

Gemphire Therapeutics Reports Inducement Grants Under NASDAQ Listing Rule 5635(c)(4)

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LIVONIA, Mich., Oct. 07, 2016 (GLOBE NEWSWIRE) -- Gemphire Therapeutics Inc. (NASDAQ:GEMP), a clinical-stage biopharmaceutical company focused on developing and commercializing therapies for the treatment of dyslipidemia, a serious medical condition that increases the risk of life threatening cardiovascular disease, today announced that on October 3, 2016, the Compensation Committee of its Board of Directors, which is composed entirely of independent directors, approved three equity awards under Gemphire's Inducement Plan, as a material inducement to three individuals entering into employment with Gemphire. The equity awards were approved in accordance with NASDAQ Listing Rule 5635(c)(4), which also requires a public announcement of equity awards that are not made under a stockholder approved equity plan.

In connection with their entering into employment with Gemphire, the three individuals, who were not previously employees or directors of Gemphire, received options to purchase an aggregate of 186,000 shares of Gemphire's common stock. One of the option awards was granted effective as of October 4, 2016 and has an exercise price equal to \$10.42, the closing price of Gemphire's common stock on that date. The other two option awards, including the option to purchase 126,000 shares granted to Dr. Lee S. Golden, Gemphire's newly hired Chief Medical Officer, were granted effective as of October 5, 2016 and have an exercise price equal to \$10.80, the closing price of Gemphire's common stock on that date.

All three option awards have ten-year terms. Two option awards vest over a period of four years, with approximately 10% of the shares vesting immediately, 25% of the remaining shares vesting one year after the date of grant and the remaining 75% vesting in 36 approximately equal monthly increments, provided the employee's employment is continuing on each such date, and subject to acceleration or forfeiture upon the occurrence of certain events as set forth in each employee's option agreement. The other option award vests over a period of four years, with 25% of the shares vesting one year after the date of grant and the remaining 75% vesting in 36 approximately equal monthly increments, provided the employee's employment is continuing on each such date, and subject to acceleration or forfeiture upon the occurrence of certain events as set forth in each employee's option agreement. All of the option awards shall fully vest and become exercisable on or after a change in control. The shares underlying the options awarded to the three individuals will be subject to lock-up agreements in favor of the underwriters of Gemphire's initial public offering.

About Gemphire

Gemphire is a clinical-stage biopharmaceutical company focused on developing and commercializing therapies for the treatment of dyslipidemia, a serious medical condition that increases the risk of life threatening cardiovascular disease, and NAFLD/NASH (nonalcoholic fatty liver disease). Please visit www.gemphire.com for more information.

Forward Looking Statements

Any statements in this press release about Gemphire's future expectations, plans and prospects, including statements about 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 and future expectations and plans and prospects for Gemphire and other statements containing the words "believes," "anticipates," "estimates," "expects," "intends," "plans," "predicts," "projects," "targets," "may," "potential," "will," "would," "could," "should," "continue," 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: the success and timing of Gemphire's regulatory submissions and pre-clinical and clinical trials; regulatory developments; changes to Gemphire's clinical trial designs and regulatory pathways; changes in Gemphire's capital resource requirements; 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 Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, 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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