## (December 2011)

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

Department of the Treasury Internal Revenue Service			► See separate instructions		
The later was to be a second or the second o	ng Issuer		- coc coparate mondations		
1 Issuer's name		2 Issuer's employer iden	2 Issuer's employer identification number (EIN)		
KemPharm, Inc.  3 Name of contact for	additional information	5 Email address of contact	20-5894398		
• Numb of contact for	additional information .	• releption	ne No. of contact	5 Email address of contact	
Gordon K. Johnson			(319) 665-2575	info@kempharm.com	
6 Number and street (	or P.O. box if mail is not d		7 City, town, or post office, state, and Zip code of contact		
2656 Crosspark Road, S 8 Date of action	Ste 100	Coralville, IA 52241	Coralville, IA 52241		
o Date of action		9 Class	sification and description		
April 2, 2015		KemPha	rm, Inc. 7.5-for-1 reverse of	common stock split	
10 CUSIP number	11 Serial number(s)		12 Ticker symbol	13 Account number(s)	
488445 107			KMPH	<u> </u>	
Part II Organiza	ational Action Attach	additiona	I statements if needed. S	See back of form for additional qu	estions.
14 Describe the organ	izational action and, if ap	plicable, the	date of the action or the da	ate against which shareholders' owne	ership is measured for
Effe	ctive April 2, 2015 KemP	harm, Inc.	completed a 7.5-for-1 reve	erse split of its common stock (the	"Reverse Stock Split").
La Chicago de la companya della companya della companya de la companya della comp					
45 December the average	the allowant of the control of the				
15 Describe the quant share or as a perce	entage of old basis	izational act	ion on the basis of the secu	rity in the hands of a U.S. taxpayer a	s an adjustment per
outstanding common si	tock converted automati	ically into o	ness of the Reverse Stock	Split, every 7.5 shares of KemPha ding share of common stock, withou	rm, Inc. issued and
par value per share. No	fractional shares were	issed in the	Reverse Stock Split Sto	ckholders who would otherwise re	out any change in the
share are entitled to rec	eive a cash payment in	lieu of such	fractional share. As a re	sult of the Reverse Stock Split, Ker	mPharm stockholders
will be required to alloc	ate the aggregate tax ba	sis in their	KemPharm common stoc	k held immediately prior to the Rev	erse Stock Split
among the shares of Ke	mPharm common stock	held imme	ediately after the Reverse S	Stock Split, including any fractiona	I share interest in
KemPharm for which ca	ish is received. In gener	ral, a stock	holder's aggregate tax bas	sis in his or her shares of KemPhar	m common stock
held immediately prior t	to the Reverse Stock Spl	lit should b	e allocated in proportion t	to the reduced number of shares of	KemPharm common
stock under IRC Section	າ 358.				
16 Describe the calcul	ation of the change in bas	sis and the d	data that supports the calou	lation, such as the market values of s	and the
valuation dates ▶ Ţ	he basis of each share	of stock ha	ld by a stockholder after the	he Reverse Stock Split is 7.5 times	securities and the
basis amount before the	Reverse Stock Split.	or stock ne	id by a stockholder after ti	the Reverse Stock Split is 7.5 times	greater than the
			V = 1		

Part II	Organizational Action (con	tinued)		
17 List the	e applicable Internal Revenue Code	section(s) and subsection(s) upon wh	hich the tax treatment is based	► IRC Section 358(b)(1)
8 Can an	y resulting loss be recognized? ▶	The 7.5-for-1 reverse stock split sh	ould not constitute a taxable	transaction except for any
asn receive	d for fractional shares. Stockhol	ders should consult their tax advis	ors to determine the tax impa	ct of this transaction with
espect to tr	eir individual facts and circumsta	inces for the 2015 tax year.		
9 Provide	any other information necessary to	implement the adjustment, such as t	the reportable tax year ▶ Stock	cholders should consult their
ax advisors	to determine the tax impact of thi	s transaction with respect to their	individual facts and circumstr	ances for the 2015 tax year.
				and the second tax your.
Unde	r penalties of perjury, I declare that I have	ve examined this return, including accomp	panying schedules and statements,	and to the best of my knowledge an
Delici	, it is true, correct, and complete. Declars	ation of preparer (other than officer) is base	ed on all information of which prepa	arer has any knowledge.
ign ere <sub>signa</sub>	Garden 1	99		1,0/2015
Signa	ture > Soldon	1/0000	Date ▶	113/2013
Print	VOUR name & Cordon V Jahren			•
	your name ► Gordon K. Johnson Print/Type preparer's name	Preparer's signature	Title ► COO & CF	
aid	AL- L- bar or o marrie	o orginatare	Date	Check if if solf ampleyed
reparer se Only	Firm's name			self-employed
se Unity	Firm's address >			Firm's EIN ▶
end Form 89		nents) to: Department of the Treasury.	Internal Revenue Sonico Occ	Phone no.