trial evaluating DEXTENZA for the treatment of post-surgical ocular inflammation and pain in children following cataract surgery will also satisfy the post-approval requirement for a pediatric trial as it relates to the approval for ocular itching associated with allergic conjunctivitis.

Prevention of Wound Leaks Following Cataract Surgery

ReSure Sealant

In 2014, we commercially launched ReSure Sealant in the United States as a device approved to prevent wound leaks in corneal incisions following cataract surgery. In the pivotal clinical trials that formed the basis for FDA approval, ReSure Sealant provided superior wound closure and a better safety profile than sutured closure.

We have received only limited revenues from ReSure Sealant to date as the product is only used in a minority of cataract surgeries and, currently, there is no direct separate reimbursement for the product—meaning ReSure Sealant is only reimbursed as part of a bundled payment for the associated surgery. As of the fourth quarter of 2021, we suspended the production of ReSure Sealant in order to focus our manufacturing resources on the commercialization of DEXTENZA. Currently, ReSure Sealant is not commercially available in the United States.

Clinical Portfolio

Our clinical portfolio is comprised of our development efforts in our retinal disease program, glaucoma program and ocular surface disease programs.

Retinal Disease Program

OTX-TKI (axitinib intravitreal implant)

Our product candidate OTX-TKI is a preformed, bioresorbable hydrogel fiber implant incorporating axitinib, a small molecule tyrosine kinase inhibitor, or TKI, with anti-angiogenic properties delivered by intravitreal injection and designed for a duration of six months or longer. We are conducting a Phase 1 clinical trial of OTX-TKI in Australia and a Phase 1 clinical trial in the United States.

Our Phase 1 clinical trial of OTX-TKI in Australia is comprised of four cohorts consisting of subjects with pre-existing intraretinal and/or subretinal fluid: a lower dose cohort of 200 µg with six subjects; a higher dose cohort of 400 µg with seven subjects; a third cohort with two parallel arms, one arm of six subjects receiving a concomitant anti-VEGF injection with 400 µg of OTX-TKI and the other arm of six subjects receiving a 600 µg of OTX-TKI with no anti-VEGF injection; and a fourth cohort with two parallel arms, one arm of six subjects receiving a 600 µg single implant of OTX-TKI and the other arm of six subjects receiving a 600 µg single implant of OTX-TKI with anti-VEGF injection. In this trial, we are evaluating whether a TKI could reduce existing fluid levels. This trial's enrollment is complete.

At the Angiogenesis, Exudation, and Degeneration 2022 Meeting held in February 2022, we presented interim data from the ongoing Phase 1 clinical trial of OTX-TKI for the treatment of wet AMD conducted in Australia. In subjects with subretinal and/or intraretinal fluid due to wet AMD, OTX-TKI was observed to be generally well tolerated with a favorable safety profile to date. This data also showed a preliminary signal of biological activity as observed by a clinically meaningful decrease in intraretinal and/or subretinal fluid. We observed extended duration of activity of six months or more for over 60% of subjects across all cohorts and for over 80% of subjects in cohort 3a, in which we administered a 600µg dose. We believe that a six-month duration of activity could represent a compelling drug product profile.

Our Phase 1 clinical trial of OTX-TKI in the United States is comprised of two arms consisting of subjects previously treated with, and responsive to, a standard of care anti-VEGF therapy: a sixteen-subject arm receiving OTX-TKI in combination with an anti-VEGF injection and a five-subject arm receiving aflibercept at eight-week intervals. In this trial, we are evaluating how long we are able to maintain subjects without the need for retreatment. This trial was fully enrolled as of February 2022. We expect to report 28-week interim data from our U.S.-based Phase 1 clinical trial at the American Academy of Ophthalmology Meeting, Retina Subspecialty Day: Late Breaking Developments, to be held on September 30, 2022.

Glaucoma Program

OTX-TIC (travoprost intracameral implant)

Our product candidate OTX-TIC is a bioresorbable hydrogel implant incorporating travoprost that is designed to be administered by a physician as an intracameral injection with an initial target duration of drug release of four to six months. In the fourth quarter of 2021, we initiated a randomized, double-masked, controlled Phase 2 clinical trial in which we plan to enroll approximately 105 subjects with open-angle glaucoma at 15 to 20 sites between three arms of approximately 35 subjects each to evaluate two formulations of OTX-TIC for the treatment of open-angle glaucoma or ocular hypertension in patients compared to DURYSTA™. We dosed the first patient in the first quarter of 2022.

At the Glaucoma 360 Meeting in February 2022, we presented interim data from a Phase 1 clinical trial evaluating OTX-TIC for the treatment of open-angle glaucoma or ocular hypertension. In this clinical trial, OTX-TIC was observed to cause a clinically meaningful decrease in IOP for six months or longer in patients while preserving corneal health. We believe these results are comparable to the decrease in IOP seen with topical travoprost, the current standard of care, and represent OTX-TIC's potential for a unique and differentiated drug product profile. OTX-TIC was observed to be generally well tolerated with a favorable safety profile to date and endothelial cell counts, pachymetry assessments, and slit lamp examinations in subjects indicated no changes from baseline. As a result, we are developing OTX-TIC for potential chronic or repeat dosing.

Ocular Surface Disease Programs

Dry Eye Disease

OTX-DED (dexamethasone intracanalicular insert)

Our product candidate OTX-DED incorporates the FDA-approved corticosteroid dexamethasone as a preservative-free active pharmaceutical ingredient in a hydrogel, drug-eluting intracanalicular insert. OTX-DED incorporates the same active drug as DEXTENZA but includes a lower dose of the drug, is administered in the office setting as a smaller insert, and is designed to release dexamethasone over a period of two to three weeks, compared with up to thirty days in the case of DEXTENZA.

We announced the topline results for a Phase 2 clinical trial evaluating OTX-DED for the short-term treatment of the signs and symptoms of dry eye disease in December 2021. The clinical trial achieved its pre-specified primary endpoint. While the clinical trial was not powered to show statistical significance, the topline results demonstrated a statistically significant change of bulbar conjunctival hyperemia from baseline to day 15 compared to vehicle hydrogel using a central reading photographic assessment in the modified ITT population. Both formulations of OTX-DED were observed to have a favorable safety profile and to be generally well tolerated.

Based on the data from the Phase 2 clinical trial, we intend to conduct a small trial in connection with our efforts to develop an appropriate placebo comparator that may be used in both the OTX-DED and OTX-CSI programs. Specifically, we intend to evaluate the performance of OTX-DED versus short-duration, biodegradable collagen plugs to explain the placebo performance seen in both the OTX-DED and the OTX-CSI Phase 2 trials in which the vehicle hydrogel placebo insert or placebo comparator vehicle remained in the canaliculus longer than anticipated, performing more like an active comparator than a placebo. We currently expect to begin this trial in the first half of 2023.

OTX-CSI (cyclosporine intracanalicular insert)

Our product candidate OTX-CSI incorporates the FDA-approved immunomodulator cyclosporine as a preservative-free active pharmaceutical ingredient into a hydrogel, drug-eluting intracanalicular insert. The product candidate is designed for a duration of three to four months for patients suffering from moderate to severe dry eye and to be administered in the office setting as a bioresorbable intracanalicular insert.

We announced topline results from a Phase 2 clinical trial evaluating two different formulations of OTX-CSI for the chronic treatment of dry eye disease in October 2021. The study did not show separation between the OTX-CSI treated subjects (both formulations) and the vehicle hydrogel placebo insert treated subjects for the primary endpoint of increased tear production at 12 weeks. The study did show an improvement compared with baseline in signs of dry eye disease as measured by total corneal fluorescein staining, or CFS, and symptoms of dry eye disease as measured by the Visual Analog Score, or VAS, eye dryness in subjects treated with the OTX-CSI insert (both formulations) starting as early as two weeks after insertion and continuing over the 12 week study period. However, these improvements in OTX-CSI treated subjects were not statistically significant compared with the results of the vehicle insert in subjects with respect to either the signs of dry eye disease as measured by CFS or the symptoms of dry eye disease as measured by VAS eye dryness. Also, the trial results indicated that the durability of the OTX-CSI inserts was shorter than expected. Overall, the OTX-CSI insert (both formulations) was observed to be generally well tolerated with a favorable safety profile to date.

We are continuing formulation work to extend the durability of the OTX-CSI insert and select the most appropriate formulations to move forward.

AffaMed License Agreement

In October 2020, we entered into a license agreement and collaboration with AffaMed Therapeutics Limited, or AffaMed, for the development and commercialization of DEXTENZA and OTX-TIC in mainland China, Taiwan, Hong Kong, Macau, South Korea, and the countries of the Association of Southeast Asian Nations. Under the terms of the agreement, we received an upfront payment of $12 million and became eligible to receive development, regulatory and commercial milestone payments and clinical development support payments of up to $91 million in the aggregate, as well as royalties from future product sales. In the fourth quarter of 2021, we received a $1 million milestone payment; in the second quarter of 2022, we received another $2 million clinical support payment in connection with dosing the first subject in a Phase 2 clinical trial evaluating OTX-TIC for the treatment of open-angle glaucoma or ocular hypertension. Royalties are tiered and will range from the low teens to low twenty percent range. In return, we agreed to grant AffaMed exclusive rights to develop and commercialize DEXTENZA for the treatment of post-surgical inflammation and pain following ophthalmic surgery and ocular itching in patients with allergic conjunctivitis, and OTX-TIC for the reduction of elevated IOP in patients with primary open-angle glaucoma or ocular hypertension in specified Asian markets. We retain the right to develop and commercialize DEXTENZA and OTX-TIC in all other global markets.

In January 2022, AffaMed announced that it had dosed its first patient in a real-world setting study conducted in China evaluating the safety and efficacy of DEXTENZA® (0.4mg dexamethasone ophthalmic insert) for the treatment of ocular inflammation and pain post-cataract surgery. This prospective, single-arm, real-world trial is designed to assess the safety and efficacy of DEXTENZA for the treatment of ocular inflammation and pain following cataract surgery in approximately 120 patients at the Bo'ao Super Hospital. The trial's primary efficacy endpoint is the absence of anterior chamber cells in the study eye at Day 14, and the key secondary endpoint is the absence of pain in the study eye at Day 8.

In April 2022, AffaMed announced that DEXTENZA has been approved in Macau, China for the treatment of ocular inflammation and pain following ophthalmic surgery. We do not expect that DEXTENZA sales in Macau will result in material revenues to us.

Mosaic Biosciences Agreement

In June 2021, we entered into an agreement with Mosaic Biosciences, Inc., or Mosaic, to identify new targets and discover novel therapeutic agents aimed at the treatment of dry age-related degeneration, or dAMD. Our collaboration with Mosaic has yielded a lead compound that Mosaic is now humanizing and optimizing for our preclinical complement inhibitor program for the treatment of dAMD. We believe that a product candidate with this compound has the potential to be best-in-class in the complement space with targeted dosing every three to four months.

Business Update Regarding COVID-19

The pandemic caused by an outbreak of a new strain of coronavirus, or the COVID-19 pandemic, that is affecting the U.S. and global economy and financial markets and the related responses of government, businesses and individuals are impacting our employees, patients, customers, communities and business operations. The implementation of travel bans and restrictions, quarantines, shelter-in-place/stay-at-home and social distancing orders and shutdowns, for example, affected our business in 2020 and 2021. During the first half of 2022, the COVID-19 pandemic and related employee recruitment and retention challenges for ambulatory surgical centers, or ASCs, and hospital out-patient departments, or HOPDs, slowed the overall pace of cataract procedures performed in the United States, thereby reducing the number of opportunities for ophthalmologists to use DEXTENZA as a treatment for post-surgical ocular inflammation and pain. In addition, recruitment and retention challenges with regards to our own sales force have adversely affected our ability to market DEXTENZA to ophthalmologists and in the office setting. The full extent to which the COVID-19 pandemic will continue to directly or indirectly impact our business, results of operations and financial condition and those of our customers, vendors, suppliers, and collaboration partners will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets. Management continues to actively monitor this situation and the possible effects on our financial condition, liquidity, operations, suppliers, industry, and workforce. For additional information on risks posed by the COVID-19 pandemic, please see "Item 1A — Risk Factors — Risks Related to the Coronavirus

Pandemic," included in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022.

Financial Position

Our ability to generate product revenues sufficient to achieve profitability will depend heavily on our continued commercialization of DEXTENZA for the treatment of ocular inflammation and pain following ophthalmic surgery and for the treatment of ocular itching associated with allergic conjunctivitis, and our obtaining marketing approval for and commercializing other products with significant market potential, including OTX-TKI for the treatment of wet AMD and other retinal diseases, OTX-TIC for the treatment of open-angle glaucoma or ocular hypertension, OTX-DED for the short-term treatment of the signs and symptoms of dry eye disease, and OTX-CSI for the chronic treatment of dry eye disease. Our net loss was $18.8 million and $31.3 million for the three and six months ended June 30, 2022, respectively. Our net loss was $8.5 million and $5.4 million for the three and six months ended June 30, 2021, respectively. As of June 30, 2022, we had an accumulated deficit of $577.1 million.

Our total costs and operating expenses were $32.2 million and $63.2 million for the three and six months ended June 30, 2022 including $4.8 million and $9.6 million in non-cash stock-based compensation expense and depreciation and amortization expense, respectively. Our total costs and operating expenses were $31.9 million and $59.5 million for the three and six months ended June 30, 2021, including $4.9 million and $8.7 million in non-cash stock-based compensation expense and depreciation and amortization expense, respectively. Our operating expenses have grown as we continue to commercialize DEXTENZA following its entry into the market in July 2019; pursue the clinical development of OTX-TKI, OTX-TIC, OTX-DED, and OTX-CSI; research and develop other product candidates; and seek marketing approval for any product candidate for which we obtain favorable pivotal clinical trial results. We expect to incur substantial sales and marketing expenses in connection with the ongoing commercialization of DEXTENZA and that of any other product candidate for which we may receive approval. In addition, we will continue to incur costs associated with operating as a public company.

Although we expect to continue to generate revenue from sales of DEXTENZA, we will need to obtain substantial additional funding to support our continuing operations and the ongoing commercialization of DEXTENZA. If we are unable to raise capital through equity offerings, debt financings, government or other third-party funding, collaborations, strategic alliances, licensing arrangements, royalty agreements, and marketing and distribution arrangements when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or commercialization efforts or to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

Through June 30, 2022, we have financed our operations primarily through sales of our products, public offerings of our common stock, private placements of our convertible notes, borrowings under credit facilities and private placements of our preferred stock, which has resulted in net proceeds of $641.4 million to us.

In August 2021, we and Jefferies LLC, or Jefferies, entered into an Open Market Sale Agreement, or the 2021 Sales Agreement, under which we may offer and sell shares of our common stock having an aggregate offering price of up to $100.0 million from time to time through Jefferies, acting as agent. In connection with entering into the 2021 Sales Agreement, we and Jefferies terminated our prior Open Market Sale Agreement which we had entered into in 2019. As of August 5, 2022, we have not sold any shares of our common stock under the 2021 Sales Agreement.

DEXTENZA and all of our product candidates are designed to be medical-benefit "buy-and-bill" products with associated procedure codes. Products with these characteristics are designed to be attractive not only to physicians, optometrists, and patients but also to the sites of care that participate in utilization. We primarily derive our product revenues from the sale of DEXTENZA in the United States to a network of specialty distributors, who then sell DEXTENZA to ASCs, HOPDs, and ophthalmology and optometric offices. We also sell directly to a small population of ASCs. In addition to distribution agreements with specialty distributors, we enter into arrangements with government payors that provide for government-mandated rebates and chargebacks with respect to the purchase of DEXTENZA. In-market unit sales figures—unit sales from specialty distributors to ASCs and HOPDs—for April, May and June 2022 were 8,111, 8,828 and 10,187 units, respectively. The third month of each quarter typically reflects an increase in in-market unit sales to ASCs due to the impact of our rebate program.

Based on our current plans and forecasted expenses, which includes estimates of anticipated cash inflows from DEXTENZA product sales and cash outflows from operating expenses, we believe that our existing cash and cash equivalents of $134.5 million as of June 30, 2022 will enable us to fund our planned operating expenses, debt service obligations and capital expenditure requirements through 2023. This estimate is based on our current operating plan which includes estimates of anticipated cash inflows from DEXTENZA product sales, and cash outflows from both operating expenses and capital expenditures. These estimates are subject to various assumptions including those related to the severity and duration of the COVID-19 pandemic, the revenues and expenses associated with the commercialization of DEXTENZA, the pace of our research and clinical development programs, and other aspects of our business. These and other assumptions upon which we have based our estimate may prove to be wrong, and we could use our capital resources sooner than we currently expect and would therefore need to raise additional capital to support our ongoing operations or adjust our plans accordingly. See "—Liquidity and Capital Resources."

Financial Operations Overview

Revenue

In June 2019, we began to recognize revenue from the sales of DEXTENZA for the treatment of post-surgical ocular inflammation and pain. Following the FDA's approval of our sNDA in October 2021, we have launched DEXTENZA for the treatment of ocular itching associated with allergic conjunctivitis, our first in-office indication. We began to recognize revenue from the sales of ReSure Sealant for the prevention of wound leaks in corneal incisions following cataract surgery in 2014, although we have received only limited revenues from ReSure Sealant to date. As of the fourth quarter of 2021, we suspended the production of ReSure Sealant in order to focus our manufacturing resources on the commercialization of DEXTENZA.

For the three and six months ended June 30, 2022, four specialty distributor customers accounted for 41%, 26%, 17% and 10% and three specialty distributor customers accounted for 41%, 25% and 20%, respectively, of our total revenue, and no other customer accounted for more than 10% of our total revenue. At June 30, 2022, the four specialty distributor customers accounted for 46%, 25%, 16%% and 10% of our total accounts receivable and no other customer accounted for more than 10% of our total accounts receivable at June 30, 2022.

For the three months and six months ended June 30, 2021, three specialty distributor customers accounted for 45%, 28%, and 15%, and 45%, 25% and 14%, respectively, of our total revenue, and no other customer accounted for more than 10% of our total revenue.

At December 31, 2021, three specialty distributor customers accounted for 42%, 26% and 21% of our total accounts receivable. No other customer accounted for more than 10% of our accounts receivable for the year ended December 31, 2021.

Operating Expenses

Cost of Product Revenue

Cost of product revenue consists primarily of costs of DEXTENZA product revenue, which include:

- Direct materials costs;
- Royalties;
- Direct labor, which includes employee-related expenses, including salaries, related benefits and payroll taxes, and stock-based compensation expense for employees engaged in the production process;
- Manufacturing overhead costs, which includes rent, depreciation, and indirect labor costs associated with the production process;
- Transportation costs; and
- Cost of scrap material.

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for the development of our product candidates, which include:

- employee-related expenses, including salaries, related benefits and payroll taxes, travel and stock-based compensation expense for employees engaged in research and development, clinical and regulatory and other related functions;
- expenses incurred in connection with the clinical trials of our product candidates, including with the investigative sites that conduct our clinical trials and under agreements with contract research organizations, or CROs;
- expenses relating to regulatory activities, including filing fees paid to the FDA for our submissions for product approvals;
- expenses associated with developing our pre-commercial manufacturing capabilities and manufacturing clinical study materials;
- ongoing research and development activities relating to our core bioresorbable hydrogel technology and improvements to this technology;
- facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and supplies;
- costs relating to the supply and manufacturing of product inventory, prior to approval by the FDA or other regulatory agencies of our products; and
- expenses associated with preclinical development activities.

We expense research and development costs as incurred. We recognize external development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors and our clinical investigative sites.

Our direct research and development expenses are tracked on a program-by-program basis and consist primarily of external costs, such as fees paid to investigators, consultants, central laboratories and CROs in connection with our clinical trials and regulatory fees. We do not allocate employee and contractor-related costs, costs associated with our platform technology, costs related to manufacturing or purchasing clinical trial materials, and facility expenses, including depreciation or other indirect costs, to specific product development programs because these costs are deployed across multiple product development programs and, as such, are not separately classified. We use internal resources in combination with third-party CROs, including clinical monitors and clinical research associates, to manage our clinical trials, monitor subject enrollment and perform data analysis for many of our clinical trials. These employees work across multiple development programs and, therefore, we do not track their costs by program.

The successful development and commercialization of our products or product candidates is highly uncertain. This is due to the numerous risks and uncertainties associated with product development and commercialization, including the uncertainty of:

- the scope, progress, outcome and costs of our clinical trials and other research and development activities;
- the timing, receipt and terms of any marketing approvals;
- the efficacy and potential advantages of our products or product candidates compared to alternative treatments, including any standard of care;
- the market acceptance of our products or product candidates; and

- significant and changing government regulation.

Any changes in the outcome of any of these variables with respect to the development of our product candidates in clinical and preclinical development could mean a significant change in the costs and timing associated with the development of these product candidates. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials or other testing beyond those that we currently expect or if we experience significant delays in enrollment in any of our clinical trials, we could be required to expend significant additional financial resources and time on the completion of clinical development of that product candidate. We anticipate that our research and development expenses will increase in the future as we support our continued development of our product candidates.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in executive, finance, information technology, human resources, legal and administrative functions. General and administrative expenses also include insurance, facility-related costs and professional fees, costs associated with intellectual property, consulting and accounting and audit services.

We anticipate that our general and administrative expenses will increase in the future as we support our continued development and commercialization of our product candidates. We also anticipate that we will continue to incur increased accounting, audit, legal, intellectual property, regulatory, compliance, director and officer insurance costs as well as investor and public relations expenses associated with being a public company.

Selling and Marketing Expenses

Selling and marketing expenses consist primarily of salaries and related costs for personnel in selling and marketing functions as well as consulting, advertising and promotion costs. Selling and marketing expenses for DEXTENZA increased in 2021 in connection with the continued commercialization of DEXTENZA for the treatment of ocular inflammation and pain, focused on ASCs and HOPDs, and the preparations for the commercial launch of DEXTENZA for the treatment of ocular itching associated with allergic conjunctivitis focused on the offices of ophthalmologists and optometrists. We anticipate that our selling and marketing expenses associated with DEXTENZA will continue to increase, particularly as we continue to grow our salesforce supporting DEXTENZA in 2022 and beyond and incur additional marketing expenses in connection with the commercialization of DEXTENZA for the treatment of ocular itching associated with allergic conjunctivitis.

Other Income (Expense)

Interest Expense. Interest expense is incurred on our debt. In June 2021, we amended and restated our credit and security agreement, which we refer to as our Credit Agreement, to increase the aggregate principal amount borrowed under our credit facility, which we refer to as our Credit Facility, to $25.0 million, extend the interest-only payment period to May 1, 2024, and extend the maturity date to November 2025. In the event we achieve certain milestones under the Credit Agreement, we have the right to extend through April 1, 2026.

In March 2019, we issued $37.5 million of unsecured senior subordinated convertible notes, or the 2026 Convertible Notes. The 2026 Convertible Notes accrue interest at an annual rate of 6% of the outstanding principal amount, payable in cash at maturity, on March 1, 2026, unless earlier converted, repurchased or redeemed.

Change in Fair Value of Derivative Liability. In 2019, in connection with the issuance of our 2026 Convertible Notes, we identified an embedded derivative liability, which we are required to measure at fair value at inception and then at the end of each reporting period until the embedded derivative is settled. The changes in fair value are recorded through the condensed consolidated statement of operations and comprehensive loss and are presented under the caption change in fair value of derivative liability.

Critical Accounting Policies and Significant Judgments and Estimates

Our condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles. The preparation of our condensed consolidated financial statements and related disclosures requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue,

costs and expenses, and the disclosure of contingent assets and liabilities in our condensed consolidated financial statements. On an ongoing basis, we evaluate our estimates and judgments. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies, which include those related to revenue recognition and our derivative liability, are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 28, 2022 and in the notes to the financial statements appearing elsewhere in this Quarterly Report on Form 10-Q. There have been no significant changes to our critical accounting policies since the beginning of this fiscal year.

Results of Operations

Comparison of the Three Months Ended June 30, 2022 and 2021

The following table summarizes our results of operations for the three months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Revenue:			
Product revenue, net	$ 12,144	$ 11,718	$ 426
Collaboration revenue	122	—	122
Total revenue, net	12,266	11,718	548
Costs and operating expenses:			
Cost of product revenue	1,155	1,096	59
Research and development	13,100	13,859	(759)
Selling and marketing	10,140	8,391	1,749
General and administrative	7,787	8,603	(816)
Total costs and operating expenses	32,182	31,949	233
Loss from operations	(19,916)	(20,231)	315
Other income:			
Interest income	73	8	65
Interest expense	(1,696)	(1,655)	(41)
Change in fair value of derivative liability	2,773	13,396	(10,623)
Other income (expense), net	—	1	(1)
Total other income, net	1,150	11,750	(10,600)
Net (loss) income	$ (18,766)	$ (8,481)	$ (10,285)

Gross-to-Net Deductions

We record DEXTENZA product sales net of estimated chargebacks, rebates, distribution fees and product returns. These deductions are generally referred to as gross-to-net deductions. Our total gross-to-net provisions for the three months ended June 30, 2022 and 2021 were 23.1% and 23.9%, respectively, of gross DEXTENZA product sales.

Net Revenue

We generated $12.1 million of net product revenue during the three months ended June 30, 2022 from sales of our products, all of which was attributable to sales of DEXTENZA. We generated $11.7 million of net product revenue during the three months ended June 30, 2021 from sales of our products, of which $11.1 million was attributable to sales of DEXTENZA and $0.6 million was attributable to sales of ReSure Sealant. We believe the growth in the second quarter of 2022 net product revenue over second quarter of 2021 for DEXTENZA was primarily due to increased market acceptance and ongoing commercialization efforts. We believe that DEXTENZA net product revenues in the second

quarter of 2022 were adversely affected by recruitment and retention challenges at ASCs and HOPDs and recruitment and retention challenges amount our sales force.

Collaboration Revenue

We recognized $0.1 million of collaboration revenue related to the performance obligation under our license agreement with AffaMed to conduct a Phase 2 clinical trial of OTX-TIC during the three months ended June 30, 2022. We recognize collaboration revenue based on a cost-to-cost method. There was no collaboration revenue for the three months ended June 30, 2021.

Research and Development Expenses

	Three Months Ended June 30,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Direct research and development expenses by program:			
OTX-TKI for wet AMD	$ 1,335	$ 1,912	$ (577)
OTX-TIC for glaucoma or ocular hypertension	644	898	(254)
OTX-CSI for treatment of dry eye disease	—	807	(807)
OTX-DED for the short-term treatment of the signs and symptoms of dry eye disease	41	1,466	(1,425)
DEXTENZA for post-surgical ocular inflammation and pain	489	414	75
DEXTENZA for ocular itching associated with allergic conjunctivitis	3	44	(41)
ReSure Sealant	—	15	(15)
Preclinical programs	617	214	403
Unallocated expenses:			
Personnel costs	6,321	5,466	855
All other costs	3,650	2,623	1,027
Total research and development expenses	$ 13,100	$ 13,859	$ (759)

Research and development expenses were $13.1 million for the three months ended June 30, 2022, compared to $13.9 million for the three months ended June 30, 2021. The decrease of $0.8 million was primarily due to an increase of $1.9 million in unallocated expenses offset by a decrease of $3.2 million in clinical related programs. For the three months ended June 30, 2022, we incurred $2.5 million in direct research and development expenses for our products and product candidates compared to $5.6 million for the three months ended June 30, 2021. The decrease of $3.1 million is related to timing and conduct of our various clinical trials for our product candidates and development activities related to our preclinical programs. We expect that clinical trial expenses will increase for our product candidates including for OTX-TKI due to the ongoing Phase 1 clinical trial in the United States and for OTX-TIC due to the ongoing Phase 2 clinical trial, and for our ongoing Phase 3 clinical trial to evaluate DEXTENZA in pediatric subjects following cataract surgery in accordance with the FDA's post-approval requirement. In addition, we have adopted a plan to progress the development of OTX-CSI, including formulation work to improve product retention. We are also planning to conduct a small trial in connection with our efforts to develop an appropriate placebo comparator that may be used in both the OTX-DED and OTX-CSI programs.

Selling and Marketing Expenses

	Three Months Ended June 30,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Personnel related (including stock-based compensation)	$ 6,244	$ 5,994	$ 250
Professional fees	2,771	1,475	1,296
Facility related and other	1,125	922	203
Total selling and marketing expenses	$ 10,140	$ 8,391	$ 1,749

Selling and marketing expenses were $10.1 million for the three months ended June 30, 2022, compared to $8.4 million for the three months ended June 30, 2021. The increase of $1.7 million was primarily due to an increase of $1.3 million in professional fees related to trade shows, conferences and advertising.

We expect our selling and marketing expenses to increase in the remainder of 2022 and beyond as we continue to support the commercialization of DEXTENZA.

General and Administrative Expenses

	Three Months Ended June 30,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Personnel related (including stock-based compensation)	$ 4,520	$ 4,531	$ (11)
Professional fees	2,596	3,583	(987)
Facility related and other	671	489	182
Total general and administrative expenses	$ 7,787	$ 8,603	$ (816)

General and administrative expenses were $7.8 million for the three months ended June 30, 2022, compared to $8.6 million for the three months ended June 30, 2021, primarily due to a decrease of $1.0 million in professional fees associated with lower legal fees.

Other Income (Expense), Net

Other income, net was $1.2 million for the three months ended June 30, 2022, compared to $11.8 million for the three months ended June 30, 2021. The decrease of $10.6 million was due primarily to the change in fair value of the derivative liability associated with the 2026 Convertible Notes of $10.6 million due primarily to a decrease in our common stock price from April 1, 2022 to June 30, 2022.

Comparison of the Six Months Ended June 30, 2022 and 2021

The following table summarizes our results of operations for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Revenue:			
Product revenue, net	$ 24,642	$ 19,061	$ 5,581
Collaboration revenue	811	—	811
Total revenue, net	25,453	19,061	6,392
Costs and operating expenses:			
Cost of product revenue	2,454	1,988	466
Research and development	26,200	24,786	1,414
Selling and marketing	19,203	16,477	2,726
General and administrative	15,344	16,268	(924)
Total costs and operating expenses	63,201	59,519	3,682
Loss from operations	(37,748)	(40,458)	2,710
Other income (expense):			
Interest income	89	20	69
Interest expense	(3,378)	(3,335)	(43)
Change in fair value of derivative liability	9,731	38,412	(28,681)
Other income (expense), net	(2)	1	(3)
Total other income (expense), net	6,440	35,098	(28,658)
Net loss	$ (31,308)	$ (5,360)	$ (25,948)

Gross-to-Net Deductions

We record DEXTENZA product sales net of estimated chargebacks, rebates, distribution fees and product returns. These deductions are generally referred to as gross-to-net deductions. Our total gross-to-net provisions for the six months ended June 30, 2022 and 2021 were 22.5% and 25.4%, respectively, of gross DEXTENZA product sales.

Net Revenue

We generated $25.5 million in net revenue during the six months ended June 30, 2022. We generated $24.6 million of net revenue was attributable to sales of DEXTENZA, while $0.8 million in net revenue was due to collaboration revenue from our license agreement with AffaMed. During the six months ended June 30, 2021, we generated $19.1 million of net revenue from sales of our products, of which $17.9 million was attributable to sales of DEXTENZA and $1.2 million was attributable to sales of ReSure Sealant. We believe the growth in revenue for DEXTENZA was primarily due to increased market acceptance and our ongoing commercialization efforts.

Research and Development Expenses

	Six Months Ended June 30,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Direct research and development expenses by program:			
OTX-TKI for wet AMD	$ 2,544	$ 3,083	$ (539)
OTX-TIC for glaucoma or ocular hypertension	1,190	1,504	(314)
OTX-CSI for treatment of dry eye disease	161	1,897	(1,736)
OTX-DED for the short-term treatment of the signs and symptoms of dry eye disease	307	2,026	(1,719)
DEXTENZA for post-surgical ocular inflammation and pain	798	783	15
DEXTENZA for ocular itching associated with allergic conjunctivitis	21	76	(55)
ReSure Sealant	—	59	(59)
Preclinical programs	716	486	230
Unallocated expenses:			
Personnel costs	12,864	9,969	2,895
All other costs	7,599	4,903	2,696
Total research and development expenses	$ 26,200	$ 24,786	$ 1,414

Research and development expenses were $26.2 million for the six months ended June 30, 2022, compared to $24.8 million for the six months ended June 30, 2021. The increase of $1.4 million was primarily due to an increase of $5.6 million in unallocated expenses and offset by a decrease of $4.2 million in clinical related programs. For the six months ended June 30, 2022, we incurred $5.0 million in direct research and development expenses for our products and product candidates compared to $9.5 million for the six months ended June 30, 2021. The decrease of $4.5 million is related to timing and start of our various clinical trials for our product candidates and development activities related to our preclinical programs. We expect that clinical trial expenses will increase for our product candidates including for OTX-TKI due to the ongoing Phase 1 clinical trial in the United States and for OTX-TIC due to the ongoing Phase 2 clinical trial, and for our ongoing Phase 3 clinical trial to evaluate DEXTENZA in pediatric subjects following cataract surgery in accordance with the FDA's post-approval requirement. In addition, we have adopted a plan to progress the development of OTX-CSI, including formulation work to improve product retention. We are also planning to conduct a small trial in connection with our efforts to develop an appropriate placebo comparator that may be used in both the OTX-DED and OTX-CSI programs.

Selling and Marketing Expenses

	Six Months Ended June 30,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Personnel related (including stock-based compensation)	$ 12,579	$ 11,211	$ 1,368
Professional fees	4,705	3,431	1,274
Facility related and other	1,919	1,835	84
Total selling and marketing expenses	$ 19,203	$ 16,477	$ 2,726

Selling and marketing expenses were $19.2 million for the six months ended June 30, 2022, compared to $16.5 million for the six months ended June 30, 2021. The increase of $2.7 million was primarily due to increases of $1.4 million in personnel costs with the expansion of the commercial workforce to support DEXTENZA and $1.3 million in professional fees related to trade shows, conferences and advertising fees.

General and Administrative Expenses

	Six Months Ended June 30,		Increase (Decrease)
	2022	2021	
	(in thousands)		
Personnel related (including stock-based compensation)	$ 9,117	$ 8,405	$ 712
Professional fees	5,554	6,711	(1,157)
Facility related and other	673	1,152	(479)
Total general and administrative expenses	$ 15,344	$ 16,268	$ (924)

General and administrative expenses were $15.3 million for the six months ended June 30, 2022, compared to $16.3 million for the six months ended June 30, 2021. The decrease of $0.9 million was primarily due to a decrease of $1.2 million in professional fees primarily related to legal fees and other professional service costs and $0.5 million in facility related and other costs offset by an increase of $0.7 million of personnel related costs, including stock-based compensation.

Other Income (Expense), Net

Other income, net was $6.4 million for the six months ended June 30, 2022, compared to $35.1 million other income, net for the six months ended June 30, 2021. The decrease of $28.7 million was due primarily to the change in fair value of the derivative liability associated with the 2026 Convertible Notes of $28.7 million related to a decrease in our stock price from January 1, 2022 to June 30, 2022.

Liquidity and Capital Resources

We have a history of incurring significant operating losses. Our net loss was $18.8 million for the three months ended June 30, 2022, primarily due to a loss from operations of $19.9 million, offset primarily by a change of $2.8 million in the fair value of our derivative liability related to unsecured senior subordinated convertible notes, or the 2026 Convertible Notes, during the period. Our net loss was $31.3 million for the six months ended June 30, 2022, primarily due to a loss from operations of $37.7 million offset by a change of $9.7 million in the fair value of our derivative liability related to the 2026 Convertible Notes during the period. Our net loss was $8.5 million and $5.4 million for the three and six months ended June 30, 2021. Our net losses were $6.6 million and $155.6 million for the years ended December 31, 2021 and 2020, respectively. As of June 30, 2022, we had an accumulated deficit of $577.1 million.

We commercially launched DEXTENZA for the treatment of post-surgical ocular inflammation and pain in July 2019, and we commercially launched DEXTENZA for the treatment of ocular itching associated with allergic conjunctivitis in the first quarter of 2022. All of our product candidates are in various phases of clinical and preclinical development. Our ability to generate product revenues sufficient to achieve profitability will depend heavily on our continued commercialization of DEXTENZA for the treatment of ocular inflammation and pain following ophthalmic surgery and ocular itching associated with allergic conjunctivitis and our obtaining marketing approval for and commercializing other products with significant market potential, including OTX-TKI for the treatment of wet AMD and other retinal diseases, OTX-TIC for the treatment of open-angle glaucoma or ocular hypertension, and OTX-DED and OTX-CSI for the treatment of dry eye disease. While it is difficult to predict the extent or duration of the impact of the global COVID-19 pandemic on future financial results, we anticipate current guidelines and recommendations from the global health authorities, including the delay of elective surgeries, will impact revenue for 2022 and potentially beyond.

Under our Credit Agreement, we have a term loan in the aggregate principal amount of approximately $20.8 million, which was rolled over from our prior borrowings under our Credit Facility, and an additional term loan in the principal amount of approximately $4.2 million. We refer to these term loans together as the Term Loans. The aggregate principal amount of the Term Loans available under the Credit Facility, or the Total Credit Facility Amount, is $25.0 million, the entirety of which was drawn at the closing of the most recent amendment to our Credit Facility in June 2021. As of June 30, 2022, the interest rate was 7.81%. Under the current terms of our Credit Facility, we are permitted to make interest-only payments on the Term Loans on a monthly basis until May 1, 2024. Thereafter, in addition to the monthly interest payments, we are required to make principal payments on the Term Loans in accordance with the amortization schedules set forth in the Credit Agreement. Remaining unpaid principal and accrued interest outstanding

on the maturity date is due on the maturity date, which shall be November 30, 2025, unless we are able to provide the Administrative Agent evidence reasonably satisfactory to it, by November 15, 2025, that the outstanding principal amount of the 2026 Convertible Notes has been converted into equity interests of ours and that such indebtedness is otherwise indefeasibly satisfied in full, in which case the term is automatically extended until April 1, 2026.

In March 2019, we issued $37.5 million of the 2026 Convertible Notes. The 2026 Convertible Notes accrue interest at an annual rate of 6% of the outstanding principal amount, payable at maturity, on March 1, 2026, unless earlier converted, repurchased or redeemed. The holders of the 2026 Convertible Notes may convert all or part of the outstanding principal amount of their 2026 Convertible Notes into shares of our common stock, par value $0.0001 per share, prior to maturity and provided that no conversion results in a holder beneficially owning more than 19.99% of our issued and outstanding common stock. The conversion rate is initially 153.8462 shares of our common stock per $1,000 principal amount of the 2026 Convertible Notes, which is equivalent to an initial conversion price of $6.50 per share. The conversion rate is subject to adjustment in customary circumstances such as stock splits or similar changes to our capitalization, none of which have occurred to date.

Through June 30, 2022, we have financed our operations primarily through sales of our products, private placements of our preferred stock, public offerings of our common stock, private placements of our convertible notes and borrowings under credit facilities, which has resulted in net proceeds of $641.4 million to us.

As of June 30, 2022, we had cash and cash equivalents of $134.5 million; outstanding debt of $25.1 million, net of unamortized discount; and the 2026 Convertible Notes with $37.5 million of aggregate principal amount, plus accrued interest of $7.6 million.

Cash Flows

Based on our current plans and forecasted expenses, which includes estimates related to anticipated cash inflows from DEXTENZA product sales and cash outflows from operating expenses, we believe that our existing cash and cash equivalents, as of June 30, 2022, will enable us to fund our planned operating expenses, debt service obligations and capital expenditure requirements through 2023. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

The following table summarizes our sources and uses of cash for each of the periods presented:

	Six Months Ended June 30,	
	2022	2021
Cash used in operating activities	$ (29,476)	$ (37,415)
Cash used in investing activities	(771)	(287)
Cash provided by financing activities	622	1,505
Net decrease in cash and cash equivalents	$ (29,625)	$ (36,197)

Operating activities. Net cash used in operating activities was $29.5 million for the six months ended June 30, 2022, primarily resulting from our net loss of $31.3 million and net changes in our operating assets and liabilities of $0.4 million, the change in the fair value of our derivative liability of $9.7 million, partially offset by $12.0 million of other non-cash items. Our net loss was primarily attributed to research and development activities, selling and marketing expenses, and our general and administrative expenses, which significantly offset any contributions from our revenues to date. Our net non-cash charges during the six months ended June 30, 2022 consisted primarily of $8.5 million of stock-based compensation expense, $2.4 million in non-cash interest expense and $1.1 million in depreciation and amortization expense and the change in fair value of the derivative liability of $9.7 million. Net cash used by changes in our operating assets and liabilities during the six months ended June 30, 2022 consisted primarily of net decreases in accounts receivable, prepaid expenses and other operating assets of $1.9 million and net decreases in accrued expenses and other operating liabilities of $2.3 million.

Net cash used in operating activities was $37.4 million for the six months ended June 30, 2021, primarily resulting from our net loss of $5.4 million and changes in our operating assets and liabilities of $4.6 million, offset by the change in the fair value of our derivative liability of $38.4 million and $10.9 million of non-cash items. Our net loss was primarily attributed to research and development activities, selling and marketing expenses, and our general and

administrative expenses, which significantly offset by any contributions from our revenues to date. Our net non-cash charges during the six months ended June 30, 2021 consisted primarily of $7.4 million of stock-based compensation expense, $2.3 million of non-cash interest expense, $1.3 million in depreciation and amortization expense and the change in fair value of the derivative liability of $38.4 million. Net cash used by changes in our operating assets and liabilities during the six months ended June 30, 2021 consisted primarily of increases in accounts receivable accounts payable and accrued expenses as we continue to commercialize DEXTENZA.

Investing activities. Net cash used in investing activities for the six months ended June 30, 2022 and 2021 totaled $0.8 million and $0.3 million, respectively. For both periods, the investing activities were purchases in equipment.

Financing activities. Net cash provided by financing activities was $0.6 million for the six months ended June 30, 2022 and $1.5 million for the six months ended June 30, 2021. Net cash provided by financing activities for the six months ended June 30, 2022 of $0.6 million consisted of $0.1 million from the exercise of stock options and $0.5 million in proceeds from the issuance of common stock pursuant to the employee stock purchase plan. Net cash provided by financing activities for the six months ended June 30, 2021 of $1.5 million consisted of $1.7 million in proceeds from the exercise of stock options, $3.7 million (net) in borrowings under our Credit Facility and $0.5 million in proceeds from the issuance of common stock pursuant to the employee stock purchase plan partially offset by payments on notes payable of $4.2 million.

Funding Requirements

We expect to continue to incur losses in connection with our ongoing activities, particularly as we advance the clinical trials of our product candidates in development and increase our sales and marketing resources to support the ongoing commercialization of DEXTENZA and the potential launch of our product candidates, subject to receiving FDA approval.

We anticipate we will incur substantial expenses if and as we:

- continue to commercialize DEXTENZA in the United States, including for DEXTENZA in the office setting for the treatment of ocular itching associated with allergic conjunctivitis;
- continue to develop and expand our sales, marketing and distribution capabilities for DEXTENZA and any of our products or product candidates we intend to commercialize;
- continue ongoing clinical trials for our product candidates OTX-TKI (in both Australia and the United States) for the treatment of wet AMD and OTX-TIC for the treatment of open-angle glaucoma or ocular hypertension, and our ongoing clinical trial to evaluate DEXTENZA in pediatric subjects following cataract surgery in accordance with the FDA's post-approval requirement;
- determine to initiate new clinical trials to evaluate OTX-TKI for the treatment of wet AMD and other retinal diseases, OTX-DED for the short-term treatment of the signs and symptoms of dry eye disease, and OTX-CSI for the chronic treatment of dry eye disease ;
- conduct research and development activities on, and seek regulatory approvals for, DEXTENZA and OTX-TIC in specified Asian markets pursuant to our license agreement and collaboration with AffaMed;
- continue the research and development of other product candidates;
- seek to identify and develop additional product candidates;
- seek marketing approvals for any of our product candidates that successfully complete clinical development;

- scale up our manufacturing processes and capabilities to support sales of commercial products, clinical trials of our product candidates and commercialization of any of our product candidates for which we obtain marketing approval, and expand our facilities to accommodate this scale up and any corresponding growth in personnel;

- renovate our existing facilities including research and development laboratories, manufacturing space and office space;

- maintain, expand and protect our intellectual property portfolio;

- expand our operational, financial, administrative and management systems and personnel, including personnel to support our clinical development, manufacturing and commercialization efforts;

- make investments to improve our cybersecurity defenses and establish and maintain cybersecurity insurance; and

- continue to operate as a public company.

Based on our current plans and forecasted expenses, which includes estimates related to anticipated cash inflows from DEXTENZA product sales and cash outflows from operating expenses, we believe that our existing cash and cash equivalents, as of June 30, 2022, will enable us to fund our planned operating expenses, debt service obligations and capital expenditure requirements through 2023. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

Our future capital requirements will depend on many factors, including:

- the level of product sales from DEXTENZA and any additional products for which we obtain marketing approval in the future and the level of third-party reimbursement of such products;

- the costs of sales, marketing, distribution and other commercialization efforts with respect to DEXTENZA and any additional products for which we obtain marketing approval in the future, including cost increases due to inflation;

- the progress, costs and outcome of our clinical trials of our product candidates, in particular OTX-TKI for the treatment of wet AMD and other retinal diseases and OTX-TIC for the treatment of open-angle glaucoma or ocular hypertension;

- the scope, progress, costs and outcome of preclinical development and clinical trials of any other product candidates;

- the costs, timing and outcome of regulatory review of our product candidates by the FDA, the EMA or other regulatory authorities;

- the costs of scaling up our manufacturing processes and capabilities to support sales of commercial products, clinical trials of our product candidates and commercialization of any of our product candidates for which we obtain marketing approval and of expanding our facilities to accommodate this scale up and any corresponding growth in personnel;

- the extent of our debt service obligations and our ability, if desired, to refinance any of our existing debt on terms that are more favorable to us;

- the amounts we are entitled to receive, if any, as reimbursements for clinical trial expenditures, development, regulatory, and sales milestone payments, and royalty payments under our license agreement with AffaMed;

- the extent to which we choose to establish additional collaboration, distribution or other marketing arrangements for our products and product candidates;
- the costs and outcomes of legal actions and proceedings;
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims; and
- the extent to which we acquire or invest in other businesses, products and technologies.

Until such time, if ever, as we can generate product revenues sufficient to achieve profitability, we expect to finance our cash needs through equity offerings, debt financings, government or other third-party funding, collaborations, strategic alliances, licensing arrangements, royalty agreements, and marketing and distribution arrangements. We do not have any committed external source of funds, development, regulatory and sales milestone payments, or royalty payments although our license agreement with AffaMed provides for AffaMed's reimbursement of certain clinical expenses incurred by us in connection with our collaboration and for our potential receipt of development and sales milestone payments as well as royalty payments. To the extent that we raise additional capital through the sale of equity or convertible debt securities, each security holder's ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect each security holder's rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. The covenants under our existing Credit Agreement and the pledge of our assets as collateral limit our ability to obtain additional debt financing. If we raise additional funds through government or other third-party funding, collaborations, strategic alliances, licensing arrangements, royalty agreements, or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. In addition, the COVID-19 pandemic has already caused significant disruptions in the financial markets, and may continue to cause such disruptions, which could adversely impact our ability to raise additional funds through equity or debt financings. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Commitments

We enter into contracts in the normal course of business to assist in the performance of our research and development activities and other services and products for operating purposes. These contracts generally provide for termination on notice, and therefore are cancelable contracts which are not considered contractual obligations and commitments.

During the three and six months ended June 30, 2022, there were no significant changes to our contractual obligations and commitments described under Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2021.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the Securities and Exchange Commission, such relationships with unconsolidated entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our balance sheets.

Recently Issued Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 2 – *Summary of Significant Accounting Policies* to the current period's condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk related to changes in interest rates. As of June 30, 2022, we had cash and cash equivalents of $134.5 million, which consisted of money market funds. We have policies requiring us to invest in high-quality issuers, limit our exposure to any individual issuer, and ensure adequate liquidity. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments are in short-term securities. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our portfolio.

We do not enter into financial instruments for trading or speculative purposes.

We account for the conversion option embedded in our 2026 Convertible Notes as a separate financial instrument, measured at fair value, using a binomial lattice model, which we refer to as the Derivative Liability. As of June 30, 2022, the Derivative Liability was valued at $10.5 million. As of June 30, 2022, a 10% increase or decrease of the main inputs to the valuation model would not have a material effect on the fair value of the Derivative Liability. Changes of the fair value of the Derivative Liability have no impact on anticipated cash outflows.

As of June 30, 2022, we had a variable interest rate-based note payable with a principal amount of $25.0 million. Expected cash outflows from this financial instrument fluctuate based on changes in the U.S. dollar-denominated LIBOR index which is, among other factors, affected by the general level of U.S. and international central bank interest rates. As of June 30, 2022, an immediate 100 basis point increase or decrease in the U.S. dollar-denominated LIBOR index would not have a material effect on the anticipated cash outflows from this instrument.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2022. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management, including our Chief Executive Officer and Chief Financial Officer, recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2022, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended June 30, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are not presently a party to any material legal proceedings, nor to the knowledge of management are any material legal proceedings threatened against us.

Item 1A. Risk Factors.

We are subject to a number of risks that could materially and adversely affect our business, financial condition, and results of operations and future growth prospects, including those identified under the heading “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission on February 28, 2022.

Item 6. Exhibits.

The exhibits filed as part of this Quarterly Report on Form 10-Q are set forth on the following Exhibit Index.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Incorporated by Reference				Filed Herewith
		Form	File Number	Date of Filing	Exhibit Number	
10.1	2021 Stock Incentive Plan, as amended					X
10.2	Consulting Agreement by and between the Registrant and Dr. Michael Goldstein, dated as of June 7, 2022.					X
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document)					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Database					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
104	The cover page from this Quarterly Report on Form 10-Q, formatted in Inline XBRL and contained in Exhibit 101					X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OCULAR THERAPEUTIX, INC.

Date: August 8, 2022

By: /s/ Donald Notman
Donald Notman
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 10.1

Ocular Therapeutix, Inc.

2021 STOCK INCENTIVE PLAN

1. Purpose

The purpose of this 2021 Stock Incentive Plan (the "***Plan***") of Ocular Therapeutix, Inc., a Delaware corporation (the "***Company***"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "***Company***" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the "***Code***") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "***Board***").

2. Eligibility

All of the Company's employees, officers and directors, as well as consultants and advisors to the Company (as the terms consultants and advisors are defined and interpreted for purposes of Form S-8 under the Securities Act of 1933, as amended (the "***Securities Act***"), or any successor form) are eligible to be granted Awards (as defined below) under the Plan. Each person who is granted an Award under the Plan is deemed a "***Participant***." The Plan provides for the following types of awards, each of which is referred to as an "***Award***": Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), RSUs (as defined in Section 7) and Other Stock-Based Awards (as defined in Section 8). Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award. All actions and decisions by the Board with respect to the Plan and any Awards shall be made in the Board's discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "***Committee***"). All references in the Plan to the "***Board***" shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board's powers or authority under the Plan have been delegated to such Committee or officers.

(c) Delegation to Officers. Subject to any requirements of applicable law (including as applicable Sections 152 and 157(c) of the General Corporation Law of the State of Delaware), the Board may delegate to one or more officers of the Company the power to grant Awards (subject to any limitations under the Plan) to employees or officers of the Company and to exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the terms of Awards to be granted by such officers, the maximum number of shares subject to Awards that such officers may grant, and the time period in which such Awards may be granted; and provided further, that no officer shall be authorized to grant Awards to any "executive officer" of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")) or to any "officer" of the Company (as defined by Rule 16a-1(f) under the Exchange Act).

(d) Awards to Non-Employee Directors. Awards to non-employee directors will be granted and administered by a Committee, all of the members of which are independent directors as defined by Section 5605(a)(2) of the Nasdaq Marketplace Rules.

4. Stock Available for Awards

(a) Number of Shares; Share Counting.

(1) Authorized Number of Shares. Subject to adjustment under Section 9, Awards may be made under the Plan (any or all of which Awards may be in the form of Incentive Stock Options, as defined in Section 5(b)) for up to such number of shares of common stock, $0.0001 par value per share, of the Company (the "***Common Stock***") as is equal to the sum of:

(A) 6,000,000 shares of Common Stock; plus

(B) such additional number of shares of Common Stock (up to 10,398,126 shares) as is equal to the sum of (x) the number of shares of Common Stock reserved for issuance under the Company's 2014 Stock Incentive Plan (the "***Existing Plan***") that remain available for grant under the Existing Plan immediately prior to the Effective Date (as defined below) and (y) the number of shares of Common Stock subject to awards granted under the Company's 2006 Stock Incentive Plan, as amended and the Existing Plan which awards expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by the Company at their original issuance price pursuant to a contractual repurchase right (subject, however, in the case of Incentive Stock Options to any limitations under the Code).

Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(2) Share Counting. For purposes of counting the number of shares available for the grant of Awards under the Plan under this Section 4(a):

(A) all shares of Common Stock covered by SARs shall be counted against the number of shares available for the grant of Awards under the Plan; *provided*, *however*, that (i) SARs that may be settled only in cash shall not be so counted and (ii) if the Company grants an SAR in tandem with an Option for the same number of shares of Common Stock and provides that only one such Award may be exercised (a "***Tandem SAR***"), only the shares covered by the

Option, and not the shares covered by the Tandem SAR, shall be so counted, and the expiration of one in connection with the other's exercise will not restore shares to the Plan;

(B) to the extent that an RSU may be settled only in cash, no shares shall be counted against the shares available for the grant of Awards under the Plan;

(C) if any Award (i) expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or (ii) results in any Common Stock not being issued (including as a result of an SAR that was settleable either in cash or in stock actually being settled in cash), the unused Common Stock covered by such Award shall again be available for the grant of Awards; *provided, however*, that (1) in the case of Incentive Stock Options, the foregoing shall be subject to any limitations under the Code, (2) in the case of the exercise of an SAR, the number of shares counted against the shares available under the Plan shall be the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise and (3) the shares covered by a Tandem SAR shall not again become available for grant upon the expiration or termination of such Tandem SAR;

(D) shares of Common Stock delivered (either by actual delivery, attestation, or net exercise) to the Company by a Participant to (i) purchase shares of Common Stock upon the exercise of an Award or (ii) satisfy tax withholding obligations with respect to Awards (including shares retained from the Award creating the tax obligation) shall not be added back to the number of shares available for the future grant of Awards; and

(E) shares of Common Stock repurchased by the Company on the open market using the proceeds from the exercise of an Award shall not increase the number of shares available for future grant of Awards.

(b) Limit on Awards to Non-Employee Directors. The maximum aggregate amount of cash and value (calculated based on grant date fair value for financial reporting purposes) of Awards granted in any calendar year to any individual non-employee director in his or her capacity as a non-employee director shall not exceed $750,000; provided, however, that such maximum aggregate amount shall not exceed $1,000,000 in any calendar year for any individual non-employee director in such non-employee director's initial year of election or appointment; and provided, further, however, that fees paid by the Company on behalf of any non-employee director in connection with regulatory compliance and any amounts paid to a non-employee director as reimbursement of an expense shall not count against the foregoing limit. The Board may make additional exceptions to this limit for individual non-employee directors in extraordinary circumstances, as the Board may determine in its discretion, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation. For the avoidance of doubt, this limitation shall not apply to cash or Awards granted to the non-employee director in his or her capacity as an advisor or consultant to the Company.

(c) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a)(1), except as may be required by reason of Section 422 and related provisions of the Code.

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an "***Option***") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as the Board considers necessary or advisable.

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "***Incentive Stock Option***") shall only be granted to employees of Ocular Therapeutix, Inc., any of Ocular Therapeutix, Inc.'s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. An Option that is not intended to be an Incentive Stock Option shall be designated a "***Nonstatutory Stock Option***." The Company shall have no liability to a Participant, or any other person, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option or the formula by which such exercise price will be determined. The exercise price shall be specified in the applicable Option agreement. The exercise price shall be not less than 100% of the Grant Date Fair Market Value (as defined below) of the Common Stock on the date the Option is granted; *provided* that if the Board approves the grant of an Option with an exercise price to be determined on a future date, the exercise price shall be not less than 100% of the Grant Date Fair Market Value on such future date. "***Grant Date Fair Market Value***" of a share of Common Stock for purposes of the Plan will be determined as follows:

(1) if the Common Stock trades on a national securities exchange, the closing sale price (for the primary trading session) on the date of grant; or

(2) if the Common Stock does not trade on any such exchange, the average of the closing bid and asked prices on the date of grant as reported by an over-the-counter marketplace designated by the Board; or

(3) if the Common Stock is not publicly traded, the Board will determine the Grant Date Fair Market Value for purposes of the Plan using any measure of value it determines to be appropriate (including, as it considers appropriate, relying on appraisals) in a manner

consistent with the valuation principles under Section 409A of the Code or any successor provision thereto, and the regulations thereunder ("***Section 409A***"), except as the Board may expressly determine otherwise.

For any date that is not a trading day, the Grant Date Fair Market Value of a share of Common Stock for such date will be determined by using the closing sale price or average of the bid and asked prices, as appropriate, for the immediately preceding trading day and with the timing in the formulas above adjusted accordingly. The Board may substitute a particular time of day or other measure of "closing sale price" or "bid and asked prices" if appropriate because of exchange or market procedures or may, in its sole discretion, use weighted averages either on a daily basis or such longer period as complies with Section 409A.

The Board has sole discretion to determine the Grant Date Fair Market Value for purposes of the Plan, and all Awards are conditioned on the participants' agreement that the Board's determination is conclusive and binding even though others might make a different determination.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable Option agreement; *provided, however*, that no Option will be granted with a term in excess of 10 years.

(e) Exercise of Options. Options may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with payment in full (in the manner specified in Section 5(f)) of the exercise price for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as may otherwise be provided in the applicable Option agreement or approved by the Board, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) to the extent provided for in the applicable Option agreement or approved by the Board, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their fair market value (valued in the manner determined by (or in a manner approved by) the Board), provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent provided for in the applicable Nonstatutory Stock Option agreement or approved by the Board, by delivery of a notice of "net exercise" to the Company, as a result of which the Participant would receive (i) the number of shares underlying the portion of the Option being exercised, less (ii) such number of shares as is equal to (A) the aggregate exercise price for the portion of the Option being exercised divided by (B) the fair market value of the Common Stock (valued in the manner determined by (or in a manner approved by) the Board) on the date of exercise;

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board, by payment of such other lawful consideration as the Board may determine; provided, however, that in no event may a promissory note of the Participant be used to pay the Option exercise price; or

(6) by any combination of the above permitted forms of payment.

(g) Limitation on Repricing. Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 9): (1) amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option, (2) cancel any outstanding option (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(c)) covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled option, (3) cancel in exchange for a cash payment any outstanding Option with an exercise price per share above the then-current fair market value of the Common Stock (valued in the manner determined by (or in a manner approved by) the Board), or (4) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of the Nasdaq Stock Market ("***Nasdaq***").

(h) No Reload Options. No Option granted under the Plan shall contain any provision entitling the Participant to the automatic grant of additional Options in connection with any exercise of the original Option.

(i) No Dividend Equivalents. No Option shall provide for the payment or accrual of dividend equivalents.

6. Stock Appreciation Rights

(a) General. The Board may grant Awards consisting of stock appreciation rights ("***SARs***") entitling the holder, upon exercise, to receive an amount of Common Stock or cash or a combination thereof (such form to be determined by the Board) determined by reference to appreciation, from and after the date of grant, in the fair market value of a share of Common Stock (valued in the manner determined by (or in a manner approved by) the Board) over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) Measurement Price. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Grant Date Fair Market Value of the Common Stock on the date the SAR is granted;

provided that if the Board approves the grant of an SAR effective as of a future date, the measurement price shall be not less than 100% of the Grant Date Fair Market Value on such future date.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement; *provided, however*, that no SAR will be granted with a term in excess of 10 years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

(e) Limitation on Repricing. Unless such action is approved by the Company's stockholders, the Company may not (except as provided for under Section 9): (1) amend any outstanding SAR granted under the Plan to provide a measurement price per share that is lower than the then-current measurement price per share of such outstanding SAR, (2) cancel any outstanding SAR (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(c)) covering the same or a different number of shares of Common Stock and having a measurement price per share lower than the then-current measurement price per share of the cancelled SAR, (3) cancel in exchange for a cash payment any outstanding SAR with a measurement price per share above the then-current fair market value of the Common Stock (valued in the manner determined by (or in a manner approved by) the Board), or (4) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of the Nasdaq.

(f) No Reload SARs. No SAR granted under the Plan shall contain any provision entitling the Participant to the automatic grant of additional SARs in connection with any exercise of the original SAR.

(g) No Dividend Equivalents. No SAR shall provide for the payment or accrual of dividend equivalents.

7. Restricted Stock; RSUs

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock ("***Restricted Stock***"), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. The Board may also grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests ("***RSUs***").

(b) Terms and Conditions for Restricted Stock and RSUs. The Board shall determine the terms and conditions of Restricted Stock and RSUs, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

(1) Dividends. Any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock ("***Unvested Dividends***") shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Unvested Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock. No interest will be paid on Unvested Dividends.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to his or her Designated Beneficiary. "***Designated Beneficiary***" means (i) the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (ii) in the absence of an effective designation by a Participant, the Participant's estate.

(d) Additional Provisions Relating to RSUs.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each RSU, the Participant shall be entitled to receive from the Company the number of shares of Common Stock specified in the Award agreement or (if so provided in the applicable Award agreement or otherwise determined by the Board) an amount of cash equal to the fair market value (valued in the manner determined by (or in a manner approved by) the Board) of such number of shares or a combination thereof. The Board may provide that settlement of RSUs shall be deferred, on a mandatory basis or at the election of the Participant, in a manner that complies with Section 409A.

(2) Voting Rights. A Participant shall have no voting rights with respect to any RSUs.

(3) Dividend Equivalents. The Award agreement for RSUs may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock ("***Dividend Equivalents***"). Dividend Equivalents will be credited to an account for the Participant, may be settled in cash and/or shares of Common Stock as set forth in the Award agreement and shall be subject to the same restrictions on transfer and forfeitability as the RSUs with respect to which paid. No interest will be paid on Dividend Equivalents.

8. Other Stock-Based Awards

(a) General. The Board may grant other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property ("***Other Stock-Based Awards***"). Such Other Stock-Based

Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

(c) Dividend Equivalents. The Award agreement for an Other Stock-Based Award may provide Participants with the right to receive Dividend Equivalents. Dividend Equivalents will be credited to an account for the Participant, may be settled in cash and/or shares of Common Stock as set forth in the Award agreement and shall be subject to the same restrictions on transfer and forfeitability as the Other Stock-Based Award with respect to which paid. No interest will be paid on Dividend Equivalents.

9. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the share counting rules set forth in Section 4(a), (iii) the number and class of securities and exercise price per share of each outstanding Option, (iv) the share and per-share provisions and the measurement price of each outstanding SAR, (v) the number of shares subject to and the repurchase price per share subject to each outstanding award of Restricted Stock and (vi) the share and per-share-related provisions and the purchase price, if any, of each outstanding RSU and each Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A "***Reorganization Event***" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is canceled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.

(A) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant's unvested Awards will be forfeited immediately prior to the consummation of such Reorganization Event and/ or that all of the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "***Acquisition Price***"), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Common Stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 9(b)(2)(A), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(B) Notwithstanding the terms of Section 9(b)(2)(A)(i), in the case of outstanding RSUs that are subject to Section 409A: (i) if the applicable RSU agreement provides that the RSUs shall be settled upon a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a "change in control event", then no assumption or substitution shall be permitted pursuant to Section 9(b)(2)(A)(i) and the RSUs shall instead be settled in accordance with the terms of the applicable RSU agreement; and (ii) the Board may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 9(b)(2)(A) if the Reorganization Event constitutes a "change in control event" as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and such action is permitted or required by Section 409A; if the Reorganization Event is not a "change in control event" as so defined or such action is not permitted or required by Section 409A, and the acquiring or succeeding corporation does not assume or substitute the RSUs pursuant to clause (i) of Section 9(b)(2)(A), then the unvested RSUs shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(C) For purposes of Section 9(b)(2)(A)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Common Stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); *provided, however*, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determined to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company's successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; *provided, however*, that the Board may either provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment, or provide for forfeiture of such Restricted Stock if issued at no cost. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

10. General Provisions Applicable to Awards

(a) Transferability of Awards. Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by a Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; *provided, however*, that, except with respect to Awards subject to Section 409A, the Board may permit or provide in an Award for the gratuitous transfer of the Award by the Participant to or for the benefit of any immediate family member, family trust or other entity established for the benefit of the Participant and/or an immediate family member thereof if the Company would be eligible to use a Form S-8 under the Securities Act for the registration of the sale of the Common Stock subject to such Award to such proposed transferee; *provided further*, that the Company shall not be required to recognize any such permitted transfer

until such time as such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) shall be deemed to restrict a transfer to the Company.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights, or receive any benefits, under an Award.

(d) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may elect to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price, unless the Company determines otherwise. If provided for in an Award or approved by the Board, a Participant may satisfy the tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their fair market value (valued in the manner determined by (or in a manner approved by) the Company); *provided, however*, except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income), except that, to the extent that the Company is able to retain shares of Common Stock having a fair market value (determined by, or in a manner approved by, the Company) that exceeds the statutory minimum applicable withholding tax without financial accounting implications or the Company is withholding in a jurisdiction that does not have a statutory minimum withholding tax, the Company may retain such number of shares of Common Stock (up to the number of shares having a fair market value equal to the maximum individual statutory rate of tax (determined by, or in a manner approved by, the Company)) as the Company shall determine in its sole discretion to satisfy the tax liability associated with any Award. Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(e) Amendment of Award. Except as otherwise provided in Sections 5(g) and 6(e) with respect to repricings and Section 11(d) with respect to actions requiring stockholder approval,

the Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant's consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 9.

(f) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(g) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in whole or in part, free from some or all restrictions or conditions or otherwise realizable in whole or in part, as the case may be.

11. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder; Clawback. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be issued with respect to an Award until becoming the record holder of such shares. In accepting an Award under the Plan, the Participant agrees to be bound by any clawback policy that the Company has in effect or may adopt in the future.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date the Plan is approved by the Company's stockholders (the "***Effective Date***"). No Awards shall be granted under the Plan after the expiration of 10 years from the Effective Date, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time provided that (i) no amendment that would require stockholder approval under the rules of the national securities exchange on which the Company then maintains its primary listing may be made effective unless and until the Company's stockholders approve such amendment; and (ii) if the national securities exchange on which the Company then maintains its primary listing does not have rules regarding when stockholder approval of amendments to equity

compensation plans is required (or if the Company's Common Stock is not then listed on any national securities exchange), then no amendment to the Plan (A) materially increasing the number of shares authorized under the Plan (other than pursuant to Section 4(c) or 9), (B) expanding the types of Awards that may be granted under the Plan, or (C) materially expanding the class of participants eligible to participate in the Plan shall be effective unless and until the Company's stockholders approve such amendment. In addition, if at any time the approval of the Company's stockholders is required as to any other modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan. No Award shall be made that is conditioned upon stockholder approval of any amendment to the Plan unless the Award provides that (i) it will terminate or be forfeited if stockholder approval of such amendment is not obtained within no more than 12 months from the date of grant and (2) it may not be exercised or settled (or otherwise result in the issuance of Common Stock) prior to such stockholder approval.

(e) Authorization of Sub-Plans (including for Grants to non-U.S. Employees). The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Section 409A. If and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i), in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A) (the "***New Payment Date***"), except as Section 409A may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits

under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A but do not to satisfy the conditions of that section.

(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as a director, officer, employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, employee or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Board's approval) arising out of any act or omission to act concerning the Plan unless arising out of such person's own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.

DATE APPROVED BY BOARD OF DIRECTORS: April 13, 2021

DATE APPROVED BY STOCKHOLDERS: June 18, 2021

Ocular Therapeutix, Inc.

AMENDMENT TO 2021 STOCK INCENTIVE PLAN

WHEREAS, Ocular Therapeutix, Inc. (the "Company") maintains the 2021 Stock Incentive Plan (the "Plan");

WHEREAS, the Board of Directors of the Company has determined that it is in the best interest of the Company and its stockholders to amend the Plan, pursuant to Section 11(d) thereof, to increase the number of shares of Company common stock that may be granted under the Plan;

NOW, THEREFORE, in consideration of the foregoing, the Plan is amended, pursuant to Section 11(d) thereof, as follows:

1. The number set forth in Section 4(a)(1)(A) of the Plan is increased by 3,600,000 shares of Common Stock to 9,600,000 shares of Common Stock.

Except as set forth above, all other terms of the Plan shall remain unchanged and in full force and effect.

DATE APPROVED BY BOARD OF DIRECTORS: April 28, 2022

DATE APPROVED BY STOCKHOLDERS: June 16, 2022

EXHIBIT 10.2

HEALTHCARE PROFESSIONAL CONSULTANT AGREEMENT

THIS HEALTHCARE PROFESSIONAL CONSULTANT AGREEMENT (this "Agreement") for services is made and entered into as of June 7, 2022, by and between Ocular Therapeutix, Inc. ("Company"), a Delaware corporation having its principal place of business at 24 Crosby Dr., Bedford, MA 01730 USA, and Michael Goldstein, MD, MBA of 3 Hurlbut Street, Cambridge, MA 02138 ("Consultant").

IT IS AGREED:

1. Type and Amount of Service.

1.1. Subject to the conditions set forth in this Agreement, Consultant agrees to furnish the services detailed in Exhibit A, attached hereto and incorporated herein by reference (the "Services").

1.2. Consultant agrees to provide the Services in accordance with the terms and conditions of this Agreement, including but not limited to the terms set forth in Exhibit A. Consultant shall provide all Services in compliance with laws applicable to his performance of the Services, Company instructions, training and Company policies and procedures provided to him, including, but not limited to, Company's Code of Business Conduct and Ethics.

1.3 Consultant shall have the title of "Chief Strategy Advisor," which can be modified if mutually agreed in writing by Company and Consultant.

2. Compensation.

2.1. Subject to the conditions set forth in this Agreement, Company agrees to pay Consultant the consideration specified in Exhibit A for the Services that Consultant renders, which the parties agree does not exceed the fair market value for such services.

2.2. Payment of the consideration specified in Exhibit A shall constitute full payment for Consultant's Services to Company during the term of this Agreement, and Consultant shall not receive any additional benefits or compensation for the Services.

2.3. No amount paid or reimbursed by or on behalf of Company is intended to be, nor shall it be construed as, an offer or payment made, whether directly or indirectly, to induce or reward the referral of patients, the purchase, lease or order of any item or service, or the recommendation or arranging for the purchase, lease or order of any item or service.

2.4. Consultant shall provide Company with invoices on a monthly basis documenting the Services provided by Consultant to RGurses-Ozden@ocutx.com with a copy to AP@ocutx.com and to such other address as the Company may direct. Each invoice shall be in a form reasonably satisfactory to the Company and shall describe the fees due, and the dates upon which Services were rendered, with each task being described in reasonable detail to support the invoice and, in the case of the reimbursement of expenses in accordance with Section 2.5, accompanied by reasonable documentation for reimbursable expenses. Company shall pay Consultant's invoices for fees and expenses within 15 days of receipt thereof.

2.5. Subject to the requirements or restrictions of applicable law and codes, Company will reimburse Consultant for reasonable and necessary expenses actually incurred by Consultant

in connection with Consultant's furnishing of the Services requested by Company as long as: (a) Consultant obtained advance consent from Company; (b) Consultant provides Company with appropriate documentation, including original receipts, for such expenses; and (c) the expenses comply with all Company requirements related to expense reimbursements for consultants provided to Consultant including the Company's then-current external consultant travel and expense reimbursement policy. In no event will Company reimburse Consultant for expenses related to (a) travel or subsistence expenses for spouses or guests; (b) secretarial or word processing services; (c) staff services; (d) computer time; (e) express delivery services; (f) facsimile charges; or (g) photocopying. Company reserves the right to audit the expenses claimed by Consultant at any time during the term of this Agreement.

2.6. Consultant acknowledges and agrees that Company has the right to capture, maintain and disclose, as required under all applicable laws, regulations, or bindingindustry codes: (a) the existence and nature of Consultant relationship with Company; (b) actual services rendered by Consultant; and (c) direct and indirect payments, transfers of value, and other compensation, ownership or investment interest provided to Consultant by Company. Additionally, as required under all applicable laws, regulations, or binding industry codes, Consultant shall notify state authorities of Consultant's relationship with Company and of receipt of compensation under this Agreement.

3. Term and Termination.

3.1. Consultant shall begin providing Services to Company on July 1, 2022 and shall continue to do so until June 30, 2023 under the terms of this Agreement, unless this Agreement is terminated earlier as provided herein (the term of this Agreement). The Agreement shall automatically renew for one-year intervals through June 30, 2026, unless earlier terminated as provided herein.

3.2. Company, in its sole discretion, may terminate this Agreement immediately upon written notice to Consultant: (a) if Consultant does not timely enter into – or if Consultant timely enters into but thereafter revokes – the Separation and Release of Claims Agreement which is attached hereto as Exhibit B, or (b) for any material violation by Consultant of any provision of this Agreement.

3.3. Either party may, in their sole discretion, terminate this Agreement immediately upon written notice to the other party for their material violation of any provision of this Agreement, the Separation and Release of Claims Agreement or any agreement pursuant to which Consultant has been granted any equity interest in the Company.

3.4. Either party may terminate this Agreement without cause upon thirty (30) days' written notice.

3.5. In the event of termination of this Agreement, any and all obligations either party may otherwise have under this Agreement shall cease immediately except that Company agrees to pay Consultant the accrued but unpaid fees and expenses due at the time of termination for any Services performed by Consultant prior to the termination.

3.6. Consultant's obligations under Sections 4-15 of this Agreement shall survive the termination of this Agreement.

4. Independent Contractors.

4.1. This Agreement, in accordance with the mutual intentions of Company and Consultant, establishes between them an independent contractor relationship, and all terms and conditions of this Agreement shall be interpreted in light of that relationship.

4.2. This Agreement does not create an employment, agency or partnership relationship. As an independent contractor, Consultant fees and expenses are limited to those expressly stated in this Agreement.

4.3. Consultant shall not participate in or be entitled to Company's fringe benefit plans or any other compensation or benefit plans Company maintains for its own employees.

4.4. In conformity with Consultant's independent contractor status and without limiting any of the foregoing:

(a) Consultant understands that no deduction or withholding for taxes or contributions of any kind shall be made by Company;

(b) Consultant agrees to accept liability for the payment of all taxes or contributions for unemployment insurance or pensions or annuities or social security payments which are measured by the wages, salaries or other remuneration paid to Consultant or Consultant's agents, if any, and to reimburse Company for any such taxes or contributions or penalties which Company may be compelled to pay; and

(c) Consultant agrees to take all action and comply with all applicable administrative regulations necessary for the payment by Consultant of such taxes and contributions.

4.5. Consultant is not authorized to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, the Company, or to bind the Company in any manner.

4.6. Consultant shall have the right to control and determine the time, place, methods, manner and means of performing the Services, provided that Consultant shall not use any of the following in the performance of the Services: (a) any direct or indirect financial support received from any institution or entity, including without limitation any academic or not-for-profit institution with which Consultant may be affiliated, including the Board (the "Other Entity"), or (b) use any of the space, facilities, materials or other resources of the Other Entity. In performing the Services, the amount of time devoted by the Consultant on any given day will be entirely within Consultant's control, and the Company will rely on the Consultant to put in the amount of time necessary to fulfill the requirements of this Agreement. Consultant will provide all equipment and supplies required to perform the Services. Upon reasonable notice, Consultant shall meet with representatives of the Company at a location to be designated by the parties to this Agreement.

4.7. In the performance of the Services, Consultant has the authority to control and direct the performance of the details of the Services. However, the Services contemplated by the Agreement must meet the Company's reasonable standards and approval (which shall not be unreasonably withheld, delayed or conditioned) and shall be subject to the Company's general right of inspection and supervision to secure their satisfactory completion.

4.8. Consultant shall not use the Company's trade names, trademarks, service names or service

marks without the prior approval of the Company; provided, however, that notwithstanding the foregoing, the Company agrees that Consultant shall be permitted to disclose Consultant's relationship with the Company in conflict of interest disclosure statements to the extent required under academic policies, grant documentation, publication disclosures, other employment and similar matters.

4.9. Consultant shall indemnify, defend and hold harmless the Company and its successors and assigns from and against any claim, demand, liability, damage, cost or expense (including without limitation attorneys' fees, back wages, liquidated damages, penalties or interest) resulting from Consultant's failure to pay taxes and associated penalties and payments.

5. Compliance with Law and Conflicts of Interest.

5.1. Consultant shall perform the obligations set forth in this Agreement in conformance with all laws, rules and regulations, and all professional standards, applicable to his performance of the Services, including but not limited to the Federal anti-kickback statute, the Federal Physician Payments Sunshine Act (and similar state laws), and the U.S. Food, Drug and Cosmetic Act, as amended from time to time. Consultant agrees to not serve as a clinical investigator or serve on a Data Safety Monitoring Board for a Company sponsored or funded trial during the term of this Agreement. The parties intend for this Agreement to comply with the personal services safe harbor, 42 C.F.R. § 1001.952(d), under the Federal anti-kickback statute. The fees set out in Exhibit A do not exceed fair market value, negotiated at arm's-length, and are not determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the parties for which payment may be made in whole or in part under Medicare, Medicaid, or other Federal health care programs.

5.2. Consultant shall not make any payment or provide any gift to a third party in connection with the performance of Services under this Agreement, except as expressly permitted in this Agreement, without first identifying the intended third-party recipient to Company and obtaining Company's prior written approval. Consultant shall notify Company immediately upon becoming aware of any breach of Consultant's obligations under Section 5.

5.3. Consultant acknowledges that Company may be required by law or trade association rules of which Company is a member to disclose to certain government agencies or other entities payments made to Consultant under this Agreement. Consultant hereby consents to Company's disclosure of such information and acknowledgs that such information may become available to the public..

5.4. Consultant represents, warrants and covenants that Consultant:

(a) Currently has a valid state medical license;

(b) Has not been subject to disciplinary action by any state licensing authority;

(c) Is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Agreement or performing the Service by the U.S. Food and Drug Administration, or any Federal or State law, regulation, or action, including but not limited to 21 U.S.C. § 335a(a) and (b), or by any applicable international laws, regulations or actions;

(d) Has not been convicted of a criminal offense related to healthcare;

(e) Has not been convicted of a felony;

(f) Has not been placed on a state or foreign government's prohibited vendor list; or

(g) Has not engaged in any conduct or activity which could lead to any of the above mentioned disqualification or debarment actions and that Consultant has no notice that the FDA or any other domestic or international regulatory authority intends to seek disqualification or debarment.

In the event that either Consultant becomes debarred, or if, to Consultant's actual knowledge without investigation, any action, suit, claim, investigation, or other legal or administrative proceeding is pending, that would make Consultant a debarred person or would preclude Consultant from performing the Services, Consultant shall promptly notify Company. Consultant acknowledges and agrees that, notwithstanding any provision to the contrary, any such event constitutes grounds for Company to terminate this Agreement upon notice. If, to Consultant's actual knowledge, without investigation, any action, suit, claim, investigation, or other legal or administrative proceeding is threatened, that would make Consultant a debarred person or would preclude Consultant from performing the Services, Consultant shall promptly notify Company but such threatened action shall not be a basis for Company to terminate this Agreement. Consultant may choose, at his own discretion, to relinquish his state medical license, in which case he shall promptly notify Company, but which shall not be a basis for Company to terminate this Agreement.

5.5. Consultant warrants and represents that no conflict of interest exists as between this Agreement and any other agreement to which Consultant is a party and that there are no other lawful restrictions of any kind with respect to Consultant's performance of the Services and the acceptance of related compensation. If Consultant is a present or past employee, faculty member, or an affiliate of any foreign, federal or state government facility or institution, Consultant represents and warrants that Consultant is not prohibited by any applicable laws, regulations, policies, procedures or ethical guidelines from fulfilling any of Consultant's obligations or responsibilities or accepting compensation under this Agreement, and that Consultant will make any required disclosures in accordance with the aforementioned policies, procedures, or ethical guidelines. Consultant will keep Company informed of any changes in circumstance that is reasonably likely to lead to a conflict of interest between Consultant and Company and if in doubt, Consultant will inform Company to ascertain if there is an unacceptable conflict to Company. The Company acknowledges that any information provided to it under this provision is Consultant's confidential information, regarding which the Company has an obligation of confidentiality.

5.6. Consultant represents and warrants that if Consultant is a member, affiliated with, or an employee of an educational or not-for-profit institution or any other third party and is required by such third party to disclose any proposed agreements for Services as contemplated herein, Consultant shall make such disclosure in accordance with the policies and procedures of such third party and shall have obtained the prior written approval to enter into this Agreement by such third party, if required.

5.7. Consultant represents and warrants that if Consultant is a member of the committee of any entity that sets formularies of covered medicines (e.g., formulary committee or Pharmacy & Therapeutics committee), or develops clinical guidelines or treatment protocols or standards,

Consultant shall comply with the disclosure requirements of the respective committee(s) and, at a minimum, shall follow the procedures of such committee and shall disclose to such committee (a) that Consultant provides services to Company and (b) the nature of such services. The obligation to disclose to such committee as contemplated above shall extend for two (2) years beyond the termination or expiration of this Agreement. If and to the extent that the procedures or disclosure requirements of any committee(s) referenced above of which the Consultant is a member requires the Consultant to disclose Confidential Information to such committee(s), the Consultant will notify Company of such procedure or requirement reasonably in advance of making such disclosure, to the extent not prohibited by the policies of such committee(s).

5.8. If Consultant is employed on a full- or part-time basis by, or is providing services to, any United States federal government agency, department or branch, including, but not limited to, the Department of Veterans Affairs or Military Treatment Facilities, or any foreign government institution or agency, Consultant warrants that he or she has confirmed with his or her supervisor or relevant government ethics official that Consultant is permitted to accept speaking or consulting compensation from Company. In addition, if Consultant is employed on a full-time or part-time basis by, or is providing services to, any state, county, local or foreign government agency, department or branch, Consultant warrants that he or she has confirmed with his or her supervisor or relevant government ethics official that Consultant is permitted to accept speaking or consulting compensation from Company.

5.9. Where the provision of Services requires Consultant to visit the premises of a customer of Company, Consultant will comply with all of the rules and regulations of such customer, including the satisfaction by Consultant of any reasonable health, immunization, and infection control training criteria required of customer employees, provided that such criteria are in writing and are provided to Consultant in advance of such visit to the customer's premises.

5.10. Consultant hereby represents that, except as Consultant has disclosed in writing to the Company, Consultant is not bound by the terms of any agreement with any third party, to refrain from competing, directly or indirectly, with the business of such third party or to refrain from soliciting employees, customers or suppliers of such third party, to the extent any such prohibits Consultant from entering this Agreement or would be violated by Consultant's entry into this Agreement. Consultant further represents that Consultant will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any current or previous employer or others.

6. Reporting.

In the event that Consultant, in the course of providing Services, learns of any adverse events or product defects related to a Company product, Consultant shall promptly report such adverse event or product defect to his or her designated contact person at Company.

7. Data Protection.

Company and its duly authorized agents, employees and service providers will process Consultant's personal data prior to, during and after the performance of this Agreement. Such data may include name, contact information, bank account details, educational background, work experience, publications, performance information, and other information that may identify Consultant that is relevant to the Services (the "Personal Data"). The processing (including use, disclosure or transfer) of Consultant's Personal Data is necessary for the following purposes: (i) the administration and

management of Consultant's engagement by Company; and (ii) compliance with legal or regulatory requirements (the "Purposes").

Consultant understands and acknowledges that: (i) Company's Privacy Policy, which is accessible on the world wide web at https://www. https://www.ocutx.com/privacy-policy/, contains additional information about how Company protects and uses Personal Data; and that (ii) Company may share Consultant's Personal Data with third parties for the Purposes, solely to the extent required by applicable law, in accordance with Company's Privacy Policy.

8. Property and Ownership.

8.1. All materials, documents, information, descriptions and suggestions of every kind supplied to Consultant by Company or Company's agent in connection with and/or pursuant to this Agreement or the relationship established between Consultant and Company (including, without limitation, any such materials, documents, information, descriptions and suggestions supplied to Consultant by Company before the execution of this Agreement) are the sole and exclusive property of Company, and Company shall have the right to make whatever use it deems desirable of any such materials, documents, information, descriptions and suggestions.

8.2. Other than Consultant's Personal Data, and Consultant's confidential information, as otherwise provided in this Agreement, all information of whatever type developed in connection with and/or pursuant to this Agreement, or the relationship established between Consultant and Company, is the exclusive property of Company.

8.3. Upon termination of this Agreement or earlier upon the request of the Company, Consultant shall return to Company the items described in this Section 8 including all copies thereof or dispose of such items as directed by Company and provide written certification of such disposal if requested by Company.

9. Publications.

9.1. Consultant may not publish or publicize in any way without the prior written consent of Company, which consent Company may withhold in its sole discretion, any material or manuscript relating to Consultant's work hereunder and/or any information or materials that Consultant received in connection with or pursuant to this Agreement or the relationship established between Consultant and Company.

9.2. Consultant shall not use Company's name or logo without the prior written approval of Company, which approval Company may withhold in its sole discretion.

10. Right to Audit.

Company shall be entitled, upon reasonable notice, to audit Consultant's records related to this Agreement and the Services provided, and Consultant agrees to cooperate with Company, at the Company expense, in any such audit. This audit right shall be subject to the Company conducting such audit in such a way as to interfere as little as practicable with Consultant's business and personal enterprises, and the Company's strict compliance with its confidentiality obligation in connection with any information obtained in such audit. The Company may not conduct more than one audit in an 12-month period.

11. Assignment of Work Product.

11.1. All inventions, ideas, creations, discoveries, computer programs, works of authorship, data, developments, technology, designs, innovations and improvements (whether or not patentable and whether or not copyrightable) which are made, conceived, reduced to practice, created, written, designed or developed by Consultant, solely or jointly with others or under Consultant's direction and whether during normal business hours or otherwise, (i) during the Consultation Period and in the course of performing services hereunder or (ii) during or after the Consultation Period, if resulting or directly derived from Confidential Information (as defined below) (collectively under clauses (i) and (ii), "Inventions"), shall be the sole property of the Company. Consultant hereby assigns to the Company all Inventions and any and all related patents, copyrights, trademarks, trade names, and other industrial and intellectual property rights and applications therefor, in the United States and elsewhere and appoints any officer of the Company as Consultant's duly authorized attorney to execute, file, prosecute and protect the same before any government agency, court or authority. Consultant further acknowledges that each original work of authorship which is made by Consultant (solely or jointly with others) resulting from the Services and which is protectable by copyright is a "work made for hire," as that term is defined in the United States Copyright Act.

11.2. Consultant agrees that if, in the course of performing services hereunder, Consultant incorporates into any Invention developed under this Agreement any preexisting invention, improvement, development, concept, discovery or other proprietary information owned by Consultant or in which Consultant has an interest ("Prior Inventions"), (i) Consultant will inform the Company, in writing before incorporating such Prior Inventions into any Invention, and (ii) the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable worldwide license with the right to grant and authorize sublicenses, to make, have made, modify, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. Consultant will not incorporate any invention, improvement, development, concept, discovery or other proprietary information owned by any third party into any Invention without the third-party owner and the Company's prior written permission.

11.3. Upon the request of the Company and at the Company's expense, Consultant shall execute such further assignments, documents and other instruments as may be necessary or desirable to fully and completely assign all Inventions to the Company and to assist the Company in applying for, obtaining and enforcing patents or copyrights or other rights in the United States and in any foreign country with respect to any Invention. Consultant also hereby waives all claims to moral rights in any Inventions.

11.4. Consultant shall promptly disclose to the Company all Inventions and will maintain adequate and current written records (in the form of notes, sketches, drawings and as may be specified by the Company) to document the conception and/or first actual reduction to practice of any Invention. Such written records shall be available to and remain the sole property of the Company at all times.

12. Acknowledgement of Confidentiality.

12.1. Consultant acknowledges that Consultant has been or may be exposed to Confidential Information of Company under the terms of this Agreement. Company acknowledges that it will possess Consultant's Personal Data, and that in connection with its rights under this

Agreement, it will be exposed to Confidential Information of the Consultant. Confidential Information" includes (a) any and all information disclosed by a party or such party's agent to the other in any form, including each party's data, know how, business plans, marketing and promotional information, sales and distribution information, information systems information, compound or product information, research and development information, clinical trials information and intellectual property information, whether proprietary to such party or which such party is obligated to keep confidential, and any physical substances provided to Consultant by Company; (b) contacts, communications, relationships or potential relationships between each party or such party's agents and the other party including, without limitation: the occurrence of any contacts or communications and the substance of same; the existence or consideration of any relationships or potential relationships and the nature, scope, circumstances, substance and terms of same; and (c) any information obtained or derived from a party's review of the other party's documents, or property and any information obtained by a party through communications with the other party or its or his's agents, including all notes, analyses, compilations, studies, summaries, and other material, however documented, containing or based, in whole or in part, on any information described in this Section 12 or information developed or otherwise acaquired by a party about the other party in the course of this Agreement.

12.2. Notwithstanding anything herein to the contrary, Confidential Information shall not include information that: (a) is publicly known in the pharmaceutical or medical industry, unless such information becomes known through the recipient party's breach of this Agreement; (b) the recipient party can demonstrate by written records that was in its or his lawful possession prior to its disclosure by or on behalf of the disclosing party; or (c) the recipient party lawfully receives the Confidential Information from a source other the disclosing party who does not have, to the recipient party's knowledge, a direct or indirect obligation of confidentiality to the disclosing party.

12.3. Unless otherwise agreed in a writing signed by the Company and Consultant, this Agreement governs any and all Confidential Information disclosed by the one party to the other after the date of this Agreement.

12.4. Each party agrees to keep and maintain the Confidential Information of the other party in confidence and not to use Confidential Information except for the performance of obligations under or enjoyment of benefits of this Agreement. Neither party shall disclose, under any circumstances, Confidential Information of the other party to others who are not subject confidentiality provisions with the recipient party without the prior written consent of disclosing party.

12.5. Notwithstanding its obligations under Section 12.4, if a party is requested or becomes legally compelled by a court or governmental body of the United States to make any disclosure of the the other party's Confidential Information, the recipient party may furnish that portion (and only that portion) of the Confidential Information that the recipient party is legally compelled to disclose subject to the following conditions:

(a) the recipient party promptly notifies the disclosing party in writing of the request, to the extent permitted by applicable law; and

(b) the recipient party reasonably cooperates with the disclosing party, at the disclosing party's expense, to obtain a protective order or other legally-binding

assurance that confidential treatment will be accorded to any Confidential Information that is disclosed.

12.6. Nothing herein shall be construed as giving to either party any right, title, interest in, or ownership of Confidential Information of the other party, or, other than as expressly set forth in Section 11 of this Agreement, any rights to any license under any patent rights that the disclosing party may or hereafter hold.

13. Assignment & Delegation.

Consultant maynot , in whole or in part, assign or delegate Consultant's interests and/or obligations under this Agreement, voluntarily or involuntarily, to any person, firm, partnership, corporation or other entity without the prior written consent of Company, which consent may be withheld in Company's sole discretion, and any attempt to the contrary is void. Company may assign or transfer this Agreement or any and all of its rights and obligations hereunder at any time without Consultant's consent.

14. Section Intentionally Omitted.

15. Non-Competition and Non-Solicitation.

15.1 Consultant recognizes that the Company is engaged in a competitive business and that the Company has a legitimate interest in protecting its trade secrets, confidential business information, and customer, business development partner, licensee, supplier, and credit and/or financial relationships. Accordingly, in exchange for valuable consideration, including without limitation Consultant's access to confidential business information and compensation by the Company, and, with respect to the non-competition restrictions, the compensation provided under this Agreement, which Consultant hereby explicitly acknowledges and agrees has been mutually agreed upon by Consultant and the Company, is fair and reasonable, and is sufficient consideration in exchange for the non-competition restriction, Consultant agrees as follows:

Non-Competition. During the term of this Agreement, Consultant will not, in the United States of America, directly or indirectly, whether for Consultant or for any other person or entity, and whether as a proprietor, principal, shareholder, partner, agent, employee, consultant, independent contractor, or in any other capacity whatsoever, undertake or have any interest in (other than the passive ownership of publicly registered securities representing an ownership interest of less than 1%), or engage or assist others in engaging in, any business or enterprise that researches, develops, manufactures, markets, licenses, sells or provides any product or service relating to dexamethasone ophthalmic insert for intracanalicular use, tyrosinase inhibitor for injection into the eye, cyclosporine ophthalmic insert for intrcanalicular use and/or travoprost for the treatment of glaucoma (a "Competitive Business"), if Consultant would be performing job duties or services for the Competitive Business that are of a similar type that Consultant performed for the Company at any time during the term of this Agreement. Consultant acknowledges and agrees that, in the performance of Consultant's duties for the Company (including, without limitation, assisting the Company with its overall business strategy), Consultant will be privy to and rely upon Confidential Information regarding all aspects of the Company's business and operations. Accordingly, Consultant acknowledges and agrees that undertaking a role in a Competitive Company would constitute performing job duties or services of a similar type that Consultant performed for the Company. Consultant and Company agree that the following activities shall

not be considered Competitive Business under this Agreement: Consultant's practice as a medical doctor for Tufts Medical Center and Consultant's activities relating to research, development and/or commercialization of regenerative medicine and/or cell therapy technology for the treatment of ocular disease and degeneration.

Non-Solicitation. During the term of this Agreement, Consultant will not directly or indirectly: (i) initiate contact with (including without limitation phone calls), or in any manner solicit, directly or indirectly, any customers, business development partners, licensors, licensees, or creditors (including institutional lenders, bonding companies and trade creditors) of the Company in an attempt to induce or motivate them either to discontinue or modify their then prevailing relationship with the Company or to transfer any of their business with the Company to any person or entity other than the Company; or (ii) initiate contact with, or in any manner solicit, directly or indirectly, any supplier of goods, services or materials to the Company in an attempt to induce or motivate them either to discontinue or modify their then prevailing relationship with the Company or to supply the same or similar inventory, goods, services or materials (except generally available inventory, goods, services or materials) to any person or entity other than the Company; or (iii) directly or indirectly recruit, solicit or otherwise induce or influence any employee or independent contractor of the Company to discontinue or modify his or her employment or engagement with the Company, or employ or contract with any such employee or contractor for the provision of services, other than engagement of an independent contractor where such does not adversely affect such person's relationship with the Company. For the sake of clarity, Consultant is permitted to work freely with any CROs, whether or not the Company does business with such CROs.

15.2 Reasonableness of Restrictions. Consultant acknowledges that the restrictions contained in this Section 15 are necessary for the protection of the business and goodwill of the Company and are considered by Consultant to be reasonable for such purpose. Consultant further recognizes and acknowledges that (i) the types of employment which are prohibited by this Section 15 are narrow and reasonable in relation to the skills which represent Consultant's principal salable asset both to the Company and to Consultant's other prospective employers, and (ii) the broad geographical scope of the provisions of this Section 15 is reasonable, legitimate and fair to Consultant in light of the global nature of the Company's business, and in light of the limited restrictions on the type of employment prohibited herein compared to the types of employment for which Consultant is qualified to earn Consultant's livelihood.

15.3 Remedies. Consultant acknowledges that a breach of this Section 15 may cause great and irreparable injury and damage, which cannot be reasonably or adequately compensated by money damages. Accordingly, Consultant acknowledges that the Company may seek remedies of injunction and specific performance in the event of such a breach, in addition to money damages, costs and attorneys' fees, and other legal or equitable remedies, and that the Company shall be entitled to seek an injunction pending trial, without the posting of bond or other security. Any period of restriction set forth in this Section 15 shall be extended for a period of time equal to the duration of any breach or violation hereof.

15.4 Notification. Any person employing Consultant or evidencing any intention to employ Consultant during the term of this Agreement may be notified as to the existence and provisions of this Agreement.

15.5 Modification of Covenants; Enforceability. In the event that any provision of this Section 15 is held to be in any respect an unreasonable restriction, then the court so holding may modify the terms thereof, including the period of time during which it operates or the geographic area

to which it applies, or effect any other change to the extent necessary to render this section enforceable, it being acknowledged by the parties that the representations and covenants set forth herein are of the essence of this Agreement.

16 General Provisions.

16.1 Non-Waiver of Rights. No failure or delay on the part of either party in either exercising or enforcing any right under this Agreement will operate as a waiver of, or impair, any such right. No single or partial exercise or enforcement of any such right by a party will preclude that same party from exercising or enforcing that right or any other right under this Agreement. Waiver by a party of any provision under this Agreement in one instance will not preclude that party from enforcing in the future such right or any other right under this Agreement.

16.2 Governing Law and Jurisdiction. The laws of the Commonwealth of Massachusetts (without giving effect to its conflict and choice of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its interpretation, construction, performance, and enforcement. The parties and their agents hereby consent to the exclusive jurisdiction and venue of the state or federal courts located in Massachusetts for the purpose of resolving all such disputes and agree to waive any objection to personal jurisdiction in such courts and that such courts are not a proper or convenient forum. Each of the parties hereto consent to process being served in any proceeding arising out of or relating to this Agreement by mailing, certified mail, return receipt requested, a copy thereof to such party at the address set forth in this Agreement, and agrees that such service shall constitute good and sufficient service of process and notice thereof.

16.3 Notice. Any report or notice required or permitted under this Agreement is effective on the business day received. All notices shall be in writing and given personally or by prepaid certified mail, return receipt requested, or by expedited delivery service or e-mail transmission addressed to the parties (and in the case of Company, with a copy to Chief Financial Officer, dnotman@ocutx.com and to General Counsel, pstrassburger@ocutx.com) at their respective addresses as set forth in this Agreement.

16.4 Headings. The headings of Sections in this Agreement are for convenience of reference only and do not affect or alter this Agreement's construction or interpretation.

16.5 Severability. Any provision in this Agreement found by a court of competent jurisdiction to be illegal or unenforceable shall be automatically conformed to the minimum requirements of law and all other provisions shall remain in full force and effect, provided that any such modification is consistent with the purposes and objectives of this Agreement and does not impose upon either Party any obligation that is greater or less than the obligation that would have been imposed by the invalidated or modified provision.

16.6 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all other prior agreements and understandings, if any, whether written or oral, relating to the subject matter of this Agreement. This Agreement may be amended only by a written instrument signed by Company and the Consultant.

16.7 Successors. This Agreement and all the rights, obligations, duties, representations, warranties and covenants of each Party shall inure to the benefit, and be the burden of, and shall be binding upon their respective successors (including by operation of law) and permitted

assigns.

16.8 Counterparts. The Parties may execute this Agreement in multiple counterparts, each of which is deemed an original, and all of which, collectively, constitute only one agreement.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

OCULAR THERAPEUTIX, INC.

By: DocuSigned by: Donald Notman 10A922DBB3154DA...

Name: Donald Notman, MBA

Title: Chief Financial Officer

CONSULTANT

By: Michael Goldstein

Name: Michael Goldstein, MD, MBA

State of Medical License: Massachusetts
License Number: 212836

EXHIBIT A—DESCRIPTION OF SERVICES

1. **Services.**

Consultant shall provide advice or expertise, beginning on July 1, 2022, on one or more of Company's marketed and/or development-stage drug or medical device products (each a "Product"), enabling Consultant to work as an expert consultant with respect to the Product, which may include protocol review, clinical study development and execution, scientific advice, New Drug Application development, non-promotional speaking engagements, advisory boards, and/or other services concerning the Product. Consultant shall work approximately, but not more than, 34 hours per month.

Specifically, Company is engaging Consultant to provide the following services:

- Serve as Company's "Chief Strategy Advisor"
- Clinical development strategy for Ocular's pipeline products
- Protocol development to support clinical development strategy
- KOL engagement with ophthalmic and optometrist specialists and other key stakeholders
- Planning and execution of advisory boards to support clinical programs
- Competitive intelligence
- Participation in new product planning and diligence on potential partnerships
- Participation in meetings with FDA as appropriate
- Other reasonable requests for advice as presented by the Company to Consultant from time to time
- Other strategic initiatives as needed to support eye treatment programs
- Discussion with current (or potential future) investors relating to current or future pipeline programs
- Participation in quarterly earnings calls, on request
- Participation in certain investor conferences, on request

Consultant's main points of contact at the Company shall be Antony Mattessich, CEO, and Rabia Gurses-Ozden, Sr. Vice President, Clinical Development. The Company will discuss requests to perform such Services with Consultant, which shall thereafter be memorialized by Dr. Gurses- Ozden or her designee in writing.

2. **Fees.**

Consultant will be compensated with a monthly fee of $6,000, payable on a monthly basis in accordance with Section 2.4 of the Agreement.

All amounts payable are exclusive of state and federal taxes. Consultant shall be responsible for the payment of applicable taxes levied or based upon income derived from Company for any services provided under this Agreement including, but not limited to FICA and federal, state and local income taxes, unemployment insurance taxes, and any other employment taxes or levies.

In the event that Consultant's engagement hereunder is terminated (i) by Consultant for any material violation by Company of this Agreement, (ii) by the Company under Section 3.3 of this Agreement, or (iii) upon a Corporate Change (as defined below) or during the twelve (12) month period following a Corporate Change, one hundred percent (100%) of Consultant's outstanding

unvested equity awards granted under the Company's equity and long-term incentive plan(s) prior to the termination of this Agreement shall vest immediately.

Definition of "Corporate Change". For purposes of this Agreement, "Corporate Change" shall mean any circumstance in which (i) the Company is not the surviving entity in any merger, consolidation or other reorganization (or survives only as a subsidiary or affiliate of an entity other than a previously wholly-owned subsidiary of the Company); (ii) the Company sells, leases or exchanges all or substantially all of its assets to any other person or entity (other than a wholly- owned subsidiary of the Company); (iii) any person or entity, including a "group" as contemplated by Section 13(d)(3) of the Securities Exchange Act of 1934 (excluding, for this purpose, the Company or any subsidiary, or any employee benefit plan of the Company or any subsidiary, or any "group" in which all or substantially all of its members or its members' affiliates are individuals or entities who are or were beneficial owners of the Company's outstanding shares prior to the initial public offering of the Company's common stock), acquires or gains ownership or control (including, without limitations, powers to vote) of more than 50% of the outstanding shares of the Company's voting stock (based upon voting power); or (iv) as a result of or in connection with a contested election of directors, the persons who were directors of the Company before such election shall cease to constitute a majority of the Board of Directors of the Company. Notwithstanding the foregoing, a "Corporate Change" shall not occur as a result of a merger, consolidation, reorganization or restructuring after which either (1) a majority of the Board of Directors of the controlling entity consists of persons who were directors of the Company prior to the merger, consolidation, reorganization or restructuring or (2) all or substantially all of the individuals or entities who were the beneficial owners of the Company's outstanding shares immediately prior to such merger, consolidation, reorganization or restructuring beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in substantially the same proportions as their ownership of the Company's outstanding shares immediately prior to the merger, consolidation, reorganization or restructuring. Notwithstanding the foregoing, for any payments or benefits hereunder (including pursuant to Section 4(b)(iii) hereof) or pursuant to any other agreement between the Company and Executive, in either case that are subject to Section 409A, the Corporate Change must constitute a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i).

Subject to the terms of this Agreement and the Separation and Release of Claims Agreement, Consultant's equity grants will continue in full force and effect, without break due to Consultant's transition to consultant from employee.

Accepted and Agreed To:

Name: Michael Goldstein	Name: Donald Notman
Date: 7 June 2022	Date: June 7 2022
Signature: /s/ Michael Goldstein	Signature: /s/ Donald Notman

Exhibit 31.1

CERTIFICATIONS

I, Antony Mattessich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ocular Therapeutix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2022

By: /s/ Antony Mattessich
Antony Mattessich
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Donald Notman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ocular Therapeutix, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2022

By: /s/ Donald Notman
Donald Notman
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Ocular Therapeutix, Inc. (the "Company") for the period ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Antony Mattessich, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2022

By: /s/ Antony Mattessich
Antony Mattessich
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Ocular Therapeutix, Inc. (the "Company") for the period ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Donald Notman, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that to his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2022

By: /s/ Donald Notman
Donald Notman
Chief Financial Officer
(Principal Financial and Accounting Officer)