Gemphire Therapeutics Announces Workforce Reduction

September 24, 2018

LIVONIA, Mich., Sept. 24, 2018 (GLOBE NEWSWIRE) -- Gemphire Therapeutics Inc. (NASDAQ: GEMP), a clinical-stage biopharmaceutical company focused on developing and commercializing therapies for cardiometabolic disorders, including dyslipidemia and nonalcoholic steatohepatitis (NASH), announces today that its Board of Directors has approved a workforce reduction in order to reduce costs and conserve cash resources. This decision was made in light of the previously announced request by the Food and Drug Administration (FDA) for additional pre-clinical data required in order to schedule an End of Phase 2 meeting for gemcabene in the Company's target dyslipidemia indications.

The workforce reduction includes five employees, which represent approximately 33% of the Company's workforce, as of September 18, 2018. Two of the five employees include Jeffrey S. Mathiesen, the Company's Chief Financial Officer, and Lee Golden, the Company's Chief Medical Officer. Mr. Mathiesen and Dr. Golden each depart in good standing with the Company. Mr. Mathiesen has agreed to act as a consultant to Gemphire for a period of eight months, to provide advice on certain financial and accounting matters. Effective September 18, 2018, the Board designated Dr. Steven Gullans, the Company's President and Chief Executive Officer, as the principal financial officer and principal accounting officer of the Company.

"The workforce reduction is a necessary action to conserve capital. We remain confident in the potential value of gemcabene as a breakthrough therapy for dyslipidemia and are committed to working with the FDA to complete the necessary steps to lift the partial clinical hold," said Steven Gullans, Ph.D., CEO of Gemphire. "We appreciate the contributions and efforts of the employees affected by this decision and thank them for their dedicated service."

As a result of the workforce reduction, the Company expects to record severance related charges totaling approximately $1.4 million, which includes one-time cash severance payments of $0.5 million, a non-cash charge of approximately $0.9 million related to the accelerated vesting of outstanding stock options for certain affected employees and $26,300 for continued health insurance coverage. The majority of the cash payments relating to personnel-related restructuring charges will be paid during the fourth quarter of 2018. The charges that the Company expects to incur in connection with the workforce reduction are estimates and subject to a number of assumptions, and actual results may differ materially. The Company may incur additional costs not currently contemplated due to events associated with or resulting from the workforce reduction.

About Gemphire
Gemphire is a clinical-stage biopharmaceutical company that is committed to helping patients with cardiometabolic disorders, including dyslipidemia and NASH. The Company is focused on providing new treatment options for cardiometabolic diseases through its complementary, convenient, cost-effective product candidate gemcabene as add-on to the standard of care, especially statins that will benefit patients, physicians, and payors. Gemphire's Phase 2 clinical program is evaluating the efficacy and safety of gemcabene in hypercholesterolemia, including FH and ASCVD, SHTG and NASH/NAFLD. Two trials supporting hypercholesterolemia and one trial in SHTG have been completed under NCT02722408, NCT02634151 and NCT02944383, respectively. Please visit www.gemphire.com for more information.

Forward Looking Statements
Any statements in this press release that are not statements of historical fact, including statements about Gemphire's future expectations, milestones, goals, plans and prospects, including statements about the estimated amount and timing of severance payments and charges and the financial impact of the workforce reduction, Gemphire's financial prospects, future operations and sufficiency of funds for future operations, clinical development of Gemphire's product candidate, expectations regarding future clinical trials, expected timing of top-line results of such trials, timing and expectations for regulatory submissions and meetings and future expectations and plans and prospects for gemcabene, expectations for the future competitive environment for gemcabene, expectations regarding operating expenses and cash used in operations, and other statements containing the words "believes," "anticipates," "estimates," "expects," "intends," "plans," "predicts," "projects," "promising," "targets," "may," "potential," "will," "would," "could," "should," "continue," "scheduled" and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: risks related to cost reduction efforts, including that the Company's workforce reduction costs may be greater than anticipated and that the workforce reduction may have an adverse impact on the Company's drug development activities; Gemphire's ability to analyze the results and understand the reasons for the unexpected events in the Phase 2a pediatric NAFLD trial ; the impact of the unexpected events on the Phase 2a study in FPL or the enrollment of patients; that MRI-PDFF scans or other follow-up tests of patients in the pediatric NAFLD, FPL or other trials may show similar increases in liver fat content or ALT or other undesirable side effects; uncertainties inherent in the clinical drug development process and the regulatory approval process, including the risk that gemcabene may cause undesirable side effects or have other properties that could delay or prevent regulatory approval; Gemphire's substantial dependence on its product candidate, gemcabene; developments in the capital markets, the success and timing of Gemphire's regulatory submissions and pre-clinical and clinical trials; regulatory requirements or developments; changes to Gemphire's clinical trial designs and regulatory pathways; changes in Gemphire's capital resource requirements; the actions of Gemphire's competitors; Gemphire's ability to obtain additional financing; Gemphire's ability to successfully market and distribute its product candidate, if approved; Gemphire's ability to obtain and maintain its intellectual property protection; and other factors discussed in the "Risk Factors" section of Gemphire's annual report and in other filings Gemphire makes with the SEC from time to time. In addition, the forward-looking statements included in this press release represent Gemphire's views as of the date hereof. Gemphire anticipates that subsequent events and developments will cause

Gemphire's views to change. However, while Gemphire may elect to update these forward-looking statements at some point in the future, Gemphire specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Gemphire's views as of any date subsequent to the date hereof.

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