Amarin Corporation plc

Annual Report and Accounts

For the year ended 31 December 2019

Registered number: 2353920

Amarin Corporation plc

REPORT AND FINANCIAL STATEMENTS 2019

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INTRODUCTION

This document comprises the Annual Report and Accounts of Amarin Corporation plc (NASDAQ: AMRN) for the year ended 31 December 2019, in accordance with UK requirements.

As used in this Annual Report, unless the context otherwise indicates, the terms "Group", "Amarin", "we", "us" and "our" refer to Amarin Corporation plc and its wholly-owned subsidiary companies. Also, as used in this Annual Report, unless the context otherwise indicates the term "Company" refers to Amarin Corporation plc, the parent company of the Group; Amarin Neuroscience Limited may be referred to herein as "Amarin Neuroscience"; and Ester Neurosciences Limited may be referred to herein as "Ester Neurosciences" or "Ester".

In this Annual Report, references to "pounds sterling," "£" or "GBP£" are to UK currency; references to "US Dollars", "$" or "US$" are to U.S. currency; references to "euro" or "€" are to Euro currency and references to "New Israeli Shekel", "NIS" or "shekel" are to Israeli currency.

STRATEGIC REPORT

Principal activities

Amarin Corporation plc is a public limited company with its primary stock market listing in the United States ("U.S.") on the NASDAQ Global Market. Amarin was originally incorporated in England and Wales as a private limited company on 1 March 1989 under the Companies Act 1985, and re-registered in England as a public limited company on 19 March 1993.

We are a biopharmaceutical company with expertise in omega-3 fatty acids and lipid science focused on the commercialisation and development of therapeutics to improve cardiovascular health.

Our registered office is One New Change, London, EC4M 9AF, England. Our principal executive offices are located at 77 Sir John Rogerson's Quay, Block C, Grand Canal Docklands, Dublin 2, Ireland. Our primary office in the United States is located at 440 Route 22, Bridgewater, NJ 08807.

Review of business

We are a pharmaceutical company with expertise in omega-3 fatty acids and lipid science focused on the commercialization and development of therapeutics to improve cardiovascular, or CV, health and reduce CV risk. Our lead product, Vascepa® (icosapent ethyl) was first approved by the U.S. Food and Drug Administration, or FDA, in July 2012 for use as an adjunct to diet to reduce triglyceride, or TG, levels in adult patients with severe (≥500 mg/dL) hypertriglyceridemia. On 13 December 2019, the FDA approved a new indication and label expansion for Vascepa based on the landmark results of our cardiovascular outcomes trial of Vascepa, REDUCE-IT® (Reduction of Cardiovascular Events with EPA – Intervention Trial). Vascepa is the first and only drug approved by the FDA as an adjunct to maximally tolerated statin therapy for reducing persistent cardiovascular risk in select high risk patients. Our initial commercial focus for Vascepa has been in the United States. We are also pursuing commercialization of Vascepa in other parts of the world.

Since our inception, we have devoted substantial resources to our research and development efforts, most significantly, the development and conduct of our long-term cardiovascular outcomes study of Vascepa, REDUCE-IT. We announced topline results from REDUCE-IT on 24 September 2018. On 10 November 2018, we presented primary results of REDUCE-IT at the 2018 Scientific Sessions of the American Heart Association, or AHA, and the results were concurrently published in *The New England Journal of Medicine*. REDUCE-IT met its primary endpoint demonstrating a 25% relative risk reduction, or RRR, to a high degree of statistical significance ($p<0.001$), in first occurrence of major adverse cardiovascular events, or MACE, in the intent-to-treat patient population with use of Vascepa 4 grams/day as compared to placebo. REDUCE-IT also showed a 26% RRR in its key secondary composite endpoint of cardiovascular death, heart attacks and stroke ($p<0.001$). On 18 March 2019, we publicly presented the total cardiovascular events results, and the method of calculating such events, of the REDUCE-IT study at the American College of Cardiology's 68th Annual Scientific Session and such results and methods were concurrently published in the *Journal of the American College of Cardiology*. Vascepa reduced total events (first and subsequent events) by 30% compared to placebo, reflecting that for every 1,000 patients treated for five years with Vascepa versus placebo in this trial, approximately 159 MACE could be prevented with Vascepa.

Based on REDUCE-IT results, several clinical treatment guidelines and position statements have been updated as follows:

- In March 2019, the American Diabetes Association, or ADA, issued important updates to the Standard of Medical Care in Diabetes for 2019, including a recommendation for the use of icosapent ethyl in treating at-risk patients based on the results of the REDUCE-IT cardiovascular outcomes study.
- In August 2019, the AHA recognized the results of REDUCE-IT and recommended directing medical care away from unproven fish oil dietary supplements and to prescription drug therapy in patients with elevated TG levels.
- In September 2019, the National Lipid Association issued a position statement recognizing the cardiovascular risk-lowering effects of icosapent ethyl based on the REDUCE-IT results.
- In September 2019, the European Society of Cardiology and the European Atherosclerosis Society updated their Clinical Practice Guidelines for the Management of Dyslipidemias to incorporate findings from the REDUCE-IT study.

STRATEGIC REPORT (continued)

- In February 2020, the American Association of Clinical Endocrinologists and the American College of Endocrinology released a consensus statement on the comprehensive management of type 2 diabetes. The statement included new guidance for managing patients with established or high risk for cardiovascular disease who have triglyceride levels between 135 – 499 mg/dL with icosapent ethyl which has proven benefits to prevent the next adverse cardiovascular event.

In October 2019, the Institute for Clinical and Economic Review, or ICER, released its final evidence report regarding clinical effectiveness and economic impacts on Vascepa. ICER's report indicated that Vascepa was cost effective across all of the non-profit organization's analyses, including its most stringent quality-adjusted life year metrics of <$50,000. The conclusion from the report is that Vascepa easily meets "commonly cited thresholds for cost-effectiveness and therefore represents a high long-term value for money" based on the organization's value assessment framework. In addition, an independent academic, patient-level, cost-effectiveness analysis of icosapent ethyl led by Dr. William S. Weintraub, M.D., director of Outcomes Research with MedStar Cardiovascular Research Network, indicated that Vascepa was projected to not only be cost-effective but also to reduce long-term health care costs in a majority of the scenarios analyzed.

The FDA granted Priority Review designation to our March 2019, supplemental new drug application, or sNDA, seeking an expanded indication for Vascepa in the United States based on the positive results of the REDUCE-IT study. The FDA grants Priority Review designation to applications for drugs that, if approved, have the potential to offer significant improvements in the effectiveness and safety of the treatment of serious conditions when compared to standard applications. In November 2019, FDA held an Endocrinologic and Metabolic Drugs Advisory Committee, or EMDAC, meeting to review the REDUCE-IT sNDA. The EMDAC voted unanimously (16-0) to recommend approval of an indication and label expansion for Vascepa to reduce cardiovascular events in high-risk patients based on the REDUCE-IT results. On 13 December 2019, the FDA approved a new indication and related label expansion based on REDUCE-IT. Vascepa is the first and only drug approved by the FDA as an adjunct to maximally tolerated statin therapy to reduce the risk of myocardial infarction, stroke, coronary revascularization, and unstable angina requiring hospitalization in adult patients with elevated triglyceride, or TG, levels (≥150 mg/dL) and either established cardiovascular disease or diabetes mellitus and two or more additional risk factors for cardiovascular disease.

It is estimated that over 50 million adults in the United States have elevated triglyceride levels ≥150 mg/dL. Approximately 2 to 3 million adults in the United States have very high triglyceride levels (≥500 mg/dL), the condition for which Vascepa received its initial drug approval from FDA in 2012 based on the MARINE clinical trial. There are approximately 5 to 15 million people in the United States that meet the specific REDUCE-IT inclusion criteria. Additionally, the FDA-approved label for Vascepa mentions maximally tolerated statin therapy in the indication statement. This may mean that patients on prior statin therapy who are thought to be intolerant to statins, approximately 10% - 20% of patients with prior statin use, may be eligible for Vascepa. Since 1976, mean triglyceride levels have increased along with the growing epidemic of obesity, insulin resistance and type 2 diabetes mellitus. In contrast, mean low-density lipoprotein, or LDL-C, levels have decreased. Multiple primary and secondary prevention trials have shown a significant RRR of 25% to 35% in the risk of cardiovascular events with statin therapy, leaving significant persistent residual CV risk despite the achievement of target LDL-C levels. Worldwide, cardiovascular disease, or CVD, remains the number one killer of men and women. In the United States, CVD leads to one in every three deaths—one death approximately every 38 seconds—with annual treatment cost in excess of $500.0 billion. The burden of CVD in Europe is significant. Each year CVD causes 3.9 million deaths in Europe and over 1.8 million deaths in the European Union (EU). CVD accounts for 45% of all deaths in Europe and 37% of all deaths in the EU driving annual spend on CVD management to an estimated EUR 210 billion.

STRATEGIC REPORT (continued)

Commercialization

We commenced the commercial launch of Vascepa in the United States in January 2013. We sell 1-gram and 0.5-gram capsule sizes of Vascepa principally to a limited number of major wholesalers, as well as selected regional wholesalers and specialty pharmacy providers, or collectively, our distributors or our customers, that in turn resell Vascepa to retail pharmacies for subsequent resale to patients and healthcare providers.

Prior to results of the REDUCE-IT study, we did not have cardiovascular outcomes data regarding the clinical effect of Vascepa and a substantial portion of our resources were being spent on the REDUCE-IT study. As a result, our commercialization of Vascepa was somewhat limited. Subsequent to learning the positive cardiovascular outcomes results of the REDUCE-IT study, we have increased our promotional efforts.

Prior to the REDUCE-IT results topline announcement in September 2018, our direct sales force consisted of approximately 170 sales professionals, including sales representatives and their managers. Based on the positive REDUCE-IT results, in early 2019, we increased the size of our sales team to approximately 440 sales professionals, including approximately 400 sales representatives. In conjunction with the FDA's newly approved indication and label expansion for Vascepa, in March 2020 we completed expansion of our direct sales force to approximately 900 sales professionals, including approximately 800 sales representatives.

We also employ various medical affairs and marketing personnel to support our commercialization of Vascepa. In 2018 and 2019 we began to expand certain medical education and market awareness initiatives following the reporting of positive REDUCE-IT results. We began 2020 taking steps to further expand promotion of Vascepa, including direct to consumer advertising, as a result of the new indication and label expansion of Vascepa approved by the FDA on 13 December 2019. Our field sales efforts are further complemented by investments in digital and non-personal channels as well as peer-to-peer (e.g., promotional medical education programs and product theaters) initiatives to further increase Vascepa brand awareness and clarify Vascepa's unique clinical profile. In January 2020, we launched an educational campaign, *True To Your Heart*, to help people learn more about cardiovascular disease and how to better protect against persistent cardiovascular risk.

On March 30, 2020, the United States District Court for the District of Nevada's ruled in favor of two generic companies in our patent litigation related to their abbreviated new drug applications, or ANDAs, that seek FDA approval for sale of generic versions of Vascepa. We disagree with the Court's decision that our patents are invalid and are vigorously pursuing an appeal. Unless and until our appeal is successful, we intend to reduce the amount we spend in the U.S. on Vascepa related education and promotion with the intention of retaining the capability to ramp-up promptly if we win upon appeal. If a generic drug company is approved by the FDA to sell its generic version of Vascepa, has qualified supply available and elects to launch during the appeal process, it will be doing so at risk of patent infringement damages to us if we prevail on appeal. We could also launch a generic version of Vascepa separately from our branded version if the situation warrants such action. We believe that the launch of a generic version of Vascepa at this early stage in the life cycle of Vascepa in the United States is potentially harmful to patient care and discourages new product development. Vascepa is not yet known to most healthcare professionals and generics companies rarely invest in product or disease state related market education and, furthermore, Vascepa is relatively expensive to manufacture and already sold at an affordable price as documented by third-party analysis such that saving, if any, on the price of generic Vascepa is likely to come at the expense of reduced market education and development.

Geographies outside the United States in which Vascepa is sold and under regulatory review are not subject to this U.S. litigation and judgment. No generic litigation is pending outside the United States. Vascepa remains available by prescription in Canada, Lebanon and the United Arab Emirates. In Canada, Vascepa has the benefit of eight years of data protection afforded through Health Canada (until the end of 2027), in addition to separate patent protection with expiration dates that could extend into 2039. Amarin, together with its commercial partners in select geographies, is pursuing additional regulatory approvals for Vascepa in the European Union, China and the Middle East. Ten to eleven years of market protection is anticipated due to regulatory exclusivity in the European Union subject to pending VASCEPA approval expected later this year, in addition to pending patent protection that could extend into 2033.

STRATEGIC REPORT (continued)

Based on REDUCE-IT results, we have increased focus on expansion of our development efforts for Vascepa to major markets outside the United States. We currently have strategic collaborations to develop and commercialize Vascepa in select territories outside the United States. In February 2015, we announced an exclusive agreement with Eddingpharm (Asia) Macao Commercial Offshore Limited, or Eddingpharm, to develop and commercialize Vascepa capsules in what we refer to as the China Territory, consisting of the territories of Mainland China, Hong Kong, Macau and Taiwan, for uses that are currently commercialized and under development by us in the United States. In March 2016, we entered into an agreement with Biologix FZCo, or Biologix, to register and commercialize Vascepa in several Middle Eastern and North African countries. In September 2017, we entered into an agreement with HLS Therapeutics, Inc., or HLS, to register, commercialize and distribute Vascepa in Canada. In March 2019, HLS received formal confirmation from Health Canada that the Canadian regulatory authority granted priority review status for the New Drug Submission, which was filed in April 2019, for Vascepa. In December 2019, HLS received formal confirmation from Health Canada that the Canadian regulatory authority granted approval for Vascepa to reduce the risk of cardiovascular events (cardiovascular death, non-fatal myocardial infarction, non-fatal stroke, coronary revascularization or hospitalization for unstable angina) in statin-treated patients with elevated triglycerides, who are at high risk of cardiovascular events due to: established cardiovascular disease, or diabetes, and at least one other cardiovascular risk factor. In January 2020, HLS obtained a regulatory exclusivity designation.

In 2020, we intend to explore potential development and commercial paths for Vascepa in other markets such as the European Union. In December 2019, the European Medicines Agency, or EMA, validated our marketing authorization application, or MAA, seeking approval for Vascepa in the European Union. This validation confirms the submission is sufficiently complete for the EMA to begin its review. We currently expect EMA review to be completed near the end of 2020. As we did in Canada, we are seeking an indication in the European Union for Vascepa targeting cardiovascular risk reduction based on the results of REDUCE-IT. In parallel with EMA's review of our submission, we are evaluating how Vascepa can best be commercialized in the European Union, including potential options of direct sales by us, a commercial partner arrangement or some form of combination of the two approaches.

In addition, we plan to assess other potential partnership opportunities for licensing Vascepa to partners outside of geographies discussed above as we seek to maximize the value of the Vascepa franchise globally.

Financial review

The Group views revenues and cash management as two of its most significant key performance indicators. For the year ended 31 December 2019, the Group increased revenues to $429.8 million from $229.2 million in the year ended 31 December 2018. This increase was driven primarily by volume of Vascepa sales to our customers in the United States. Orders by such customers were supported by an increase in estimated normalized total Vascepa prescriptions in the United States. Cash outflows from operations decreased from $86.2 million in the year ended 31 December 2018 to $11.6 million in the year ended 31 December 2019, primarily as a result of higher collections due to an increase in product sales and a decrease in R&D activities associated with the REDUCE-IT study, partially offset by increased costs of promotional activities following the successful REDUCE-IT study results, including costs associated with expanding the Group's United States-based sales force.

For the fiscal years ended 31 December 2019 and 2018, we reported loss before tax of $39.0 million and $256.8 million, respectively. This decrease in loss before tax for the year ended 31 December 2019, as compared to the prior year period, is primary due to increased revenues and a decrease in the non cash loss recognized on the change in fair value of a derivative related to the 3.5% exchangeable senior notes due 2047 (the "2017 Notes") partially offset by increase in selling and marketing expenses related to Vascepa. Substantially all of our loss before tax, except for the non-cash loss recognized on the change in fair value of a derivative related to the 2017 Notes, resulted from costs incurred in connection with the commercialisation of Vascepa, our research and development programmes and from general and administrative costs associated with our operations.

The loss before tax for the year ended 31 December 2019 includes a loss on the change in fair value and extinguishment of derivatives of $1.2 million. The loss before tax for the year ended 31 December 2018 includes a loss on the change in fair value and extinguishment of derivative of $131.0 million.

STRATEGIC REPORT (continued)

Research and development expenses for the year ended 31 December 2019 totalled $35.3 million versus $54.0 million in the prior year. The share-based payment expense included within research and development totalled $5.5 million and $3.7 million for the years ended 31 December 2019 and 2018, respectively. Research and development expense, excluding non-cash charges for share-based compensation expense for the year ended 31 December 2019, decreased $20.5 million. The decrease in research and development expense excluding non-cash charges for share-based compensation expense was primarily due to timing of the REDUCE-IT trial and related costs.

General and administrative expenses for the year ended 31 December 2019 totalled $331.4 million versus $229.8 million in the prior year. General and administrative expenses include share-based payment expense of $34.8 million for the year ended 31 December 2019, versus $18.7 million in the prior year. General and administrative expense, excluding non-cash compensation charges for stock compensation, for the year ended 31 December 2018 increased by $85.5 million, primarily due to increased commercial and other promotional spend as well as costs for sales force expansion in preparation for the launch of Vascepa in 2020 for the new indication and expanded label approved based on the REDUCE-IT results. Partially offsetting this increase is a payment of $2.0 million made in connection with the settlement agreement reached with Teva Pharmaceuticals USA, Inc. in May 2018. Additionally, co-promotion fee expenses to Kowa Pharmaceuticals America, Inc. were nil and $46.8 million in the years ended 31 December 2019 and 2018, respectively, a decrease of $46.8 million, or 100%. Kowa Pharmaceuticals America, Inc. commenced its co-promotion efforts in May 2014 and extended until the end of 2018.

Included in the co-promotion fee expenses in 2018 was accrual of tail-payment co-promotion fees. Kowa Pharmaceuticals America, Inc. is eligible to receive $17.8 million in co-promotion tail payments, the present value of which $16.6 million was fully accrued as of 31 December 2018 and will be paid over three years with declining amounts each year. We made $7.3 million in tail payments as of 31 December 2019.

The Group had cash and cash equivalents of $648.5 million as of 31 December 2019, representing an increase of $397.8 million from the cash and cash equivalents as of 31 December 2018 of $250.7 million. The increase is primarily due to proceeds from the public offering financings completed in 2019 and accounts receivable collections resulting from increased revenues, partially offset by net cash used in operating activities following the successful REDUCT-IT study results, including costs associated with expanding the United States-based sales force. The cash and cash equivalents are sufficient to fund the Group's operations for at least the next twelve months. Inventories on-hand as of 31 December 2019 of $76.8 million are expected to be sufficient to cover the Group's near-term supply requirements. As of 31 December 2019, the Group had a retained deficit of $1,268.2 million.

New Accounting Standards

The accounting policies during this financial year, and details of the impact of the adoption of new accounting standards in future financial years, are set out in the Significant Accounting Policies.

During the financial year the group adopted the following new accounting standards: IFRIC 23 'Uncertainty Over Income Tax Treatments' and IFRS 16 'Leases'. IFRS 16 'Leases' resulted in the company recording a right-of-use asset and a lease liability related to the Bridgewater, NJ USA office space leased in 2019. The right-of-use asset and the lease liability amounts at 31 December 2019 are outlined in note 34 to the financial statements.

Non-Financial Reporting Information Statement

The Companies Act 2006 requires the Company to disclose certain non-financial reporting information within the annual report and accounts. Accordingly, the disclosures required in the Company's non-financial information statement can be found on the following pages in the Strategic report:

- Information on our approach to human rights (page 43)
- Information on social matters (page 43)
- Information on our Environment Policy (page 42)
- Information on our employees (page 42)
- Information on diversity (page 42 & 43)

STRATEGIC REPORT (continued)

Principal risks and uncertainties

Risks Related to the Commercialisation and Development of Vascepa

We are substantially dependent upon Vascepa, its commercialization in the United States and its development and commercialization in major markets.

The success of our company depends on our ability to successfully commercialize our single product, Vascepa® (icosapent ethyl) capsules, in major markets. Our primary focus has been on the U.S. market as much of our near-term results and value as a company has depended on our ability to execute our development commercial strategy for Vascepa in the United States. On March 30, 2020, a federal district court ruled in favor of the generic drug companies in our patent litigation against two filers of abbreviated new drug applications, or ANDAs, for our Vascepa franchise in the United States. We disagree with the ruling that our patents are invalid and are vigorously pursuing appeal. Unless and until our appeal is successful, we intend to reduce the amount we spend in the United States on Vascepa related education and promotion with the intention of retaining the capability to ramp-up promptly if we win upon appeal. If the generic version of Vascepa proposed by such an ANDA filer is approved by the FDA and the sponsor has qualified supply available and elects to launch at risk during the appeal process, such generic competition from one or both such companies in the near term could have a material and adverse impact on our revenues and our stock price.

With substantial regulatory and commercial achievements in the United States such as the FDA approval and launch of an indication for Vascepa for the reduction of cardiovascular risk in high risk patients (our second indication approval for Vascepa in the United States), we have increased focus on expansion of our development efforts for Vascepa to major markets outside the United States. We currently have multiple partners for the development and commercialization of Vascepa in select geographies and intend to consider potential additional partners to commercialize Vascepa in other parts of the world. For example, we have strategic collaborations for the development and commercialization of Vascepa in Canada, the Middle East and Greater China and are currently developing Vascepa on our own and exploring possible strategic collaborations in major markets such as Europe. If commercialization efforts for Vascepa do not meet expectations in major markets such as the United States and Europe, our business and prospects could be materially and adversely affected.

The development and commercial time cycle for Vascepa or other products that we may develop from our research and development efforts could result in delays in our ability to achieve commercial success. For example, only after years of preceding product development, in December 2019, the EMA validated our MAA seeking approval for icosapent ethyl (brand name Vascepa in the United States) as a treatment to reduce the risk of cardiovascular events in select high-risk patients.

Likewise, if we seek to diversify our development programs or product offerings through licensing or acquisitions, such transactions are also time-consuming, dilutive to existing shareholdings, and can be disruptive to operations. These dynamics can restrict our ability to respond rapidly to adverse business conditions for Vascepa. If development of, or demand for, Vascepa does not meet expectations, we may not have the ability to effectively shift our resources to the development of alternative products or do so in a timely manner without suffering material adverse effects on our business. As a result, the lack of alternative markets and products we develop could constrain our ability to generate revenues and achieve profitability.

As a result of the decision in favor of the two generic drug companies in connection with our ANDA patent trial, we could face generic competition in the near term and our revenues and results of operations could be materially and adversely affected if the generic companies were to receive final approval of their ANDAs, obtain adequate supply and launch one or more generic versions of Vascepa in the United States.

We have received paragraph IV certification notices from certain companies contending to varying degrees that certain of our patents are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale or offer for sale of a generic form of Vascepa as described in those companies' ANDAs. Following receipt of the paragraph IV certifications, beginning in late 2017 we were involved in litigation against these companies, including Dr. Reddy's Laboratories, Inc., Hikma Pharmaceuticals USA Inc. (formerly known as West-Ward) and certain of their affiliates (the "Defendants") in the U.S. District Court for the District of Nevada (the "Nevada Court"). In these lawsuits, we sought, among other remedies, an order enjoining each Defendant from marketing generic versions of Vascepa before the last to expire of the asserted patents in 2030.

STRATEGIC REPORT (continued)

On 30 March 2020 the Court issued its ruling in favor of the Defendants. Because the statutory stay associated with the filing of these lawsuits expired in January 2020 and in light of the Nevada Court's ruling, the Defendants could receive final approval of an ANDA at any time, which, subject to adequate supply, would allow the Defendants to commercially launch a generic version of Vascepa in the United States.

Teva Pharmaceuticals USA, Inc., or Teva, could also launch a generic version of Vascepa under a settlement agreement with us related to the Nevada Court litigation in light of the 30 March 2020 ruling. A launch by Teva would be subject to FDA approval of the Teva ANDA and procurement of adequate supply. Such circumstances include, but are not limited to the following: (1) If another generic company obtains FDA approval and launches at risk pending the current appeal of the March 2020 Nevada Court ruling, only if we do not obtain an injunction removing such product from the market within 60 days. In such case, Teva could also launch at risk but would be required to withdraw its product from the market if the other entities that launched at risk withdraw their products. (2) If we lose our appeal of the March 2020 district court decision

Once a generic version of Vascepa is available in the market, whether based on a generic product with a MARINE indication label or REDUCE-IT indication label, it can be used to fill a prescription for any use of the drug. The possibility of generic competition in the near term could have, and any commercial launch of a generic version of Vascepa into the market, could have, a material and adverse impact on our revenues and our stock price.

Further, although we are in the process of preparing an appeal, and may pursue additional remedies, including seeking a preliminary injunction, we may not be successful in any such appeal, which will be costly and time-consuming to pursue. Such efforts will also require considerable attention of management and could, even if successful, negatively impact our results of operations, including opportunity for additional companies to seek FDA approval of generic versions of Vascepa.

Factors outside of our control make it more difficult for Vascepa to achieve a level of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary to meet expectations for commercial success.

In January 2013, we launched Vascepa based on the U.S. Food and Drug Administration, or FDA, approval of our MARINE indication, for use as an adjunct to diet to reduce triglyceride levels in adult patients with severe (TG ≥500 mg/dL) hypertriglyceridemia. Guidelines for the management of very high triglyceride levels suggest that the primary goal of reducing triglyceride levels in this patient population is reduction in the risk of acute pancreatitis. A secondary goal for this patient population is to reduce cardiovascular risk. The effect of Vascepa on the risk for pancreatitis, in patients with severe hypertriglyceridemia has not been determined and our FDA-approved labeling and promotional efforts state these facts. In September 2018, we announced topline results from the REDUCE-IT® (Reduction of Cardiovascular Events with EPA—Intervention Trial) cardiovascular outcomes study of Vascepa. In November 2018, we announced the primary results of our REDUCE-IT cardiovascular outcomes study confirming 25% relative risk reduction for the topline primary endpoint result with multiple robust demonstrations of efficacy, including 20% reduction in cardiovascular death. REDUCE-IT was a multinational, prospective, randomized, double-blind, placebo-controlled study, enrollment for which started in November 2011. REDUCE-IT investigated the effects of Vascepa on CV risk in statin-treated adults with well-controlled LDL-C 41-100 mg/dL (median baseline LDL-C: 75 mg/dL) and other CV risk factors, including persistent elevated TG 150-499 mg/dL (median baseline TG: 216 mg/dL). REDUCE-IT topline results showed the trial met its primary endpoint demonstrating an approximately 25% relative risk reduction, to a high degree of statistical significance ($p<0.001$), in MACE in the intent-to-treat patient population with use of Vascepa 4 grams/day as compared to placebo. MACE events were defined as a composite of cardiovascular death, nonfatal myocardial infarction (MI), nonfatal stroke, coronary revascularization, or unstable angina requiring hospitalization. This result was supported by robust demonstrations of efficacy across multiple secondary endpoints. Vascepa was well tolerated in REDUCE-IT with a safety profile generally consistent with clinical experience associated with omega-3 fatty acids and current FDA-approved labeling.

In December 2019, the FDA approved a new indication and label expansion for Vascepa as an adjunct to statin therapy to reduce the risk of MACE events in adult patients with elevated TG levels (≥150 mg/dL) and established cardiovascular disease or diabetes mellitus and two or more additional risk factors for cardiovascular disease.

STRATEGIC REPORT (continued)

Even though we have recently received approval for a new indication and expanded label for Vascepa, we may not meet expectations for market acceptance by physicians, patients, healthcare payors and others in the medical community for this new approved use. If Vascepa does not achieve an adequate level of acceptance, we may not generate product revenues sufficient to become profitable on an ongoing basis. The degree of market acceptance of Vascepa for its approved indications and uses or otherwise will depend on a number of factors, including:

- The presence and pricing on any generic version of Vascepa on the market;
- the perceived efficacy and safety of Vascepa by prescribing healthcare professionals, as compared to no treatment and as compared to alternative treatments in various at-risk patient populations;
- peer review of different elements of REDUCE-IT results over time;
- continued review and analysis of the results of REDUCE-IT by regulatory authorities internationally;
- our ability to offer Vascepa for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the scope, effectiveness and strength of product education, marketing and distribution support, including our sales and marketing team;
- publicity concerning Vascepa or competing products;
- our ability to continually promote Vascepa in the United States consistent with and outside of FDA-approved labeling and the related perception thereof;
- sufficient third-party coverage or reimbursement for Vascepa and its prescribe uses, on-label and off-label;
- natural disasters, including pandemics such as the recent outbreak of coronavirus, and political unrest that could inhibit our ability to promote Vascepa regionally and can negatively affect product demand by creating obstacles for patients to seek treatment and fill prescriptions;
- new policies or laws affecting Vascepa sales, such as state and federal efforts to affect drug pricing and provide or remove healthcare coverage that includes reimbursement for prescription drugs; and
- the actual and perceived efficacy of the product and the prevalence and severity of any side effects and warnings in Vascepa's approved labeling internationally.

For example, two major factors that affect market use of prescription drugs are their perceived cost-effectiveness and their breadth of their use among different patient populations, on label and off-label. In October 2019, the Institute for Clinical and Economic Review, or ICER, released its final evidence report regarding clinical effectiveness and economic impacts on Vascepa. The conclusion from the report is that Vascepa easily met even the most stringent "commonly cited thresholds for cost-effectiveness and therefore represent(s) a high long-term value for money," based on the organization's value assessment framework. As part of the public meeting held by ICER analyzing REDUCE-IT data, the ICER review committee discussed whether, based on REDUCE-IT, Vascepa should be considered for use in patients as an add-on to statin therapy generally, and not just in patients with persistent elevated triglyceride levels after statin therapy, which ICER defined as triglyceride levels of at least 135 mg/dL. Use as an add-on to statin therapy generally represents a larger patient population than studied in REDUCE-IT and larger than covered by FDA-approved labeling. By contrast, FDA-approved labeling for Vascepa reflects limitations such as use in patients with persistent elevated triglyceride levels defined as triglyceride levels of at least 150 mg/dL after statin therapy and specific criteria designed to ensure the patient populations approved for use had sufficiently high degrees of CV risk. While the clinical judgment of prescribing physicians is the most important factor that determines the breadth of a drug's use in the United States and often results in prescriptions in patient populations that go beyond FDA labeling, FDA-approved labeling that is more closely tied to the patient population studied in a clinical trial could limit use generally and by making reimbursement more difficult.

STRATEGIC REPORT (continued)

The scale and scope of the recent coronavirus outbreak and resulting pandemic is unknown and poses a significant threat to public health and infrastructure throughout the world, which could have a negative impact on our business.

The global spread of the coronavirus has created significant volatility and uncertainty and economic disruption. The extent to which the coronavirus pandemic impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including:

- the duration and scope of the pandemic;
- governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic;
- the impact of the pandemic on economic activity and actions taken in response;
- the effect on patients, healthcare providers and business partners, including patients' ability to access supplies of Vascepa;
- our ability to commercialize Vascepa, including as a result of travel restrictions, social distancing and other containment measures;
- the enrolment or monitoring of patients in clinical trials, particularly at clinical trial sites located in highly impacted jurisdictions;
- the ability to access, secure and otherwise obtain and deliver sufficient and timely commercial or clinical supplies of Vascepa to meet demand if the production capabilities of suppliers is disrupted;
- disruptions in regulatory oversight and actions if regulators and industry professionals are expending significant and unexpected resources addressing COVID-19;
- the availability of coverage and reimbursement from government and health administration authorities, private health insurers and other third-party payors if the system becomes overly strained; and
- any closures of our and our partners' offices, operations and facilities;

To comply with travel restrictions, social distancing, quarantines and other containment measures implemented in various geographies, we have suspended field based face-to-face interactions for an uncertain period of time. In an effort to mitigate this disruption, we have implemented remote protocols and procedures to be able to support patient care and access of Vascepa, by providing digital and internet-based educational materials and copay cards. Although we expect such measures to be temporary, we cannot predict how long such measures will need to be in place. These efforts may not be as successful as traditional, in-person interactions, and are vulnerable to disruptions that may occur if the digital infrastructures are insufficient to accommodate the increased usage as social distancing is implemented on a global scale. For example, access to healthcare professionals through the internet is not expected to be as productive as interactions under prior conditions.

Although we have a geographically diversified supply chain for Vascepa and believe we have sufficient inventory on hand at pharmacies throughout the United States and other markets where it is approved for sale, and at various stages of manufacturing with our suppliers, the global spread of the outbreak and containment measures has been unprecedented and could have a negative impact on the availability of Vascepa at various points in our supply chain, which would have a material and adverse effect on our business.

The disruptions associated with the coronavirus pandemic could also delay the timing of our appeal and our ability to seek other remedies in light of the recent Nevada Court's ruling in favor of the Defendants as travel, operational resources and personnel are disrupted, with respect to our efforts and capabilities, as well as those of our advisors and the courts.

STRATEGIC REPORT (continued)

As with any cardiovascular outcomes trial, over time further data assessment related to REDUCE-IT by international regulatory authorities or otherwise could yield additional useful information to inform greater understanding of study outcome. If the additional data or related interpretations do not meet expectations, the perception of REDUCE-IT results and Vascepa revenue potential may suffer and our stock price may decline.

In December 2019, the FDA approved a new indication and label expansion for Vascepa as an adjunct to statin therapy to reduce the risk of MACE events in adult patients with elevated TG levels (≥150 mg/dL) and established cardiovascular disease or diabetes mellitus and two or more additional risk factors for cardiovascular disease. Even though FDA has approved Vascepa for an expanded label and new indication based on the REDUCE-IT results, additional data assessment by international regulatory authorities or otherwise could yield additional useful information to inform greater understanding of study outcome. Generally, trial data assessment sufficient to convey a complete picture of trial outcome can take years to complete and publish. When new data are assessed and released or presented it could exceed, match or may not meet investor expectations.

In addition, the same set of data can sometimes be interpreted to reach different conclusions, as was the case when Health Canada approved an indication based on REDUCE-IT data that was different in certain respects than that approved by FDA in the United States. It is possible the scope of subsequent regulatory approvals, if any, could likewise differ based on the same data, such as in the case of our pending European Union application. Conflicting interpretations of data, or new data, could impact public and medical community perception of the totality of the efficacy and safety data from REDUCE-IT.

Aspects that from time to time in the future could be considered by regulatory authorities and medical guideline committees internationally and change and impact the final evaluation of the totality of the efficacy and safety data from REDUCE-IT, in addition to those noted above, may include some or all of the following:

- the magnitude of the treatment benefit and related risks on the primary composite endpoint, its components, secondary endpoints and the primary and secondary risk prevention cohorts;
- consideration of which components of the composite or secondary endpoints have the most clinical significance;
- the consistency of the primary and secondary outcomes;
- the consistency of findings across cohorts and important subgroups;
- safety considerations and risk/benefit considerations (such as related to adverse events such as bleeding and atrial fibrillation generally and in different sub-populations);
- consideration of REDUCE-IT results in the context of other clinical studies;
- consideration of the cumulative effect of Vascepa in studied patients; and
- study conduct and data quality, integrity and consistency, including aspects such as analyses regarding the placebo used in REDUCE-IT and other studies of Vascepa and its impact, if any, on the reliability of clinical data.

If additional data or analyses released from time to time does not meet expectations, the perception of REDUCE-IT results and the perceived and actual value of Vascepa may suffer. If this occurs, our revenue and business could suffer and our stock price could significantly decline.

Ongoing clinical trials involving Vascepa and similar moderate-to-high doses of eicosapentaenoic acid or icosapent ethyl could influence public perception of Vascepa's clinical profile and the commercial and regulatory prospects of Vascepa.

Ongoing trials of moderate-to-high doses of Vascepa and icosapent ethyl or a similar, eicosapentaenoic acid, product could provide further information on the effects of Vascepa and its commercial and regulatory prospects. The Effect of Vascepa on Improving Coronary Atherosclerosis in People with High Triglycerides Taking Statin Therapy (EVAPORATE; ClinicalTrials.gov number, NCT02926027), is examining changes in patients' coronary plaque over 9 to 18 months. The goal of this study is to evaluate whether treatment with Vascepa (4 grams/day) results in a greater change from baseline in low attenuation plaque than placebo in subjects with elevated triglycerides (200-499 mg/dL). Entry criteria for EVAPORATE

include: elevated triglycerides (fasting value between 200-499 mg/dL) at qualifying or baseline visit; LDL-C >40 mg/dL and LDL-C ≤115 mg/dL on appropriate statin therapy; stable diet and exercise, as defined as the same pattern for the previous 4 weeks; and stable treatment with a statin with or without ezetimibe for at least 4 weeks. In November 2019, interim data from the EVAPORATE study were presented showing a reduction in total plaque volume when compared with placebo, with no shown reduction of low attenuation plaque volume compared with placebo. This study is continuing as designed and final results are expected to be announced in the second half of 2020. In addition, the Randomized Trial for Evaluation in Secondary Prevention Efficacy of Combination Therapy–Statin and EPA (RESPECT-EPA; UMIN Clinical Trials Registry number, UMIN000012069), is a study examining Japanese patients with chronic coronary artery disease receiving LDL-C lowering treatment by statin therapy. Patients will be randomized to either a control group (standard treatment) or EPA group (standard treatment plus 1.8 grams/day of eicosapentaenoic acid), to examine the effects of a different formulation of icosapent ethyl than Vascepa on the incidence of cardiovascular events. The relationship between the ratio of EPA to arachidonic acid and incidence of events will also be examined. Results from this study are expected in the second half of 2021, but could be announced sooner, or due to delay related to COVID-19 or otherwise, later. If the outcomes of one or both of these studies do not meet expectations, the perception of REDUCE-IT results and the perceived commercial value of Vascepa and its regulatory status may suffer. If this occurs our revenue and business could suffer and our stock price could significantly decline.

Our current and planned commercialization efforts may not be successful in increasing sales of Vascepa in the United States and developing sales internationally.

It is estimated that over 25 million adults in the United States have elevated triglyceride levels ≥200 mg/dL and that more than 50 million adults in the United States have elevated triglyceride levels ≥150 mg/dL. Approximately 2 to 3 million adults in the United States have very high triglyceride levels (≥500 mg/dL), the MARINE patient population. There are approximately 5 to 15 million people in the United States that meet the specific REDUCE-IT inclusion criteria. Since 1976, mean triglyceride levels have increased in concert with the growing epidemic of obesity, insulin resistance, and type 2 diabetes mellitus. In contrast, mean LDL-C levels have decreased.

Prior to the REDUCE-IT results topline announcement in September 2018, our direct sales force consisted of approximately 170 sales professionals, including sales representatives and their managers. Based on the positive REDUCE-IT results, in early 2019, we increased the size of our sales team to approximately 440 sales professionals, including approximately 400 sales representatives. As a result of the FDA's newly approved indication and label expansion, we completed the expansion of our direct sales force to approximately 900 sales professionals, including approximately 800 sales representatives. Hiring, training and deploying approximately 400 new sales representatives is a multi-stage process which commenced in July 2019 and was completed in early 2020. This sales team promotes Vascepa to a limited group of physicians and other healthcare professionals in select geographies in the United States. Even after planned expansion, this sales team is not large enough to call upon all physicians.

In addition to the sales force expansion in the United States, we plan to work ourselves and with partners to support regulatory efforts toward approvals outside the United States based primarily on REDUCE-IT results. We will again need to overcome challenges associated with rapidly hiring and training personnel and managing larger teams of people, directly or through our partners.

Factors related to building and managing a sales and marketing organization that can inhibit our efforts to successfully commercialize Vascepa include:

- the impact of any entry into the market of one or more generic versions of Vascepa, as noted above or with respect to the impact such an event may have on the factors below;
- our inability to attract and retain adequate numbers of effective sales and marketing personnel;
- our inability to adequately train our sales and marketing personnel and our inability to adequately monitor compliance with these requirements;
- the inability of our new sales personnel, to obtain access to or persuade adequate numbers of physicians to prescribe Vascepa;

STRATEGIC REPORT (continued)

- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines;
- an inability by us or our partners to obtain regulatory and marketing approval or establish marketing channels in foreign jurisdictions; and
- unforeseen costs and expenses associated with operating a new independent sales and marketing organization.

If we are not successful in our efforts to market and sell Vascepa, our anticipated revenues will be materially and negatively affected, and we may not obtain profitability, may need to cut back on research and development activities or need to raise additional funding that could result in substantial dilution.

Our past and future off-label promotion of Vascepa could subject us to additional regulatory scrutiny and present unforeseen risks.

The Federal Food, Drug, and Cosmetic Act, or FDCA, has been interpreted by the FDA and the U.S. government to make it illegal for pharmaceutical companies to promote their FDA approved products for uses that have not been approved by the FDA. Companies that market drugs for off-label uses or indications have been subject to related costly litigation, criminal penalties and civil liability under the FDCA and the False Claims Act. However, case law over the last several years has called into question the extent to which government in the United States, including FDA, can, and is willing to seek to, prevent truthful and non-misleading speech related to off-label uses of FDA-approved products such as Vascepa.

In May 2015, we and a group of independent physicians filed a lawsuit against the FDA seeking a federal court declaration that would permit us and our agents to promote to healthcare professionals the use of Vascepa in the ANCHOR population and promote on the potential of Vascepa to reduce the risk of cardiovascular disease so long as the promotion is truthful and non-misleading. This use of Vascepa at issue reflected recognized medical practice but was not approved by the FDA and is thus not covered by current FDA-approved labeling for the drug. Promotion of an off-label use has generally been considered by the FDA to be illegal under the FDCA. The lawsuit, captioned *Amarin Pharma, Inc., et al. v. Food & Drug Administration, et al.*, 119 F. Supp. 3d 196 (S.D.N.Y. 2015), was filed in the United States District Court for the Southern District of New York. In the lawsuit, we contended principally that FDA regulations limiting off-label promotion of truthful and non-misleading information are unconstitutional under the freedom of speech clause of the First Amendment to the U.S. Constitution as applied in the case of our proposed promotion of Vascepa. The physicians in the suit regularly treated patients at risk of cardiovascular disease and, as the complaint contended, have First Amendment rights to receive truthful and non-misleading information from Amarin. The suit was based on the principle that better informed physicians make better treatment decisions for their patients. The FDA opposed this lawsuit but did not dispute the veracity of the subject ANCHOR clinical trial data (the safety data from which was already and currently is in FDA-approved labeling of Vascepa) or the peer-reviewed research related to Vascepa and the potential for cardiovascular risk reduction.

In August 2015, we were granted preliminary relief in this lawsuit through the court's declaratory judgment that confirmed we may engage in truthful and non-misleading speech promoting the off-label use of Vascepa to healthcare professionals, i.e., to treat patients with persistently high triglycerides, and that such speech may not form the basis of a misbranding action under the FDCA. In August 2015, we began to communicate promotional information beyond the MARINE indication to healthcare professionals in the United States as permitted by this court declaration. The FDA did not appeal the court's ruling.

In March 2016, we settled this litigation under terms by which the FDA and the U.S. government agreed to be bound by the conclusions from the federal court order that we may engage in truthful and non-misleading speech promoting the off-label use of Vascepa and that certain statements and disclosures that we proposed to make to healthcare professionals were truthful and non-misleading. As part of the settlement, given, as expressed in the court's opinion, that the dynamic nature of science and medicine is that knowledge is ever-advancing and that a statement that is fair and balanced one day may become incomplete or otherwise misleading in the future as new studies are done and new data is acquired, we agreed that we bear the responsibility to ensure that our communications regarding off-label use of Vascepa remain truthful and non-misleading, consistent with the federal court ruling.

While we believe we are now permitted under applicable law to more broadly promote Vascepa, the FDA-approved labeling for Vascepa did not change as a result of this litigation and settlement, and neither government nor other third-party coverage or reimbursement to pay for the off-label use of Vascepa promoted under the court declaration was required. In

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addition to claims classically considered to be on-label based on our expanded label for Vascepa based on the REDUCE-IT results, we proactively communicate information related to Vascepa and from the REDUCE-IT trial in a manner that we believe is truthful and non-misleading and thus protected under the freedom of speech clause of the First Amendment to the United States Constitution.

Even though we have the benefit of a final settlement in this litigation, our promotion is still subject to a high, perhaps abnormally high, degree of scrutiny to ensure that our promotion remains within the scope covered by the settlement. For example, under the settlement, we remain responsible for ensuring our speech is truthful and non-misleading. We, the FDA, the U.S. government, our competitors and other interested parties may not agree on the truthfulness and non-misleading nature of our promotional materials Federal and state governments or agencies may also seek to find other means to prevent our promotion of unapproved truthful and non-misleading information about Vascepa. If our promotional activities or other operations are found to be in violation of any law or governmental regulation through existing or new interpretations, we may be subject to prolonged litigation, penalties, including civil and criminal penalties, damages, fines and the curtailment or restructuring of our operations. Also, if governmental parties or our competitors view our claims as misleading or false, we could also be subject to liability based on fair competition-based statutes, such as the Lanham Act. Any of such negative circumstances could adversely affect our ability to operate our business and our results of operations.

We may not be able to compete effectively against our competitors' pharmaceutical products.

The biotechnology and pharmaceutical industries are highly competitive. There are many pharmaceutical companies, biotechnology companies, public and private universities and research organizations actively engaged in the research and development of products that may be similar to our products. It is probable that the number of companies seeking to develop products and therapies similar to our products will increase. Many of these and other existing or potential competitors have substantially greater financial, technical and human resources than we do and may be better equipped to develop, manufacture and market products. Should generic versions of Vascepa be launched by third parties or Amarin, that should be expected to adversely affect our ability to afford market education to grow the market and maintain our current promotional efforts and attract favorable commercial terms in several aspects of our business. These companies may develop and introduce products and processes competitive with or superior to ours. In addition, other technologies or products may be developed that have an entirely different approach or means of accomplishing the intended purposes of our products, which might render our technology and products noncompetitive or obsolete.

Our competitors both in the United States and abroad include large, well-established pharmaceutical and generic companies, specialty and generic pharmaceutical sales and marketing companies, and specialized cardiovascular treatment companies. GlaxoSmithKline plc currently sells Lovaza®, a prescription-only omega-3 fatty acid indicated for patients with severe hypertriglyceridemia, which was approved by FDA in 2004 and has been on the market in the United States since 2005. Multiple generic versions of Lovaza are available in the United States. Other large companies with competitive products include AbbVie, Inc., which currently sells Tricor® and Trilipix® for the treatment of severe hypertriglyceridemia and Niaspan®, which is primarily used to raise high-density lipoprotein cholesterol, or HDL-C, but is also used to lower triglycerides. Multiple generic versions of Tricor, Trilipix and Niaspan are also available in the United States. We compete with these drugs, and in particular, multiple low-cost generic versions of these drugs, in our FDA-approved indicated uses, even though such products do not have FDA approval to reduce CV risk on top of statin therapy.

In addition, in May 2014, Epanova® (omega-3-carboxylic acids) capsules, a free fatty acid form of omega-3 (comprised of 55% EPA and 20% DHA), was approved by the FDA for patients with severe hypertriglyceridemia. Epanova was developed by Omthera Pharmaceuticals, Inc., and is now owned by AstraZeneca Pharmaceuticals LP, or AstraZeneca. Also, in April 2014, Omtryg, another omega-3-acid fatty acid composition developed by Trygg Pharma AS, received FDA approval for severe hypertriglyceridemia. Neither Epanova nor Omtryg have been commercially launched, but could launch at any time. AstraZeneca has greater resources than we do, including financial, product development, marketing, personnel and other resources.

AstraZeneca had been conducting a long-term outcomes study to assess Statin Residual Risk Reduction With EpaNova in HiGh Cardiovascular Risk PatienTs With Hypertriglyceridemia (STRENGTH). The study is a randomized, double-blind, placebo-controlled (corn oil), parallel group design that is believed to have enrolled approximately 13,000 patients with hypertriglyceridemia and low HDL and high risk for cardiovascular disease randomized 1:1 to either corn oil plus statin or Epanova plus statin, once daily. On January 13, 2020 following the recommendation of an independent Data Monitoring Committee, AstraZeneca decided to close the STRENGTH trial due to its low likelihood of demonstrating benefit to patients with mixed dyslipidemia who are at increased risk of cardiovascular disease. AstraZeneca also stated that full data from the STRENGTH trial will be presented at a future medical meeting. In addition, in March 2017, Kowa Research Institute (a subsidiary of the Japanese company Kowa Co., Ltd) initiated a phase III cardiovascular outcomes trial titled PROMINENT

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examining the effect of pemafibrate (experimental name K-877) in reducing cardiovascular events in Type II diabetic patients with hypertriglyceridemia. Kowa Research Institute has publicly estimated study completion in May 2022, and if successful, U.S. regulatory approval is estimated in mid-2023.

During 2018, two outcomes studies were completed of omega-3 mixtures which both failed to achieve their primary endpoints of cardiovascular risk reduction and two meta-analyses were published showing that omega-3 mixtures are not effective in lowering cardiovascular risk. Results of these failed outcomes studies and analysis, while not done with Vascepa, may negatively affect sales of Vascepa. For example, results of VITamin D and OmegA-3 TriaL (VITAL), as announced immediately before the presentation of REDUCE-IT results at the 2018 Scientific Sessions of the AHA on November 10, 2018, failed to achieve its primary endpoint of lowering cardiovascular events. VITAL was an NIH funded randomized double-blind, placebo-controlled, 2x2 factorial trial of 2000 IU per day of vitamin D3 and 1 gram per day of omega-3 fatty acid mixture supplementation (Lovaza) for the primary prevention of cancer and cardiovascular disease in a nationwide USA cohort of 25,874 adults not selected for elevated cardiovascular or cancer risk.

Likewise, in 2018, results from A Study of Cardiovascular Events iN Diabetes (ASCEND) trial were released and showed negligible results for omega-3 fatty acid mixtures 1 gram daily. ASCEND was a British Heart Foundation funded 2x2 factorial design, randomized study to assess whether aspirin 100 mg daily versus placebo and separately, omega-3 fatty acid mixtures 1 gram daily versus placebo, reduce the risk of cardiovascular events in a nationwide UK cohort of over 15,000 individuals with diabetes who do not have atherosclerotic cardiovascular disease.

In a meta-analysis, presented in 2018 by the Cochran Foundation and separately as published in JAMA, additional omega-3 studies were evaluated. Similar to the VITAL and ASCEND studies, most of the studies in these omega-3 meta-analyses were of omega-3 mixtures, including DHA, and most were studies of relatively low doses of omega-3 as is associated with dietary supplementation and/or they studied relatively low risk patient populations. The exception was the JELIS study, conducted in Japan, of highly pure EPA which showed a positive outcome benefit but had significant limitations in its application to a wider population. The negative results from such omega-3 mixture studies could create misleading impressions about the use of omega-3s generally, including Vascepa, despite REDUCE-IT positive results and the highly-pure and stable EPA active ingredient in Vascepa and its higher dose regimen.

We are also aware of other pharmaceutical companies that are developing products that, if successfully developed, approved and marketed, would compete with Vascepa. It is not fully clear at this time what the impact of Covid-19 will be on each of these programs. Acasti Pharma, or Acasti, a subsidiary of Neptune Technologies & Bioresources Inc., announced in December 2015 that it intends to pursue a regulatory pathway under section 505(b)(2) of the FDCA for its omega-3 prescription drug candidate, CaPre® (omega-3 phospholipid), derived from krill oil, for the treatment of hypertriglyceridemia. In September 2016, Acasti announced positive results from its pivotal bioavailability bridging study comparing CaPre to Lovaza, establishing a scientific bridge between the two that is expected to support the feasibility of a 505(b)(2) regulatory pathway. In the first quarter of 2018, Acasti initiated a Phase 3 clinical program (TRILOGY 1 & 2) to assess the safety and efficacy of CaPre in patients with very high (≥500 mg/dL) triglycerides. In January 2020, Acasti announced topline results of the TRILOGY 1 trial of CaPre. The study did not reach statistical significance and further analysis in underway. In April 2020, Acasti announced that it filed a meeting request with the FDA to discuss the TRILOGY 1 data and align on the interpretation of the results. Acasti also will seek FDA input on revisions to the pre-specified TRILOGY 2 statistical analysis plan (SAP) and on a plan for pooling the data from TRILOGY 1 and TRILOGY 2 in support of an NDA filing. Acasti expects to meet with the FDA in the second half of June. Acasti also stated that they expect to announce topline results of TRILOGY 2 in the third quarter of 2020. NDA submission (if any) and resultant review/approval timelines will be announced following completion of TRILOGY 1 and 2 data analysis. We believe Micelle BioPharma Inc., or Micelle, is also developing potential treatments for hypertriglyceridemia based on omega-3 fatty acids. To our knowledge, Micelle, after acquiring SC401 from Sancilio & Company, or Sancilio, is pursuing a regulatory pathway under section 505(b)(2) of the FDCA for its product and submitted an Investigational New Drug Application, or IND, in July 2015. Micelle (Sancilio) completed two pharmacokinetic studies and Phase 2 bioavailability studies (FASTR I&II), with one comparing SC401 to Lovaza. We expect the company or a potential partner to initiate a pivotal clinical Phase 3 study as the next step in development.

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Matinas BioPharma, Inc., or Matinas, is developing an omega-3-based therapeutic (MAT9001) for the treatment of severe hypertriglyceridemia and mixed dyslipidemia. In the fourth quarter of 2014 Matinas filed an IND with the FDA to conduct a human study in the treatment of severe hypertriglyceridemia and, in June 2015, the company announced topline results for its head-to-head comparative short duration pharmacokinetic and pharmacodynamic study of MAT9001 versus Vascepa in patients under conditions inconsistent with the FDA-approved label for Vascepa and presented results based on biomarker modification without outcomes data. In September 2017, Matinas announced that it will be seeking a partner company to develop and commercialize MAT9001. In March 2019, Matinas announced that net proceeds from a public offering of common stock would be used for development activities for MAT9001. In March 2020, Matinas announced that it completed the clinical dosing for a comparative clinical bridging bioavailability study and the in life portion of a 90-day comparative toxicology study in the first quarter of 2020. Both studies were conducted to support a planned 505(b)(2) registration pathway. In March, Matinas also initiated an additional Phase 2 head-to-head pharmacokinetic and pharmacodynamic study (ENHANCE-IT) against Vascepa in patients with elevated triglycerides (150-499 mg/dL), with topline data expected in the fourth quarter of 2020. Matinas anticipates holding an End-of-Phase 2 meeting with the FDA in the third quarter of 2020 to discuss these data as well as the protocol for a Phase 3 registration trial of MAT9001 in patients with severe hypertriglyceridemia.

In June 2018, Gemphire Therapeutics (renamed NeuroBo Pharmaceuticals, Inc. following completion of a merger on December 31, 2019) announced positive topline results from a Phase 2b trial (INDIGO-1) of its drug candidate, gemcabene, in patients with severe hypertriglyceridemia. Gemcabene is an oral, once-daily pill for a number of hypercholesterolemic populations and severe hypertriglyceridemia. In August 2018, the FDA requested that Gemphire conduct an additional long-term toxicity study before commencing any further clinical testing, thereby effectively placing gemcabene on clinical hold. In March 2020 NeuroBo announced that the requested studies are completed, and the company is expecting to receive a response from the FDA in the second quarter of 2020 regarding removal of the partial clinical hold. In June 2019, Gemphire announced top-line clinical results from a Phase II trial in Familial Partial Lipodystrophy (FPL)/NASH in which Gemcabene safely met the primary endpoint in a sub-set of patients. Phase III studies for homozygous familial hypercholesterolemia (HoFH), heterozygous familial hypercholesterolemia (HeFH) and non-familial hypercholesterolemia in ASCVD patients are planned. Afimmune Ltd. has an oral, small molecule drug candidate, epeleuton (DS-102), in development for a number of conditions of the liver and lung, including severe hypertriglyceridemia, Phase 2 clinical trials are currently ongoing for non-alcoholic fatty liver disease, or NAFLD, and chronic obstructive pulmonary disease, or COPD, in the United States. In November 2019, Afimmune Ltd. announced positive results from an exploratory Phase 2 study of epeleuton in patients with NAFLD in which the molecule decreased triglycerides, improved glycemic control, and decreased markers of inflammation.

Based on prior communications from the FDA, including communications in connection with its review of the ANCHOR indication for Vascepa, it is our understanding that the FDA is not prepared to approve any therapy for treatment of cardiovascular risk based on biomarker modification without outcomes study data, with the potential exception of therapies which lower LDL-cholesterol. In particular, it is our understanding that the FDA is not prepared to approve any therapy based primarily on data demonstrating lowering of triglyceride levels. In our view, this position from the FDA did not change based on the REDUCE-IT study particularly in light of significant independence of the positive benefit demonstrated in the REDUCE-IT study from triglyceride levels and benefit from the REDUCE-IT study supporting that the positive effects of Vascepa are unique to Vascepa and extend beyond triglyceride reduction. If the FDA were to change this position, it could potentially have a negative impact on Amarin by making it easier for other products to achieve a cardiovascular risk reduction indication without the need in advance to conduct a long and expensive cardiovascular outcomes study.

STRATEGIC REPORT (continued)

Generic company competitors are seeking FDA approval of generic versions of Vascepa in the United States. We are appealing a March 2020 federal court decision that declared as invalid a group of patents that protect our exclusivity in the United States and could face additional patent litigation related to another group of patents related to FDA approval of a REDUCE-IT-based indication.

The FDCA, as amended by the Drug Price Competition and Patent Term Restoration Act of 1984, as amended, or the Hatch-Waxman Amendments, permits the FDA to approve ANDAs for generic versions of brand name drugs like Vascepa. We refer to the process of generic drug applications as the "ANDA process." The ANDA process permits competitor companies to obtain marketing approval for a drug product with the same active ingredient, dosage form, strength, route of administration, and labeling as the approved brand name drug, but without having to conduct and submit clinical studies to establish the safety and efficacy of the proposed generic product. In place of such clinical studies, an ANDA applicant needs to submit data demonstrating that its product is bioequivalent to the brand name product, usually based on pharmacokinetic studies.

As an alternate path to FDA approval for modifications of products previously approved by the FDA, an applicant may submit a new drug application, or NDA, under Section 505(b)(2) of the FDCA (enacted as part of the Hatch-Waxman Amendments). This statutory provision permits the filing of an NDA where at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference from the owner of the data. The Hatch-Waxman Amendments permit the applicant to rely upon the FDA findings of safety and effectiveness of a drug that has obtained FDA approval based on preclinical or clinical studies conducted by others. In addition to relying on FDA prior findings of safety and effectiveness for a referenced drug product, the FDA may require companies to perform additional preclinical or clinical studies to support approval of the modification to the referenced product.

If an application for a generic version of a branded product or a Section 505(b)(2) application relies on a prior FDA finding of safety and effectiveness of a previously-approved product including an alternative strength thereof, the applicant is required to certify to the FDA concerning any patents listed for the referenced product in the FDA publication called "Approved Drug Products with Therapeutic Equivalence Evaluations," otherwise known as the "Orange Book." Specifically, the applicant must certify in the application that:

(I) there is no patent information listed for the reference drug;

(II) the listed patent has expired for the reference drug;

(III) the listed patent for the reference drug has not expired, but will expire on a particular date and approval is sought after patent expiration; or

(IV) the listed patent for the reference drug is invalid, unenforceable, or will not be infringed by the manufacture, use or sale of the product for which the ANDA or 505(b)(2) NDA is submitted.

The Hatch-Waxman Amendments require an applicant for a drug product that relies, in whole or in part, on the FDA's prior approval of Vascepa, to notify us of its application, a "paragraph IV" notice, if the applicant is seeking to market its product prior to the expiration of the patents that both claim Vascepa and are listed in the Orange Book. A bona fide paragraph IV notice may not be given under the Hatch-Waxman Amendments until after the generic company receives from the FDA an acknowledgement letter stating that its ANDA is sufficiently complete to permit a substantive review. The paragraph IV notice is required to contain a detailed factual and legal statement explaining the basis for the applicant's opinion that the proposed product does not infringe our patents, that the relevant patents are invalid, or both. After receipt of a valid notice, the branded product manufacturer has the option of bringing a patent infringement suit in federal district court against any generic company seeking approval for its product within 45 days from the date of receipt of each notice. If such a suit is commenced within this 45-day period, the Hatch-Waxman Amendments provide for a 30-month stay on FDA's ability to give final approval to the proposed generic product, which period begins on the date the paragraph IV notice is received. Generally, during a period of time in which generic applications may be submitted for a branded product based on a product's regulatory exclusivity status, if no patents are listed in the Orange Book before the date on which a complete ANDA application for a product (excluding an amendment or supplement to the application) is submitted, an ANDA application could be approved by FDA without regard to a stay. For products entitled to five-year exclusivity status, the Hatch-Waxman Amendments provide that an ANDA application may be submitted after four years following FDA approval of the branded product if it contains a certification of patent invalidity or non-infringement to a patent listed in the Orange Book. In such a case, the 30-month stay runs from the end of the five-year exclusivity period. Statutory stays may be shortened or lengthened

STRATEGIC REPORT (continued)

if either party fails to cooperate in the litigation and it may be terminated if the court decides the case in less than 30 months. If the litigation is resolved in favor of the ANDA applicant before the expiration of the 30-month period, the stay will be immediately lifted and the FDA's review of the application may be completed. Such litigation is often time-consuming and costly, and may result in generic competition if such patents are not upheld or if the generic competitor is found not to infringe such patents.

In September and October 2016, we received paragraph IV certification notices from four companies contending to varying degrees that certain of our patents are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale or offer for sale of a generic form of the 1-gram dose strength of Vascepa as described in those companies' ANDAs. These certifications were expected given the eligibility for submission of ANDAs under the NCE regulatory structure, after the expiration of four years from the July 2012 approval of Vascepa.

We filed patent infringement lawsuits against three of these four ANDA applicants. In October 2016, Amarin filed a lawsuit against Roxane Laboratories, Inc. and related parties, collectively, Roxane, in the U.S. District Court for the District of Nevada, or the Nevada Court. The case against Roxane was captioned *Amarin Pharma, Inc. et al. v. Roxane Laboratories, Inc. et al.*, Civ. A. No. 2:16-cv-02525 (D. Nev.). According to a stipulation filed with the Nevada Court, in December 2016, Roxane transferred its ANDA to West-Ward Pharmaceuticals International Limited, which then designated West-Ward Pharmaceuticals Corp. (or together with West-Ward Pharmaceuticals International Limited, or West-Ward, and now known as Hikma as its agent for FDA communications. In view of the ANDA transfer, in February 2017, West-Ward replaced Roxane and related parties as Defendants in the above-referenced case. The case against West-Ward was captioned *Amarin Pharma, Inc. et al. v. West-Ward Pharmaceuticals Corp. et al.*, Civ. A. No. 2:16-cv-02525 (D. Nev.). In November 2016, Amarin filed a lawsuit against Dr. Reddy's Laboratories, Inc. and Dr. Reddy's Laboratories, Ltd., collectively, DRL, and, together with Hikma and their respective affiliates involved in the litigations, or the Defendants, in the U.S. District Court for the District of Nevada Court. The case against DRL was captioned *Amarin Pharma, Inc. et al. v. Dr. Reddy's Laboratories, Inc. et al.*, Civ. A. No. 2:16-cv-02562 (D. Nev.). In November 2016, Amarin filed a lawsuit against Teva Pharmaceuticals USA, Inc. and Teva Pharmaceuticals Industries Limited, or collectively, Teva, in the Nevada Court. The case against Teva was captioned *Amarin Pharma, Inc. et al. v. Teva Pharmaceuticals USA, Inc. et al.*, Civ. A. No. 2:16-cv-02658. In all three lawsuits, we were seeking, among other remedies, an order enjoining each defendant from marketing generic versions of the 1-gram dose strength of Vascepa before the last to expire of the asserted patents in 2030. The three lawsuits were consolidated for pretrial proceedings.

The fourth ANDA applicant referenced above is Apotex Inc., or Apotex, which sent us a paragraph IV certification notice in September 2016. The notice reflected that Apotex made a paragraph IV notice as to some, but not all, of the patents listed in the Orange Book for Vascepa. Because Apotex did not make a paragraph IV certification as to all listed patents, Apotex cannot market a generic version of Vascepa before the last to expire of the patents for which Apotex did not make a paragraph IV certification, which is in 2030. At a later date, Apotex may elect to amend its ANDA in order to make a paragraph IV certification as to additional listed patents. If and when Apotex does make such an amendment, it would be required to send Amarin an additional paragraph IV certification notice, and Amarin would then have the ability to file a lawsuit against Apotex pursuant to the Hatch-Waxman Amendments.

In October 2016, we introduced to the market a 0.5-gram dose strength of Vascepa. In August 2017, as anticipated, we received a paragraph IV certification notice from Teva contending that certain of our patents are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale or offer for sale of a generic form of the 0.5-gram dose strength of Vascepa, as described in the Teva ANDA. This Teva ANDA was filed as an amendment to the 1-gram Teva ANDA and is related to patents already at issue in the 1-gram Vascepa patent litigation. This certification followed the related listing in the Orange Book of patents associated with the 0.5-gram product in June 2017. This June 2017 listing was within the five-year, post NDA-approval period during which the Hatch-Waxman Amendments require a paragraph IV certification of patent invalidity or non-infringement under the Hatch-Waxman, five-year, NCE regulatory scheme. Accordingly, in October 2017, we filed a patent infringement lawsuit against Teva in the Nevada Court. The case was captioned *Amarin Pharma, Inc. et al. v. Teva Pharmaceuticals USA, Inc. et al.,* Civ. A. No. 2:17-cv-2641 (D. Nev.). In this lawsuit, we sought, among other remedies, an order enjoining Teva from marketing generic versions of the 0.5-gram dose strength of Vascepa before the last to expire of the asserted patents in 2030.

STRATEGIC REPORT (continued)

In July 2018, we received a paragraph IV certification notice from DRL contending that certain of our patents are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale or offer for sale of a generic form of the 0.5-gram dose strength of Vascepa, as described in the DRL ANDA. This DRL ANDA was filed as an amendment to the 1-gram DRL ANDA and is related to patents already at issue in the 1-gram Vascepa patent litigation. This certification followed the related listing in the Orange Book of patents associated with the 0.5-gram product in June 2017. This June 2017 listing was within the five-year, post NDA-approval period during which the Hatch-Waxman Amendments require a paragraph IV certification of patent invalidity or non-infringement under the Hatch-Waxman, five-year, NCE regulatory scheme. Accordingly, in August 2018, we filed a patent infringement lawsuit against DRL in the Nevada Court. The case was captioned Amarin Pharma, Inc. et al. v. Dr. Reddy's Laboratories, Inc. et al., Civ. A. No. 2:18-cv-01596 (D. Nev.). In this lawsuit, we sought, among other remedies, an order enjoining DRL from marketing generic versions of the 0.5-gram dose strength of Vascepa before the last to expire of the asserted patents in 2030. In light of the overlap between the cases, DRL and Amarin have stipulated that the final judgment on the merits of the parties' contentions in the consolidated 1-gram action shall also be binding in the 0.5-gram case.

On 24 May 2018, we entered into a settlement agreement with Teva that resolves our ANDA patent litigation as it relates to Teva's as amended ANDA for both the 1-gram and 0.5-gram dose strengths of Vascepa. As part of this settlement agreement, Teva may first begin selling its generic version of Vascepa in the United States on 9 August 2029, or earlier under certain customary circumstances, including commercial launch by another generic manufacturer under certain circumstances..

On March 30, 2020, the Nevada Court issued its ruling in favor of the Defendants (DRL and Hikma). We are appealing the decision and may pursue additional remedies, including seeking a preliminary injunction against a generic product launch. We can make no guarantees as to the success, timing or efforts involved in connection with such appeal, or a preliminary injunction if we determine to pursue it. If the generic version of Vascepa proposed by either Defendant is approved by the FDA and the sponsor has qualified supply available and elects to launch at risk during the appeal process, such generic competition from one or both such companies in the near term could have a material and adverse impact on our revenues and our stock price. Such a launch before an appeal judgment would be at risk of damages such as lost profits to us should we prevail on appeal.

Teva could also launch a generic version of Vascepa under a May 2018 settlement agreement with us related to the Nevada Court litigation in light of the March 2020 ruling. Similarly, any launch by Teva would be subject to FDA approval of the Teva ANDA and procurement of adequate supply. Circumstances that could trigger a Teva launch under our settlement agreement include, but are not limited to the following: (1) If another generic company obtains FDA approval and launches at risk pending the current appeal of the March 2020 Nevada Court ruling, only if we do not obtain an injunction removing such product from the market within 60 days. In such case, Teva could also launch at risk but would be required to withdraw its product from the market if the other entities that launched at risk withdraw their products. (2) If we lose our appeal of the March 2020 district court decision.

We expect to face similar patent litigation related to the patents filed in the Orange Book related to the REDUCE-IT study. In addition, a three-year period of exclusivity under the Hatch-Waxman Amendments is generally granted for a drug product that contains an active moiety that has been previously approved, such as when the application contains reports of new clinical investigations (other than bioavailability studies) conducted by the sponsor that were essential to approval of the application. Accordingly, we received three-year exclusivity in connection the approval of our sNDA for REDUCE-IT study results. Such three-year exclusivity protection precludes the FDA from approving a marketing application for an ANDA, a product candidate that the FDA views as having the same conditions of approval as Vascepa (for example, the same indication and/or other conditions of use), or a 505(b)(2) NDA submitted to the FDA with Vascepa as the reference product until 13 December 2022, three years from the date of FDA approval of the REDUCE-IT sNDA. While this three-year exclusivity would prevent such an approval based on our REDUCE-IT indication during such time, it does not preclude tentative or final approval of an ANDA based on our MARINE indication. The FDA may accept and commence review of such REDUCE-IT-related applications during the three-year exclusivity period. Such three-year exclusivity grant does not prevent a company from challenging the validity of REDUCE-IT patents during such period. This three-year form of exclusivity may also not prevent the FDA from approving an NDA that relies only on its own data to support the change or innovation. Regulatory exclusivity is in addition to exclusivity afforded by issued patents related to Vascepa.

STRATEGIC REPORT (continued)

We may also face challenges to the validity of our patents through a procedure known as *inter partes* review. *Inter partes* review is a trial proceeding conducted through the Patent Trial and Appeal Board, of the U.S. Patent and Trademark Office. Such a proceeding could be introduced against us within the statutory one-year window triggered by service of a complaint for infringement related to an ANDA filing or at any time by an entity not served with a complaint. Such proceedings may review the patentability of one or more claims in a patent on specified substantive grounds such as allegations that a claim is obvious on the basis of certain prior art.

We intend to vigorously enforce our intellectual property rights relating to Vascepa, but we cannot predict the outcome of the pending lawsuits, any appeals, or any subsequently filed lawsuits or *inter partes* review.

Generally, if an ANDA filer meets the approval requirements for a generic version of Vascepa to the satisfaction of the FDA under its ANDA, FDA may grant tentative approval to the ANDA during a Hatch-Waxman 30-month stay period and during the Hatch-Waxman 36-month regulatory exclusivity period. A tentative approval is issued to an ANDA applicant when its application is approvable prior to the expiration of any exclusivities applicable to the branded, reference listed drug product. A tentative approval does not allow the applicant to market the generic drug product and postpones the final ANDA approval until applicable exclusivity protections have expired.

The statutory NCE-related 30-month stay triggered by the 1-gram dose patent litigation following generic application submissions permitted on July 26, 2016 expired on January 26, 2020, seven-and-a-half years from our initial FDA approval of Vascepa. Now that the Nevada Court has issued a decision in the MARINE-related patent litigation against the Defendants, we are at greater risk of a launch from the Defendants, which could then permit a similar launch by Teva under our settlement agreement earlier than the agreed-upon August 9, 2029 date as noted above. Although we are appealing the Nevada Court's decision, the timing of such appeal proceedings and an outcome on the merits is difficult to predict. It is not uncommon for such an appeal to take from several months to approximately one year until judgment, which timing could be protracted in light of the disruptions caused by the coronavirus pandemic. Although we may file an expedited motion for an injunction to prevent any generic launch while our appeal is pending, such motion may require that we post a bond to secure generics' lost profits in the event that generics prevail on appeal, which bond and damages amount may be significant. There can be no guarantee we would be successful in any of such efforts.

Once a generic version of Vascepa is available in the market, whether based on a generic product with a MARINE indication label or REDUCE-IT indication label, it can be used to fill a prescription for any use of the drug. If final approval of a generic ANDA is granted, an ANDA filer is able to supply the product in significant commercial quantities and circumstances such as a successful preliminary injunction effort (if we choose to undertake such an effort) do not maintain the status quo as it existed prior to the Nevada Court decision, generic companies could introduce generic versions of Vascepa in the market, including in the near term. Any such introduction of a generic version of Vascepa would also be subject to current patent infringement claims that may then be subject to an appeal.

Any significant degree of generic market entry would limit our U.S. sales, which would have a significant adverse impact on our business and results of operations. In addition, even if a competitor's effort to introduce a generic product is ultimately unsuccessful, the perception that such development is in progress and/or news related to such progress could materially affect the perceived value of our company and our stock price. For example, our stock price suffered a significant decline following our announcement of the Nevada Court's ruling in favor of the Defendants.

Vascepa is a prescription-only omega-3 fatty acid product. Omega-3 fatty acids are also marketed by other companies as non-prescription dietary supplements. As a result, Vascepa is subject to non-prescription competition and consumer substitution.

Our only product, Vascepa, is a prescription-only form of EPA, an omega-3 fatty acid in ethyl ester form. Mixtures of omega-3 fatty acids in triglyceride form are naturally occurring substances contained in various foods, including fatty fish.

Omega-3 fatty acids are marketed by others in a number of chemical forms as non-prescription dietary supplements. We cannot be sure physicians will view the pharmaceutical grade purity and proven efficacy and safety of Vascepa as having a superior therapeutic profile to unproven and loosely regulated omega-3 fatty acid dietary supplements. In addition, the FDA has not yet enforced to the full extent of its regulatory authority what we view as illegal claims made by certain omega-3 fatty

acid product manufacturers to the extent we believe appropriate under applicable law and regulations, for example, claims that certain of such chemically altered products are dietary supplements and that certain of such products reduce triglyceride levels or could reduce cardiovascular risk.

Also, for more than a decade now, subject to certain limitations, the FDA has expressly permitted dietary supplement manufacturers that sell supplements containing the omega-3 fatty acids EPA and/or DHA to make the following qualified health claim directly to consumers: Supportive but not conclusive research shows that consumption of EPA and DHA omega-3 fatty acids may reduce the risk of coronary heart disease. Such companies are not, however, permitted, based on FDA enforcement activity, to make claims that suggest or imply treatment of cardiovascular disease.

These factors enable dietary supplements to compete with Vascepa to a certain degree. Although we have taken steps to address these competitive issues, and plan to continue to do so vigorously, we may not be successful in such efforts.

For example, on 29 October 2018, Amarin filed two lawsuits in U.S. federal court, each against a different dietary supplement company for unlawfully using the results from the REDUCE-IT cardiovascular outcomes study to falsely and deceptively claim that their omega-3 dietary supplement products are effective in reducing cardiovascular risk. The defendants in the cases were Omax Health, Inc., or Omax, and The Coromega Company, Inc., or Coromega. In April 2019, based on the strength of our case and available legal remedies, Omax and Coromega settled these litigations under terms by which Omax and Coromega agreed to substantially all the demands in Amarin's complaints. Under the settlements, Coromega and Omax agreed to publicly correct their prior statements that wrongly suggested the REDUCE-IT cardiovascular outcomes trial supports the safety and efficacy of omega-3 dietary supplements. Each dietary supplement company also acknowledged that as a general matter under federal law dietary supplements may be lawfully marketed to supplement the diet, but they cannot be lawfully marketed to treat, mitigate, or prevent disease, such as cardiovascular disease.

Similarly, on 30 August 2017, Amarin filed a lawsuit with the United States International Trade Commission, or the ITC, against manufacturers, importers, and distributors of products containing synthetically produced omega-3 products in ethyl ester or re-esterified triglyceride form that contain more EPA than DHA or any other single component for use in or as dietary supplements. The lawsuit sought an investigation by the ITC regarding potentially unfair methods of competition and unfair acts involving the importation and sale of articles in the United States that injure or threaten injury to a domestic industry. In October 2017, the ITC determined to not institute our requested investigation. We appealed this determination to the U.S. Federal Circuit, but that court upheld ITC's determination. On 30 July 2019, we filed a petition with the U.S. Supreme Court seeking to appeal the Federal Circuit decision, which petition was denied on 9 December 2019. We have also engaged with FDA on the topic of synthetically produced omega-3 products through the citizen's petition process and otherwise.

In addition, to the extent the net price of Vascepa after insurance and offered discounts is significantly higher than the prices of commercially available omega-3 fatty acids marketed by other companies as dietary supplements (through that lack of coverage by insurers or otherwise), physicians and pharmacists may recommend these commercial alternatives instead of writing or filling prescriptions for Vascepa or patients may elect on their own to take commercially available omega-3 fatty acids. Also, insurance plans may increasingly impose policies that favor supplement use over Vascepa. While Vascepa is highly price-competitive for patients generally, and in particular when covered by insurance—cheaper in many cases—any of these outcomes may adversely impact our results of operations by limiting how we price our product and limiting the revenue we receive from the sale of Vascepa due to reduced market acceptance.

The commercial value to us of sales of Vascepa outside the United States may be smaller than we anticipate.

There can be no assurance as to the adequacy for commercial success of Vascepa outside the United States. For example, even if we obtain approval to commercialize Vascepa in Europe or we and Eddingpharm obtain marketing approval in Mainland China, Hong Kong, Macau and Taiwan, or the China Territory, applicable regulatory agencies may impose restrictions on the product's conditions for use, distribution or marketing and in some cases may impose ongoing requirements for post-market surveillance, post-approval studies or clinical trials.

STRATEGIC REPORT (continued)

Also, there is a degree of unpredictability with regard to the eventual pricing and reimbursement levels of medications in markets outside the United States. In some foreign countries, including Canada and major markets in the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take 6 to 12 months or longer after the receipt of regulatory marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a pharmacoeconomic study that compares the cost-effectiveness of Vascepa to other available therapies. Such pharmacoeconomic studies can be costly and the results uncertain. Our business could be harmed if reimbursement of our products is unavailable or limited in scope or amount or if pricing is set at unsatisfactory levels. If the pricing and reimbursement levels of Vascepa are lower than we anticipate, then affordability of, and market access to, Vascepa may be adversely affected and thus market potential in these territories would suffer. We or our partners may even choose to not proceed with marketing Vascepa in a market, even after a regulatory approval, due to negative commercial dynamics. Furthermore, with regard to any indications for which we may gain approval in territories outside the United States, the number of actual patients with the condition included in such approved indication may be smaller than we anticipate. If any of these market dynamics exist, the commercial potential in these territories for our product would suffer.

Our products and marketing efforts are subject to extensive post-approval government regulation.

Once a product candidate receives FDA marketing approval, numerous post-approval requirements apply. Among other things, the holder of an approved NDA is subject to periodic and other monitoring and reporting obligations enforced by the FDA and other regulatory bodies, including obligations to monitor and report adverse events and instances of the failure of a product to meet the specifications in the approved application. Application holders must also submit advertising and other promotional material to regulatory authorities and report on ongoing clinical trials.

With respect to sales and marketing activities, advertising and promotional materials must comply with FDA rules in addition to other applicable federal and local laws in the United States and in other countries. The result of our First Amendment litigation and settlement may cause the government to scrutinize our promotional efforts or otherwise monitor our business more closely. Industry-sponsored scientific and educational activities also must comply with FDA and other requirements. In the United States, the distribution of product samples to physicians must comply with the requirements of the U.S. Prescription Drug Marketing Act. Manufacturing facilities remain subject to FDA inspection and must continue to adhere to the FDA's pharmaceutical current good manufacturing practice requirements, or cGMPs. Application holders must obtain FDA approval for product and manufacturing changes, depending on the nature of the change.

We also are subject to the federal transparency requirements under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the ACA, enacted in March 2010, which require manufacturers of certain drugs, devices, biologics, and medical supplies to report to the Centers for Medicare & Medicaid Services, or CMS, information related to payments and other transfers of value to physicians and teaching hospitals and physician ownership and investment interests. We may also be subject, directly or indirectly through our customers and partners, to various fraud and abuse laws, including, without limitation, the U.S. Anti-Kickback Statute, U.S. False Claims Act, and similar state laws, which impact, among other things, our proposed sales, marketing, and scientific/educational grant programs. We participate in the U.S. Medicaid Drug Rebate Program, the Federal Supply Schedule of the U.S. Department of Veterans Affairs, or other government drug programs, and, accordingly, are subject to complex laws and regulations regarding reporting and payment obligations. We must also comply with requirements to collect and report adverse events and product complaints associated with our products. Our activities are also subject to U.S. federal and state consumer protection and unfair competition laws, non-compliance with which could subject us to significant liability. Similar requirements exist in many of these areas in other countries.

Depending on the circumstances, failure to meet post-approval requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, or refusal to allow us to enter into supply contracts, including government contracts. We may also be held responsible for the non-compliance of our partners, such as our former co-promotion partner Kowa Pharmaceuticals America, Inc. In addition, even if we comply with FDA and other requirements, new information regarding the safety or effectiveness of a product could lead the FDA to modify or withdraw a product approval. Newly discovered or developed safety or effectiveness data may require changes to a drug's approved labeling and marketing, including the addition of new warnings and contraindications, and also may require the implementation of other risk management measures. Adverse regulatory action, whether pre- or post-approval, can potentially lead to product liability claims and increase our

product liability exposure. We must also compete against other products in qualifying for coverage and reimbursement under applicable third-party payment and insurance programs. In addition, all of the above factors may also apply to any regulatory approval for Vascepa obtained in territories outside the United States. Given our inexperience with marketing and commercializing products outside the United States, in certain territories we may need to rely on third parties, such as our partners in Canada, China and the Middle East, to assist us in dealing with any such issues.

Legislative or regulatory reform of the healthcare system in the United States and foreign jurisdictions may affect our ability to profitably sell Vascepa.

Our ability to commercialize our future products successfully, alone or with collaborators, will depend in part on the extent to which coverage and reimbursement for the products will be available from government and health administration authorities, private health insurers and other third-party payors. The continuing efforts of the U.S. and foreign governments, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce healthcare costs may adversely affect our ability to set prices for our products which we believe are fair, and our ability to generate revenues and achieve and maintain profitability.

Specifically, in both the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes to the healthcare system in ways that could affect our ability to sell our products profitably. For example, on 2 August 2011, the Budget Control Act of 2011, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals for spending reductions. The Joint Select Committee did not achieve a targeted deficit reduction, which triggered the legislation's automatic reductions. In concert with subsequent legislation, this has resulted in aggregate reductions to Medicare payments to providers of, on average, 2% per fiscal year through 2029 unless Congress takes additional action. These cuts reduce reimbursement payments related to our products, which could potentially negatively impact our revenue. Also for example, the ACA has substantially changed the way healthcare is financed by both governmental and private insurers and has significantly impacted the U.S. pharmaceutical industry. Among other cost-containment measures, the ACA establishes:

- an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs and biologic agents;
- a new Medicare Part D coverage gap discount program, in which pharmaceutical manufacturers who wish to have their drugs covered under Part D must offer discounts to eligible beneficiaries during their coverage gap period; and
- a new formula that increases the rebates a manufacturer must pay under the Medicaid Drug Rebate Program and extends the Medicaid Drug Rebate Program to individuals enrolled in Medicaid managed care organizations.

There has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. The Trump administration is currently assessing additional proposals that are designed to affect drug pricing, such as tying U.S. drug prices to prices outside the United States. Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. For example, the State of California enacted legislation that requires notice for exceeding specified limits on annual drug price increases and other legislation that seeks to limit the use of co-pay cards in certain situations.

In addition, it is time-consuming and expensive for us to go through the process of seeking coverage and reimbursement from Medicare and private payors. Our products may not be considered cost effective, and government and third-party private health insurance coverage and reimbursement may not be available to patients for any of our future products or sufficient to allow us to sell our products on a competitive and profitable basis. Our results of operations could be adversely affected by ACA and by other healthcare reforms that may be enacted or adopted in the future. In addition, increasing emphasis on managed care in the United States will continue to put pressure on the pricing of pharmaceutical products. For example,

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proposals are being considered to expand the use of dietary supplements in addition to or in place of drugs in government and private payor plans. In addition, cost control initiatives could decrease the price that we or any potential collaborators could receive for any of our future products and could adversely affect our profitability. These and similar regulatory dynamics, including the potential future approval of a generic version of Vascepa, can affect our ability to sell Vascepa on commercially reasonable terms and limit the commercial value of Vascepa.

If we fail to comply with our reporting and payment obligations under the Medicaid Drug Rebate program or other governmental pricing programs, we could be subject to additional reimbursement requirements, penalties, sanctions and fines, which could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

We participate in the Medicaid Drug Rebate program, the 340B drug pricing program, and the U.S. Department of Veterans Affairs, or VA, Federal Supply Schedule, or FSS, pricing program. Under the Medicaid Drug Rebate program, we are required to pay a rebate to each state Medicaid program for our covered outpatient drugs that are dispensed to Medicaid beneficiaries and paid for by a state Medicaid program as a condition of having federal funds being made available to the states for our drugs under Medicaid and Medicare Part B. Those rebates are based on pricing data reported by us on a monthly and quarterly basis to CMS, the federal agency that administers the Medicaid Drug Rebate program. These data include the average manufacturer price and, in the case of innovator products, the best price for each drug which, in general, represents the lowest price available from the manufacturer to any entity in the U.S. in any pricing structure, calculated to include all sales and associated rebates, discounts and other price concessions. Our failure to comply with these price reporting and rebate payment obligations could negatively impact our financial results.

The ACA made significant changes to the Medicaid Drug Rebate program. CMS issued a final regulation, which became effective on 1 April 2016, to implement the changes to the Medicaid Drug Rebate program under the ACA. The issuance of the final regulation has increased and will continue to increase our costs and the complexity of compliance, has been and will continue to be time-consuming to implement, and could have a material adverse effect on our results of operations, particularly if CMS challenges the approach we take in our implementation of the final regulation.

Federal law requires that any company that participates in the Medicaid Drug Rebate program also participate in the Public Health Service's 340B drug pricing program in order for federal funds to be available for the manufacturer's drugs under Medicaid and Medicare Part B. The 340B program requires participating manufacturers to agree to charge statutorily defined covered entities no more than the 340B "ceiling price" for the manufacturer's covered outpatient drugs. These 340B covered entities include a variety of community health clinics and other entities that receive health services grants from the Public Health Service, as well as hospitals that serve a disproportionate share of low-income patients. The 340B ceiling price is calculated using a statutory formula based on the average manufacturer price and Medicaid rebate amount for the covered outpatient drug as calculated under the Medicaid Drug Rebate program, and in general, products subject to Medicaid price reporting and rebate liability are also subject to the 340B ceiling price calculation and discount requirement. Any additional future changes to the definition of average manufacturer price and the Medicaid rebate amount under the ACA, other legislation, or in regulation could affect our 340B ceiling price calculations and negatively impact our results of operations.

The Health Resources and Services Administration, or HRSA, which administers the 340B program, issued a final regulation regarding the calculation of the 340B ceiling price and the imposition of civil monetary penalties on manufacturers that knowingly and intentionally overcharge covered entities, which became effective on 1 January 2019. It is currently unclear how HRSA will apply its enforcement authority under the new regulation. We also are required to report our 340B ceiling prices to HRSA on a quarterly basis. Implementation of the civil monetary penalties regulation and the issuance of any other final regulations and guidance could affect our obligations under the 340B program in ways we cannot anticipate. In addition, legislation may be introduced that, if passed, would further expand the 340B program to additional covered entities or would require participating manufacturers to agree to provide 340B discounted pricing on drugs used in the inpatient setting.

Pricing and rebate calculations vary across products and programs, are complex, and are often subject to interpretation by us, governmental or regulatory agencies and the courts. In the case of our Medicaid pricing data, if we become aware that our reporting for a prior quarter was incorrect, or has changed as a result of recalculation of the pricing data, we are obligated to resubmit the corrected data for up to three years after those data originally were due. Such restatements and recalculations increase our costs for complying with the laws and regulations governing the Medicaid Drug Rebate program and could result in an overage or underage in our rebate liability for past quarters. Price recalculations also may affect the ceiling price at which we are required to offer our products under the 340B program or could require us to issue refunds to 340B covered entities.

STRATEGIC REPORT (continued)

Significant civil monetary penalties can be applied if we are found to have knowingly submitted any false pricing information to CMS, or if we fail to submit the required price data on a timely basis. Such conduct also could be grounds for CMS to terminate our Medicaid drug rebate agreement, in which case federal payments may not be available under Medicaid or Medicare Part B for our covered outpatient drugs. Significant civil monetary penalties also can be applied if we are found to have knowingly and intentionally charged 340B covered entities more than the statutorily mandated ceiling price. We cannot assure you that our submissions will not be found by CMS or HRSA to be incomplete or incorrect.

In order to be eligible to have our products paid for with federal funds under the Medicaid and Medicare Part B programs and purchased by certain federal agencies and grantees, we participate in the U.S. Department of Veterans Affairs, or VA, Federal Supply Schedule, or FSS, pricing program. As part of this program, we are obligated to make our products available for procurement on an FSS contract under which we must comply with standard government terms and conditions and charge a price that is no higher than the statutory Federal Ceiling Price, or FCP, to four federal agencies (VA, U.S. Department of Defense, or DOD, Public Health Service, and U.S. Coast Guard). The FCP is based on the Non-Federal Average Manufacturer Price, or Non-FAMP, which we calculate and report to the VA on a quarterly and annual basis. Pursuant to applicable law, knowing provision of false information in connection with a Non-FAMP filing can subject a manufacturer to significant penalties for each item of false information. These obligations also contain extensive disclosure and certification requirements.

We also participate in the Tricare Retail Pharmacy program, under which we pay quarterly rebates on utilization of innovator products that are dispensed through the Tricare Retail Pharmacy network to Tricare beneficiaries. The rebates are calculated as the difference between the annual Non-FAMP and FCP. We are required to list our covered products on a Tricare Agreement in order for these products to be eligible for DOD formulary inclusion. If we overcharge the government in connection with our FSS contract or Tricare Agreement, whether due to a misstated FCP or otherwise, we are required to refund the difference to the government. Failure to make necessary disclosures and/or to identify contract overcharges can result in allegations against us under the False Claims Act and other laws and regulations. Unexpected refunds to the government, and responding to a government investigation or enforcement action, would be expensive and time-consuming, and could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

Changes in reimbursement procedures by government and other third-party payors may limit our ability to market and sell our approved drugs. These changes could have a material adverse effect on our business and financial condition.

In the U.S. and abroad, sales of pharmaceutical drugs are dependent, in part, on the availability of reimbursement to the consumer from third-party payors, such as government and private insurance plans. Third-party payors are increasingly challenging the prices charged for medical products and services. Some third-party payor benefit packages restrict reimbursement, charge copayments to patients, or do not provide coverage for specific drugs or drug classes.

In addition, certain healthcare providers are moving toward a managed care system in which such providers contract to provide comprehensive healthcare services, including prescription drugs, for a fixed cost per person. We are unable to predict the reimbursement policies employed by third-party healthcare payors.

We expect to experience pricing and reimbursement pressures in connection with the sale of our products due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative and executive proposals. In addition, we may confront limitations in insurance coverage for our products. If we fail to successfully secure and maintain reimbursement coverage for our approved drugs or are significantly delayed in doing so, we may have difficulty achieving market acceptance of our approved drugs and investigational drug candidates for which we obtain approval, and our business may be harmed. Congress has enacted healthcare reform and may enact further reform, which could adversely affect the pharmaceutical industry as a whole, and therefore could have a material adverse effect on our business.

Ongoing healthcare legislative and regulatory reform measures may have a material adverse effect on our business and results of operations.

Certain provisions of the ACA have been subject to judicial challenges, as well as efforts to repeal or replace them or to alter their interpretation or implementation. Since January 2017, the Trump administration has signed Executive Orders designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. One Executive Order directs federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would

STRATEGIC REPORT (continued)

impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. The second Executive Order terminated the cost-sharing subsidies under the ACA. Nineteen state Attorneys General filed suit to stop the administration from terminating the subsidies, but on 18 July 2018, the U.S. District Court for the Northern District of California dismissed the case without prejudice. Further, on 14 June 2018, U.S. Court of Appeals for the Federal Circuit ruled that, due to Congressional appropriations riders that prohibited the Department of Health and Human Services, or HHS, from paying out more in risk corridor payments than it collected, HHS was not required to pay more than $12 billion in ACA risk corridor payments owed to insurers under the risk corridor formula. On 6 November 2018, the Federal Circuit declined to rehear the case *en banc*. The case is currently pending a ruling by the Supreme Court.

Moreover, the Tax Act included a provision that eliminated the tax-based shared responsibility payment for individuals who fail to maintain minimum essential coverage under section 5000A of the Internal Revenue Code of 1986, commonly referred to as the "individual mandate," effective 1 January 2019. The Bipartisan Budget Act of 2018, or the BBA, among other things, amends the ACA to create a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% (effective as of 1 January 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

Under the Trump Administration, CMS has issued regulations that give states greater flexibility, starting in 2020, in the identification of the essential health benefits benchmarks for non-grandfathered individual and small group market health insurance coverage, including plans sold through the health insurance exchanges established under the ACA. On 14 December 2018, the U.S. District Court for the Northern District of Texas ruled (i) that the "individual mandate" was unconstitutional as a result of the associated tax penalty being repealed by Congress as part of the Tax Act; and (ii) the individual mandate is not severable from the rest of the ACA, as a result the entire ACA is invalid. On 18 December 2019, the U.S. Court of Appeals for the Fifth Circuit affirmed the district court's decision that the individual mandate is unconstitutional, but remanded the case to the district court to reconsider the severability question. It is unclear how the ultimate decision in this case, or other efforts to repeal, replace, or invalidate the ACA or its implementing regulations, or portions thereof, will impact our business.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. In August 2011, the Budget Control Act of 2011, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals for spending reductions. The Joint Select Committee on Deficit Reduction did not reach required goals, thereby triggering the legislation's automatic reductions. This has resulted in aggregate reductions to Medicare payments to providers of, on average, 2% per fiscal year through 2027 unless Congress takes additional action.

We expect that the healthcare reform measures that have been adopted and may be adopted in the future, may result in more rigorous coverage criteria, and new payment methodologies, and in additional downward pressure on coverage and payment and the price that we receive for any approved product, and could seriously harm our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private third-party payors.

There have been, and likely will continue to be, legislative and regulatory proposals at the foreign, federal and state levels directed at broadening the availability of healthcare and containing or lowering the cost of healthcare. The enactment and implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our product. Such reforms could have an adverse effect on anticipated revenue from product candidates that we may successfully develop and for which we may obtain regulatory approval and may affect our overall financial condition and ability to develop product candidates.

Failure to comply with health and data protection laws and regulations could lead to government enforcement actions (which could include civil or criminal penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business.

We and any potential collaborators may be subject to federal, state, and foreign data protection laws and regulations (i.e., laws and regulations that address privacy and data security). In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), that govern the collection, use, disclosure and protection of health-related and other personal information could apply to our

STRATEGIC REPORT (continued)

operations or the operations of our collaborators. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA. Although we are not directly subject to HIPAA – other than with respect to providing certain employee benefits – we could potentially be subject to criminal penalties if we, our affiliates, or our agents knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA-covered entity in a manner that is not authorized or permitted by HIPAA. In addition, state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Compliance with U.S. and international data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure to comply with these laws and regulations could result in government enforcement actions (which could include civil, criminal and administrative penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects, employees and other individuals about whom we or our potential collaborators obtain personal information, as well as the providers who share this information with us, may limit our ability to collect, use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

European data collection is governed by restrictive regulations governing the use, processing and cross-border transfer of personal information.

The REDUCE-IT cardiovascular outcomes trial was conducted in part through clinical sites in the European Union, or EU. As a result, we are subject to additional privacy restrictions. The collection and use of personal health data in the EU is governed by the provisions of the General Data Protection Regulation, or GDPR. The GDPR imposes several requirements relating to the legal basis for processing personal data which may include the consent of the individuals to whom the personal data relates, the information provided to the individuals and the security and confidentiality of the personal data. The GDPR also imposes strict rules on the transfer of personal data out of the European Union to the United States. Failure to comply with the requirements of the GDPR, and the related national data protection laws of the European Union Member States may result in restrictions against regulatory approval in the EU or substantial fines for breaches of the data protection rules. The GDPR may impose additional responsibility and liability in relation to personal data that we process and we may be required to put in place additional mechanisms ensuring compliance with these and/or new data protection rules. This may be onerous and adversely affect our business, financial condition, prospects and results of operations.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products. If we or our partners are found to have improperly promoted uses, efficacy or safety of Vascepa, we may become subject to significant fines and other liability. The government may seek to find means to prevent our promotion of truthful and non-misleading information beyond the current court ruling and litigation settlement.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products. In particular, in general, the U.S. government's position has been that a product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling. Even though we received FDA marketing approval for Vascepa for the MARINE indication and for cardiovascular risk reduction based on the REDUCE-IT study, and we believe the First Amendment court ruling and litigation settlement affords us a degree of protection for other promotional efforts, physicians may still prescribe Vascepa to their patients for use in the treatment of conditions that are not included as part of the indication statement in our FDA-approved Vascepa label or our settlement. If we are found to have promoted Vascepa outside the terms of the litigation settlement or in violation of what federal or state government may determine to be acceptable, we may become subject to significant government fines and other related liability, such as under the FDCA, the False Claims Act, or other theories of liability. Government may also seek to hold us responsible for the non-compliance of our former co-promotion partner, Kowa Pharmaceuticals America, Inc., or our commercialization partners outside the United States. For example, the Federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed.

STRATEGIC REPORT (continued)

In addition, incentives exist under applicable laws that encourage competitors, employees and physicians to report violations of rules governing promotional activities for pharmaceutical products. These incentives could lead to so-called "whistleblower lawsuits" as part of which such persons seek to collect a portion of moneys allegedly overbilled to government agencies due to, for example, promotion of pharmaceutical products beyond labeled claims. These incentives could also lead to suits that we have mischaracterized a competitor's product in the marketplace and we may, as a result, be sued for alleged damages to our competitors. Such lawsuits, whether with or without merit, are typically time-consuming and costly to defend. Such suits may also result in related shareholder lawsuits, which are also costly to defend.

Even though we have a final settlement in our litigation related to promotion beyond FDA-approved labeling, our promotion would still be subject to a high, perhaps abnormally high, degree of scrutiny to ensure that our promotion remains within the permitted scope. Likewise, federal or state government may seek to find other means to prevent our promotion of truthful and non-misleading information.

We may not be successful in developing and receiving regulatory approval for Vascepa in other jurisdictions or marketing future products if we cannot meet the extensive regulatory requirements of regulatory agencies such as for quality, safety, efficacy and data privacy.

The success of our research and development efforts is dependent in part upon our ability, and the ability of our partners or potential partners, to meet regulatory requirements in the jurisdictions where we or our partners or potential partners ultimately intend to sell such products once approved. The development, manufacture and marketing of pharmaceutical products are subject to extensive regulation by governmental authorities in the United States and elsewhere. In the United States, the FDA generally requires preclinical testing and clinical trials of each drug to establish its safety and efficacy and extensive pharmaceutical development to ensure its quality before its introduction into the market. Regulatory authorities in other jurisdictions impose similar requirements. The process of obtaining regulatory approvals is lengthy and expensive and the issuance of such approvals is uncertain. The commencement and rate of completion of clinical trials and the timing of obtaining marketing approval from regulatory authorities may be delayed by many factors, including but not limited to:

- the lack of efficacy during clinical trials;
- the inability to manufacture sufficient quantities of qualified materials under cGMPs for use in clinical trials;
- slower than expected rates of patient recruitment;
- the inability to observe patients adequately after treatment;
- changes in regulatory requirements for clinical trials or preclinical studies;
- the emergence of unforeseen safety issues in clinical trials or preclinical studies;
- delay, suspension, or termination of a trial by the institutional review board responsible for overseeing the study at a particular study site;
- unanticipated changes to the requirements imposed by regulatory authorities on the extent, nature or timing of studies to be conducted on quality, safety and efficacy;
- compliance with laws and regulations related to patient data privacy;
- government or regulatory delays or "clinical holds" requiring suspension or termination of a trial; and
- political instability affecting our clinical trial sites.

STRATEGIC REPORT (continued)

Even if we obtain positive results from our efforts to seek regulatory approvals, from early stage preclinical studies or clinical trials, we may not achieve the same success in future efforts. Clinical trials that we or potential partners conduct may not provide sufficient safety and efficacy data to obtain the requisite regulatory approvals for product candidates. The failure of clinical trials to demonstrate safety and efficacy for our desired indications could harm the development of that product candidate as well as other product candidates, and our business and results of operations would suffer. For example, during the public advisory committee meeting held by FDA as part of its review of our ANCHOR data and sNDA in October 2013, a discussion regarding observed, nominally statistically significant changes from baseline in an adverse direction, while on background statin therapy, in certain lipid parameters, including LDL cholesterol and triglycerides, in the placebo group, raised questions about the possibility that the light liquid paraffin oil, or mineral oil, placebo used in the ANCHOR trial and then in use in the REDUCE-IT trial might not be biologically inert and might be viewed as artificially exaggerating the clinical effect of Vascepa when measured against placebo. Ultimately, in 2012, no strong evidence for biological activity of mineral oil was identified by the FDA before its approval of Vascepa after review of the MARINE and ANCHOR trials and consideration of other data regarding mineral oil. It was ultimately concluded that the between-group differences likely provided the most appropriate descriptions of the treatment effect of Vascepa and that whatever factor(s) led to the within-group changes over time in the placebo group were likely randomly distributed to all treatment groups. Thus, the FDA approved Vascepa for use in the MARINE indication in July 2012, FDA did not dispute the veracity of the ANCHOR trial data and, in connection with the March 2016 agreement we reached with the FDA allowing us to promote the results of the ANCHOR study, the FDA did not seek to require that we include any qualification related to this earlier question regarding the mineral oil placebo.

Further, in connection with FDA's review of REDUCE-IT data and sNDA in 2019, the agency determined that an interaction between mineral oil and statins leading to decreased absorption of statins cannot be excluded when the two are co-administered as could have been the case in some patients in REDUCE-IT and that, in the agency's view, indirect evidence suggested the presence of a potential inhibitory effect on statin absorption by mineral oil. However, FDA's exploratory analysis indicated that the effect of LDL cholesterol values on the time to the primary endpoint was numerically small and unlikely to change the overall conclusion of treatment benefit. FDA then relied on this assessment and all data available to it to approve a new indication statement and labeling based on REDUCE-IT results. This matter illustrates that concerns such as this may arise in the future that could affect our product development, regulatory reviews or the public perception of our products and our future prospects including REDUCE-IT results.

Any approvals that are obtained may be limited in scope, may require additional post-approval studies or may require the addition of labeling statements focusing on product safety that could affect the commercial potential for our product candidates. Any of these or similar circumstances could adversely affect our ability to gain approval for new indications and affect revenues from the sale of our products. Even in circumstances where products are approved by a regulatory body for sale, the regulatory or legal requirements may change over time, or new safety or efficacy information may be identified concerning a product, which may lead to the withdrawal of a product from the market or similar use restrictions. The discovery of previously unknown problems with a clinical trial or product, or in connection with the manufacturer of products, may result in regulatory issues that prevent proposed future approvals of a product and/or restrictions on that product or manufacturer, including withdrawal of an indication or the product from the market, which would have a negative impact on our potential revenue stream.

As we continue to evolve from a company primarily involved in research and development to a company also focused on establishing an infrastructure for commercializing Vascepa, we may encounter difficulties in managing our growth and expanding our operations successfully.

The process of establishing a commercial infrastructure is difficult, expensive and time-consuming. Prior to the REDUCE-IT results topline announcement in September 2018, our direct sales force consisted of approximately 170 sales professionals, including sales representatives and their managers. Based on the positive REDUCE-IT results, in early 2019, we increased the size of our sales team to approximately 440 sales professionals, including approximately 400 sales representatives in the United States. As a result of the FDA's newly approved indication and label expansion, we completed the expansion of our direct sales force to approximately 900 sales professionals, including approximately 800 sales representatives. Hiring, training and deploying approximately 400 new sales representatives is a multi-stage process which commenced in July 2019 and was completed in early 2020. This sales team promotes Vascepa to a limited group of physicians and other healthcare professionals in select geographies in the United States. Even after planned expansion, this sales team is not large enough to call upon all physicians.

STRATEGIC REPORT (continued)

In addition to sales force expansion in the United States, Amarin continues to work with its international partners to support regulatory efforts outside the United States based on REDUCE-IT results. As our operations expand with the anticipated growth of our product sales, we expect that we will need to manage additional relationships with various collaborative partners, suppliers and other third parties. Future growth will impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees. Our future financial performance and our ability to commercialize Vascepa and to compete effectively will depend, in part, on our ability to manage our future growth effectively. To that end, we must be able to manage our development efforts effectively, and hire, train, integrate and retain additional management, administrative and sales and marketing personnel. We may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing our company.

Risks Related to Our Reliance on Third Parties

Our supply of product for the commercial market and clinical trials is dependent upon relationships with third-party manufacturers and suppliers.

We have no in-house manufacturing capacity and rely on contract manufacturers for our clinical and commercial product supply. We cannot ensure that we will successfully manufacture any product we may develop, either independently or under manufacturing arrangements, if any, with our third-party manufacturers. Moreover, if our manufacturers should cease doing business with us or experience delays, shortages of supply or excessive demands on their capacity, we may not be able to obtain adequate quantities of product in a timely manner, or at all. If we are not able to continue to operate our business relationships in a manner that is sufficiently profitable for us and our suppliers, certain members of our supply chain could complete with us through supply to competitors, such as generic drug companies, through breach of our agreements or otherwise.

Any manufacturing problem, natural disaster affecting manufacturing facilities, government action, or the loss of a contract manufacturer could be disruptive to our operations and result in lost sales. Any reliance on suppliers may involve several risks, including a potential inability to obtain critical materials and reduced control over production costs, delivery schedules, reliability and quality. Any unanticipated disruption to future contract manufacture caused by problems at suppliers could delay shipment of products, increase our cost of goods sold and/or result in lost sales. If our suppliers were unable to supply us with adequate volumes of active pharmaceutical ingredient (drug substance) or encapsulated bulk product (drug product), it would have a material adverse effect on our ability to continue to commercialize Vascepa.

We have contractual freedom to source the API for Vascepa and to procure other services supporting our supply chain. We have entered into supply agreements with multiple suppliers who also rely on other third-party suppliers to manufacture the API and other elements necessary for the sale of Vascepa. Our strategy in sourcing API and other components in our supply chain from multiple suppliers has been to expand manufacturing capacity, maintain competitive advantages, and mitigate the risk of reliance on any single supplier.

Expanding manufacturing capacity and qualifying such capacity is complex and subject to numerous regulations and other operational challenges. The resources of our suppliers vary and are limited; costs associated with projected expansion and qualification can be significant. There can be no assurance that the expansion plans of any of our suppliers will be successful. Our aggregate capacity to produce API is dependent upon the continued qualification of our API suppliers and, depending on the ability of existing suppliers to meet our supply demands, potentially the qualifications of new suppliers. Each of our API suppliers has outlined plans for potential further capacity expansion. If no additional API supplier is approved by the FDA as part of an sNDA, our API supply will be limited to the API we purchase from previously approved suppliers. If our third-party manufacturing capacity is not expanded and/or compliant with applicable regulatory requirements, we may not be able to supply sufficient quantities of Vascepa to meet anticipated demand. We cannot guarantee that we can contract with any future manufacturer on acceptable terms or that any such alternative supplier will not require capital investment from us in order for them to meet our requirements. Alternatively, our purchase of supply may exceed actual demand for Vascepa.

There can be no guarantee that current suppliers and future suppliers with which we have contracted to encapsulate API will be continually qualified to manufacture the product to our specifications or that current and any future suppliers will have the manufacturing capacity to meet anticipated demand for Vascepa.

STRATEGIC REPORT (continued)

We may purchase too much or not enough supply to satisfy actual demand, which could have a material adverse effect on our financial results and financial condition.

Certain of our agreements with our suppliers include minimum purchase obligations and limited exclusivity provisions. These purchases are generally made on the basis of rolling twelve-month forecasts which in part are binding on us and the balance of which are subject to adjustment by us subject to certain limitations. Certain of our agreements also include contractual minimum purchase commitments regardless of the rolling twelve-month forecasts. We may not purchase sufficient quantities of Vascepa to meet actual demand or our purchase of supply may exceed actual demand. In either case, such event could have a material adverse effect on our financial results and financial condition.

Our dependence on third parties in the distribution channel from our manufacturers to patients subject us to risks that limit our profitability and could limit our ability to supply Vascepa to large market segments.

We sell Vascepa principally to a limited number of major wholesalers, as well as selected regional wholesalers and specialty pharmacy providers, or collectively, our distributors or our customers, that in turn resell Vascepa to retail pharmacies for subsequent resale to patients and healthcare providers. These parties exercise a substantial amount of bargaining power over us given their control over large segments of the market for Vascepa. This bargaining power has led us to bear increasingly higher discounts in the sale of Vascepa. In addition, payors have broad latitude to change individual products' formulary position or to implement other barriers that inhibit patients from receiving therapies prescribed by their healthcare professionals. These payor barriers include requirements that patients try another drug before Vascepa, known as step edits, and the requirement that prior authorization be obtained by a healthcare provider after a prescription is written before a patient will be reimbursed by their health plan for the cost of a Vascepa prescription. Further, pharmacy benefit managers implement plans that act as disincentives for Vascepa use, such as increasingly higher deductibles. One practical impact of higher deductibles is that they cause patients to delay filling prescriptions for asymptomatic, chronic care medications such as hypertriglyceridemia earlier in the year, until patients meet their deductible and the cost of Vascepa is then borne more by their insurance carrier. Collectively, these dynamics negatively affect our profitability for the sale of Vascepa and could increase over time further impacting our operating results. Consolidation among these industry participants could increase the pressure from these market dynamics.

The manufacture, packaging and distribution of pharmaceutical products such as Vascepa are subject to FDA regulations and those of similar foreign regulatory bodies. If we or our third-party manufacturers fail to satisfy these requirements, our product development and commercialization efforts may be materially harmed.

The manufacture, packaging and distribution of pharmaceutical products, such as Vascepa, are regulated by the FDA and similar foreign regulatory bodies and must be conducted in accordance with the FDA's current good manufacturing practices, or cGMPs, and comparable requirements of foreign regulatory bodies. There are a limited number of manufacturers that operate under these cGMPs as well as the International Council for Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use, or ICH, regulations and guidelines, that are both capable of manufacturing Vascepa and willing to do so. Failure by us or our third-party manufacturers to comply with applicable regulations, requirements, or guidelines could result in sanctions being imposed on us, including fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approval of our products, delays, suspension or withdrawal of approvals, license revocation, seizures or voluntary recalls of product, operating restrictions and criminal prosecutions and penalties, any of which could significantly and adversely affect our business. If we are not able to manufacture Vascepa to required specifications through our current and potential API suppliers, we may be delayed in successfully supplying the product to meet anticipated demand and our anticipated future revenues and financial results may be materially adversely affected.

Changes in the manufacturing process or procedure, including a change in the location where the product is manufactured or a change of a third-party manufacturer, may require prior FDA review and pre-approval of the manufacturing process and procedures in accordance with the FDA's cGMPs. Any new facility may be subject to a pre-approval inspection by the FDA and would again require us to demonstrate product comparability to the FDA. There are comparable foreign requirements under ICH guidelines. This review may be costly and time consuming and could delay or prevent the launch of a product.

STRATEGIC REPORT (continued)

Furthermore, the FDA and foreign regulatory agencies require that we be able to consistently produce the API and the finished product in commercial quantities and of specified quality on a repeated basis, including demonstrated product stability, and document our ability to do so. This requirement is referred to as process validation. This includes stability testing, measurement of impurities and testing of other product specifications by validated test methods. If the FDA does not consider the result of the process validation or required testing to be satisfactory, the commercial supply of Vascepa may be delayed, or we may not be able to supply sufficient quantities of Vascepa to meet anticipated demand.

The FDA and similar foreign regulatory bodies may also implement new requirements, or change their interpretation and enforcement of existing requirements, for manufacture, packaging or testing of products at any time. If we or our approved suppliers are unable to comply, we may be subject to regulatory, civil actions or penalties, or we may be prevented from manufacturing or selling Vascepa, all of which could significantly and adversely affect our business.

Our commercialization of Vascepa outside the United States is substantially dependent on third parties.

We have expanded our Vascepa commercialization activities outside of the United States through several contractual arrangements in territories including China, the Middle East, North Africa and Canada. We continue to assess other opportunities to develop Vascepa commercialization outside of the United States through similar arrangements.

In February 2015, we entered into a Development, Commercialization and Supply Agreement, or the DCS Agreement, with Eddingpharm related to the development and commercialization of Vascepa in the China Territory. Under the DCS Agreement, Eddingpharm is responsible for development and commercialization activities in the China Territory and associated expenses. Additionally, Eddingpharm is required to conduct clinical trials in the China Territory to secure regulatory approval in certain territories. For example, in December 2017, Eddingpharm commenced a pivotal clinical trial aimed to support the regulatory approval of the first indication of Vascepa in a patient population with severe hypertriglyceridemia in Mainland China. Additional clinical development efforts may be necessary in this market. Any efforts in the China Territory may be negatively impacted by the spread of the coronavirus, which outbreak initially surfaced in Wuhan, China in December 2019. Although the effects of the coronavirus are expected to be temporary, and are not limited to the China territory, the concentration of the outbreak in China could cause disruptions or delays in Eddingpharm's development activities, including with the enrollment or monitoring of patients in Eddingpharm's clinical trials, particularly at clinical trial sites located in impacted jurisdictions, or with the ability to obtain sufficient and timely clinical supplies if the production capabilities of suppliers is disrupted. Further, regulatory oversight and actions may be disrupted or delayed in this region if regulators and industry professionals are expending significant and unexpected resources addressing the coronavirus outbreak. If Eddingpharm is not able to effectively develop and commercialize Vascepa in the China Territory, we may not be able to generate revenue from the DCS Agreement resulting from the sale of Vascepa in the China Territory.

In March 2016, we entered into an agreement with Biologix FZCo, or Biologix, to register and commercialize Vascepa in several Middle Eastern and North African countries. Under the terms of the distribution agreement, we granted to Biologix a non-exclusive license to use our trademarks in connection with the importation, distribution, promotion, marketing and sale of Vascepa in the Middle East and North Africa territory. Biologix obtained approval of Vascepa in Lebanon on March 2018, in United Arab Emirates on July 2018 and in Qatar in January 2020. Vascepa was launched in Lebanon and the United Arab Emirates on June 2018 and February 2019, respectively. Vascepa is under registration in additional countries in the MENA region. Commercialization across the Middle East and North Africa is subject to similar risks as in the China Territory.

In September 2017, we entered into an agreement with HLS Therapeutics Inc., or HLS, to register, commercialize and distribute Vascepa in Canada. Under the agreement, HLS is responsible for regulatory and commercialization activities and associated costs. Amarin is responsible for providing assistance towards local filings, supplying finished product under negotiated supply terms, maintaining intellectual property, and continuing the development and funding of REDUCE-IT-related activities. In December 2019, Vascepa was approved for use in Canada to reduce the risk of cardiovascular events in statin-treated patients with elevated triglycerides, who are at high risk of cardiovascular events due to established cardiovascular disease, or diabetes, and at least one other cardiovascular risk factor. In January 2020, HLS obtained an extended regulatory exclusivity designation. In February 2020, HLS launched Vascepa in Canada. However, if HLS Therapeutics is not able to effectively commercialize Vascepa in Canada through effective pricing (initially and over time) or otherwise we may not be able to generate revenue from the sale of Vascepa in Canada.

If our efforts to partner for the commercialization of Vascepa in Europe do not meet expectations, for example, we could choose to launch Vascepa on our own in Europe, assuming a regulatory approval. Such a launch would be a complex undertaking for a company that has not launched a product in Europe and could be viewed as adding significant risk of execution to our successful development of Vascepa in Europe.

STRATEGIC REPORT (continued)

We have limited experience working with partners outside the United States to develop and market our products in non-U.S. jurisdictions. In order for our partners to market and sell Vascepa in any country outside of the United States for any indication, it will be necessary to obtain regulatory approval from the appropriate regulatory authorities. The requirements and timing for regulatory approval, which may include conducting clinical trials, vary widely from country to country and may in some cases be different than or more rigorous than requirements in the United States. Any failure by us or our partners to obtain approval for Vascepa in non-U.S. jurisdictions in a timely manner may limit the commercial success of Vascepa and our ability to grow our revenues.

Our relationships with healthcare providers and physicians and third-party payors are subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose use to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors in the United States and elsewhere play a primary role in the recommendation and prescription of pharmaceutical products. Arrangements with third-party payors and customers can expose pharmaceutical manufacturers to broadly applicable fraud and abuse and other healthcare laws and regulations, which may constrain the business or financial arrangements and relationships through which such companies sell, market and distribute pharmaceutical products. In particular, the promotion, sales and marketing of healthcare items and services, as well as a wide range of pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs and other business arrangements, are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. The applicable federal and state healthcare laws and regulations laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. Liability may be established without a person or entity having actual knowledge of the federal anti-kickback statute or specific intent to violate it. In addition, the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. Although there are a number of statutory exemptions and regulatory safe harbors protecting certain activities from prosecution, the exemptions and safe harbors are drawn narrowly, and practices that involve remuneration intended to induce prescribing, purchases, or recommendations may be subject to scrutiny if they do not qualify for an exemption or safe harbor. Our practices may not in all cases meet all of the criteria for safe harbor protection from anti-kickback liability. Moreover, there are no safe harbors for many common practices, such as educational and research grants or patient or product support programs;
- the federal Civil False Claims Act, or FCA, which prohibits, among other things, any person from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment of government funds, or knowingly making or using, or causing to be made or used, a false record or statement material to an obligation to pay money to the government or knowingly concealing, or knowingly and improperly avoiding, decreasing, or concealing an obligation to pay money to the federal government. The FCA also permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the statute and to share in any monetary recovery. Recently, several pharmaceutical and other healthcare companies have been investigated or faced enforcement actions under the FCA for a variety of alleged improper marketing activities, including allegations that they caused false claims to be submitted because of the company's marketing of the product for unapproved, and thus allegedly non-reimbursable, uses. Federal enforcement agencies also have showed increased interest in pharmaceutical companies' product and patient assistance programs, including reimbursement and co-pay support services, and a number of investigations into these programs have resulted in significant civil and criminal settlements. Pharmaceutical and other healthcare companies also are subject to other federal false claims laws, including, among others, federal criminal healthcare fraud and false statement statutes that extend to non-government health benefit programs;

- HIPAA, which, among other things, imposes criminal and civil liability for knowingly and willfully executing a scheme to defraud any healthcare benefit program, including private third-party payor and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services;
- HIPAA, and its implementing regulations, which impose, among other things, requirements on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions;
- the federal Physician Payment Sunshine Act, being implemented as the Open Payments Program, which requires manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to direct or indirect payments and other transfers of value to physicians and teaching hospitals, as well as ownership and investment interests held in the company by physicians and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report information regarding payments and transfers of value provided to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse-midwives;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; and other state or local laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs; require drug manufacturers to report information related to clinical trials, or information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and/or require identification or licensing of sales representatives; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts

The distribution of pharmaceutical products is subject to additional requirements and regulations, including extensive record-keeping, licensing, storage and security requirements intended to prevent the unauthorized sale of pharmaceutical products.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies continue to give regular and close scrutiny to interactions between healthcare companies and healthcare providers, and such scrutiny often leads to investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring business arrangements comply with applicable healthcare laws, as well as responding to possible investigations by government authorities, can be time- and resource-consuming and can divert a company's attention from the business.

The failure to comply with any of these laws or regulatory requirements subjects entities to possible legal or regulatory action. Depending on the circumstances, failure to meet applicable regulatory requirements can result in significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, exclusion from participation in federal and state funded healthcare programs (such as Medicare and Medicaid), contractual damages and the curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws. Any action for violation of these laws, even if successfully defended, could cause a pharmaceutical manufacturer to incur significant legal expenses and divert management's attention from the operation of the business. If any of the physicians or other healthcare providers or

STRATEGIC REPORT (continued)

entities with whom we expect to do business is found not to be in compliance with applicable laws, that person or entity may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. Prohibitions or restrictions on sales or withdrawal of future marketed products could materially affect business in an adverse way.

Although compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent inappropriate conduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, the approval and commercialization of any of our products outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

We rely on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet established deadlines for the completion of such clinical trials.

Our reliance on third parties for clinical development activities reduces our control over these activities. However, if we sponsor clinical trials, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trials. Moreover, the FDA requires us to comply with requirements, commonly referred to as good clinical practices, for conducting, recording, and reporting the results of clinical trials to ensure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. Our reliance on third parties does not relieve us of these responsibilities and requirements. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may be delayed in obtaining regulatory approvals for our product candidates and may be delayed in our efforts to successfully commercialize our product candidates for targeted diseases.

Risks Related to Our Intellectual Property

We are dependent on patents, proprietary rights and confidentiality to protect the commercial potential of Vascepa.

Our success depends in part on our ability to obtain and maintain intellectual property protection for our drug candidates, technology and know-how, and to operate without infringing the proprietary rights of others. While certain key patents related to our product based on the MARINE clinical study were determined to be invalid as obvious by district court in the United States, and we are appealing that judgment, it remains the case that our ability to successfully implement our business plan and to protect our products with our intellectual property will depend in large part on our ability to:

- obtain, defend and maintain patent protection and market exclusivity for our current and future products;
- preserve any trade secrets relating to our current and future products;
- acquire patented or patentable products and technologies; and
- operate without infringing the proprietary rights of third parties.

STRATEGIC REPORT (continued)

We have prosecuted, and are currently prosecuting, multiple patent applications to protect the intellectual property developed during the Vascepa development program. As of the date of this report, we had 92 patent applications in the United States that have been either issued or allowed and more than 30 additional patent applications are pending in the United States. Such 92 allowed and issued applications include the following:

- 2 issued U.S. patents directed to a pharmaceutical composition of Vascepa in a capsule that have terms that expire in 2020 and 2030, respectively;
- 1 issued U.S. patent covering a composition containing highly pure EPA that expires in 2021;
- 49 U.S. patents covering or related to the use of Vascepa in either the MARINE or ANCHOR populations that have terms that expire in 2030 or later;
- 14 U.S. patents covering or related to the use of Vascepa in the REDUCE-IT population with terms expiring in 2033 or later;
- 1 additional US patent directed to a pharmaceutical composition comprised of free fatty acids with a term that expires in 2030;
- 4 additional patents related to the use of a pharmaceutical composition comprised of free fatty acids to treat the ANCHOR patient population with a term that expires in 2030 or later;
- 2 additional patents related to the use of a pharmaceutical composition comprised of free fatty acids to treat the MARINE patient population with a term that expires in 2030;
- 3 additional patents related to the use of a pharmaceutical composition comprised of free fatty acids to treat the REDUCE-IT population expiring 2033;
- 3 additional patents related to a pharmaceutical composition comprised of free fatty acids and uses thereof to treat both the MARINE and ANCHOR patient populations with a term that expires in 2030;
- 1 additional patent related to the use of a pharmaceutical composition comprised of re-esterified EPA triglyceride to treat the REDUCE-IT population expiring 2033;
- 3 additional patents related to a formulation of EPA/DHA and uses thereof with a term that expires in 2030;
- 2 additional patents related to the use of Vascepa to treat obesity with a term that expires in 2034;
- 3 additional patents covering a pharmaceutical composition comprised of EPA and a hydroxyl compound with a term that expires in 2034; and
- 4 additional patents covering a new combination therapy comprised of EPA and another drug.

A Notice of Allowance is issued after the USPTO makes a determination that a patent can be granted from an application. A Notice of Allowance does not afford patent protection until the underlying patent is issued by the USPTO. No assurance can be given that applications with issued notices of allowance will be issued as patents or that any of our pending patent applications will issue as patents. No assurance can be given that, if and when issued, our patents will prevent competitors from competing with Vascepa. For example, we may choose to not assert all issued patents in patent litigation and patents or claims within patents may be determined to be invalid.

We are the owner of the above-listed patents. We are also the exclusive licensee of certain patents owned by others covering products and products in development. To secure our debt under our outstanding royalty-like instrument, we have granted the holders of such instrument a security interest in our Vascepa-related patents.

We are also pursuing patent applications related to Vascepa in multiple jurisdictions outside the United States. We may be dependent in some cases upon third-party licensors to pursue filing, prosecution and maintenance of patent rights or applications owned or controlled by those parties, including, for example, under our collaboration with Mochida. It is possible that third parties will obtain patents or other proprietary rights that might be necessary or useful to us. In cases where third parties are first to invent a particular product or technology, or first to file after various provisions of the America Invents Act of 2011 went into effect on 16 March 2013, it is possible that those parties will obtain patents that will be sufficiently broad so as to prevent us from utilizing such technology or commercializing our current and future products.

STRATEGIC REPORT (continued)

Although we intend to make reasonable efforts to protect our current and future intellectual property rights and to ensure that any proprietary technology we acquire or develop does not infringe the rights of other parties, we may not be able to ascertain the existence of all potentially conflicting claims. Therefore, there is a risk that third parties may make claims of infringement against our current or future products or technologies. In addition, third parties may be able to obtain patents that prevent the sale of our current or future products or require us to obtain a license and pay significant fees or royalties in order to continue selling such products.

We may in the future discover the existence of products that infringe patents that we own or that have been licensed to us. If we were to initiate legal proceedings against a third party to stop such an infringement, such proceedings could be costly and time consuming, regardless of the outcome. No assurances can be given that we would prevail, and it is possible that, during such a proceeding, our patent rights could be held to be invalid, unenforceable or both. Although we intend to protect our trade secrets and proprietary know-how through confidentiality agreements with our manufacturers, employees and consultants, we may not be able to prevent parties subject to such confidentiality agreements from breaching these agreements or third parties from independently developing or learning of our trade secrets.

We anticipate that competitors may from time to time oppose our efforts to obtain patent protection for new technologies or to submit patented technologies for regulatory approvals. Competitors may seek to oppose our patent applications to delay the approval process or to challenge our granted patents, for example, by requesting a reexamination of our patent at the USPTO, or by filing an opposition in a foreign patent office, even if the opposition or challenge has little or no merit. For example, one of our patents was revoked in an opposition proceeding in Europe due to a determination of improper claim amendments under a provision of law not applicable in the United States. Such proceedings are generally highly technical, expensive, and time consuming, and there can be no assurance that such a challenge would not result in the narrowing or complete revocation of any patent of ours that was so challenged.

Our issued patents may not prevent competitors from competing with Vascepa, even if we seek to enforce our patent rights.

We plan to vigorously defend our rights under issued patents. For example, in March 2014, we filed a patent infringement suit against Omthera Pharmaceuticals, Inc., and its parent company, AstraZeneca Pharmaceuticals LP. The suit sought injunctive relief and monetary damages for infringement of our U.S. Patent No. 8,663,662. The complaint alleged infringement of the patent arising from the then expected launch of Epanova, a product that, in 2014, was expected to compete with Vascepa in the United States. In November 2014, based on a representation from AstraZeneca Pharmaceuticals LP in the court proceedings that the commercial launch of Epanova was not imminent, the court dismissed our complaint, without prejudice (i.e., preserving our ability to later re-file the suit). The court required the defendant to notify us before any product launch. While we no longer expect a launch of Epanova due to the clinical failure of the STRENGTH cardiovascular outcomes trial announced in January 2020, we intend to pursue this litigation vigorously and aggressively protect our intellectual property rights should the product be launched. We likewise plan to engage in similar patent litigation should other competitors arise with products that infringe our intellectual property rights.

Patent litigation is a time-consuming and costly process. There can be no assurance that we will be successful in enforcing this patent or that it will not be successfully challenged and invalidated. Even if we are successful in enforcing this patent, the process could take years to reach conclusion.

Other drug companies may challenge the validity, enforceability, or both of our patents and seek to design its products around our issued patent claims and gain marketing approval for generic versions of Vascepa or branded competitive products based on new clinical studies. The pharmaceutical industry is highly competitive and many of our competitors have greater experience and resources than we have. Any such competition could undermine sales, marketing and collaboration efforts for Vascepa, and thus reduce, perhaps materially, the revenue potential for Vascepa.

Even if we are successful in enforcing our issued patents, we may incur substantial costs and divert management's time and attention in pursuing these proceedings, which could have a material adverse effect on us. Patent litigation is costly and time consuming, and we may not have sufficient resources to bring these actions to a successful conclusion.

STRATEGIC REPORT (continued)

There can be no assurance that any of our pending patent applications relating to Vascepa or its use will issue as patents.

We have filed and are prosecuting numerous families of patent applications in the United States and internationally with claims designed to protect the proprietary position of Vascepa. For certain of these patent families, we have filed multiple patent applications. Collectively the patent applications include numerous independent claims and dependent claims. Several of our patent applications contain claims that are based upon what we believe are unexpected and favorable findings from the MARINE, ANCHOR and REDUCE-IT trials. If granted, many of the resulting granted patents would expire in 2030 or beyond. However, no assurance can be given that these additional patents or any of our pending patent applications intended to cover the indication based on results from the REDUCE-IT clinical trial will be granted or, if they grant, that they will prevent competitors from competing with Vascepa.

Securing patent protection for a product is a complex process involving many legal and factual questions. The patent applications we have filed in the United States and internationally are at varying stages of examination, the timing of which is outside our control. The process to getting a patent granted can be lengthy and claims initially submitted are often modified in order to satisfy the requirements of the patent office. This process includes written and public communication with the patent office. The process can also include direct discussions with the patent examiner. There can be no assurance that the patent office will accept our arguments with respect to any patent application or with respect to any claim therein. The timing of the patent review process is independent of and has no effect on the timing of the FDA's review of our NDA or sNDA submissions. We cannot predict the timing or results of any patent application. In addition, we may elect to submit, or the patent office may require, additional evidence to support certain of the claims we are pursuing. Furthermore, third parties may attempt to submit publications for consideration by the patent office during examination of our patent applications. Providing such additional evidence and publications could prolong the patent office's review of our applications and result in us incurring additional costs. We cannot be certain what commercial value any granted patent in our patent estate will provide to us.

Despite the use of confidentiality agreements and/or proprietary rights agreements, which themselves may be of limited effectiveness, it may be difficult for us to protect our trade secrets.

In addition to our patent portfolio and strategy, we will also rely upon trade secrets and know-how to help protect our competitive position. We rely on trade secrets to protect technology in cases when we believe patent protection is not appropriate or obtainable. However, trade secrets are difficult to protect. While we require certain of our academic collaborators, contractors and consultants to enter into confidentiality agreements, we may not be able to adequately protect our trade secrets or other proprietary information.

Risks Related to Our Business

If the estimates we make, or the assumptions on which we rely, in preparing our projected guidance prove inaccurate, our actual results may vary from those reflected in our projections and accruals.

In January 2020, we issued financial and business guidance, including expected fiscal year 2020 total net revenue and expectations regarding inventory build, and 2020 operating expenses. We have since updated certain aspects of that guidance. All such guidance and updates are based on estimates and the judgment of management. Because of the inherent nature of estimates, there could be significant differences between our estimates and the actual amount of product demand. If we fail to realize or if we change or update any element of our publicly disclosed financial guidance as we have done in the past or other expectations about our business change, our stock price could decline in value.

Potential technological changes in our field of business create considerable uncertainty.

We are engaged in the pharmaceutical field, which is characterized by extensive research efforts and rapid technological progress. New developments in research are expected to continue at a rapid pace in both industry and academia. We cannot assure you that research and discoveries by others will not render some or all of our programs or product candidates uncompetitive or obsolete. Our business strategy is based in part upon new and unproven technologies to the development of therapeutics to improve cardiovascular health. We cannot assure you that unforeseen problems will not develop with these technologies or applications or that any commercially feasible products will ultimately be developed by us.

Our internal computer systems, or those of our third-party clinical research organizations or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our research and development programs.

Despite the implementation of security measures, our internal computer systems and those of our third-party clinical research organizations and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war, and telecommunication and electrical failures. Any such incident could cause interruptions in our operations or a material disruption of our programs. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or products candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and our research and development program could be delayed.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of our company and our vendors, including personal information of our employees and patients, and company and vendor confidential data. In addition, outside parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and/or systems. We may experience threats to our data and systems, including malicious codes and viruses, phishing and other cyber-attacks. The number and complexity of these threats continue to increase over time. For instance, in June 2019, a report published by security researchers claimed that a database, which we are informed did not include social security numbers or credit card information, belonging to one of our vendors containing information about individuals who use or have expressed interest in Vascepa was accessible to unauthorized users. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks and to repair reputational costs. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. We may incur significant costs or divert significant internal resources as a result of any regulatory actions or private litigation. Any of the foregoing consequences may adversely affect our business and financial condition.

Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with payors and patients, and rely more on cloud-based information systems, the related security risks will increase and we will need to expend additional resources to protect our technology and information systems. In addition, there can be no assurance that our internal information technology systems or those of our third-party contractors, or our consultants' efforts to implement adequate security and control measures, will be sufficient to protect us against breakdowns, service disruption, data deterioration or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyberattack, security breach, industrial espionage attacks or insider threat attacks which could result in financial, legal, business or reputational harm.

We are subject to potential product liability.

We are subject to the potential risk of product liability claims relating to the manufacturing and marketing of Vascepa. Any person who is injured as a result of using Vascepa may have a product liability claim against us without having to prove that we were at fault. In addition, we could be subject to product liability claims by persons who took part in clinical trials involving our current or former development stage products. A successful claim brought against us could have a material adverse effect on our business. We cannot guarantee that a product liability claim will not be asserted against us in the future.

A change in our tax residence could have a negative effect on our future profitability.

We expect that our tax jurisdiction will remain in Ireland. Under current UK legislation, a company incorporated in England and Wales, or which is centrally managed and controlled in the UK, is regarded as resident in the UK for taxation purposes. Under current Irish legislation, a company is regarded as resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland, or, in certain circumstances, if it is incorporated in Ireland. Up to 31 December 2019, where a company was treated as tax resident under the domestic laws of both the UK and Ireland, then the provisions of article 4(3) of the Double Tax Agreement, or DTA, between the UK and Ireland provided that such enterprise would be treated as resident only in the jurisdiction in which its place of effective management is situated. We had at all times sought to conduct our affairs in such a way so as to be solely resident in Ireland for tax purposes by virtue of having our place of effective management situated in Ireland.

These rules regarding determination of tax residence changed effective 1 January 2020, when a modified Ireland-UK DTA came into effect pursuant to the OECD's Multilateral Instrument, or MLI. Under the modified Ireland-UK DTA, from 1 January 2020, we would be solely tax resident in Ireland and not tax resident in the UK if we continued to be centrally managed and controlled in Ireland and if it were mutually agreed between the Irish and UK tax authorities under the MLI "tie-breaker rule" that we are solely tax resident in Ireland. Having made the relevant submission under the amended provisions, we received confirmation effective 1 January 2020 of the mutual agreement of Irish and UK tax authorities that we are solely tax resident in Ireland for the purposes of the modified DTA.

However, we cannot assure you that we are or will continue to be solely resident in Ireland for tax purposes. It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of our affairs, we could become, or be regarded as having become resident in a jurisdiction other than Ireland. Should we cease to be an Irish tax resident, we may be subject to a charge to Irish capital gains tax on our assets and the basis on which our income is taxed may also change. Similarly, if the tax residency of our Irish or UK subsidiaries were to change from their current jurisdiction, they may be subject to a charge to local capital gains tax on their assets and the basis on which their income is taxed may also change.

Our and our subsidiaries' income tax returns are periodically examined by various tax authorities, including the Internal Revenue Service, or the IRS, and states. We recently completed the audits by the IRS for the years 2013 to 2014, with no material changes to the filed income tax returns. In addition, we were notified by the IRS in January 2020 that it will be auditing our 2018 US income tax return and the examination beganin the first quarter of 2020. Although the outcome of tax audits is always uncertain and could result in significant cash tax payments, we do not believe the outcome of any future audits will have a material adverse effect on our consolidated financial position or results of operations.

The effect on us of comprehensive U.S. tax reform legislation whether adverse or favorable, is uncertain.

On 22 December 2017, President Trump signed into law H.R. 1, "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018", or informally, the Tax Cuts and Jobs Act. Among a number of significant changes to the U.S. federal income tax rules, the Tax Cuts and Jobs Act reduces the marginal U.S. corporate income tax rate from 35% to 21%, limits the deduction for net interest expense, shifts the United States toward a more territorial tax system, and imposes new taxes to combat erosion of the U.S. federal income tax base. The effect of the Tax Cuts and Jobs Act on our company and our affiliates, whether adverse or favorable, is uncertain, and may not become evident for some period of time. You are urged to consult your tax adviser regarding the implications of the Tax Cuts and Jobs Act for an investment in our ADSs.

The loss of key personnel could have an adverse effect on our business.

We are highly dependent upon the efforts of our senior management. The loss of the services of one or more members of senior management could have a material adverse effect on us. As a small company with a streamlined management structure, the departure of any key person could have a significant impact and would be potentially disruptive to our business until such time as a suitable replacement is hired. Furthermore, because of the specialized nature of our business, as our business plan progresses we will be highly dependent upon our ability to attract and retain qualified scientific, technical and key management personnel. As we evolve from a development stage company to a commercial stage company we may experience turnover among members of our senior management team. We may have difficulty identifying and integrating new executives to replace any such losses. There is intense competition for qualified personnel in the areas of our activities. In this environment, we may not be able to attract and retain the personnel necessary for the development of our business, particularly if we do not achieve profitability. The failure to recruit key scientific, technical and management personnel would be detrimental to our ability to implement our business plan.

We could be adversely affected by our exposure to customer concentration risk.

A significant portion of our sales are to wholesalers in the pharmaceutical industry. Three customers individually accounted for 10% or more of our gross product sales. Customers A, B, and C accounted for 36%, 29%, and 25%, respectively, of gross product sales for the year ended 31 December 2019 and represented 35%, 20%, and 37%, respectively, of the gross accounts receivable balance as of 31 December 2019. Customers A, B, and C accounted for 31%, 30%, and 27%, respectively, of gross product sales for the year ended 31 December 2018 and represented 26%, 24%, 39% and, respectively, of the gross accounts receivable balance as of 31 December 2018. There can be no guarantee that we will be able to sustain our accounts receivable or gross sales levels from our key customers. If, for any reason, we were to lose, or experience a decrease in the amount of business with our largest customers, whether directly or through our distributor relationships, our financial condition and results of operations could be negatively affected.

Legal, political and economic uncertainty surrounding the exit of the UK from the EU may be a source of instability in international markets, create significant currency fluctuations, adversely affect our operations in the UK and pose additional risks to our business, revenue, financial condition, and results of operations.

On 23 June 2016, the UK held a referendum in which a majority of the eligible members of the electorate voted to leave the EU, commonly referred to as Brexit. Pursuant to Article 50 of the Lisbon Treaty, the UK ceased being a Member State of the EU on 31 January 2020. However, the terms of the withdrawal have yet to be fully negotiated. The implementation period began 1 February 2020 and will continue until 31 December 2020. During this 11-month period, the UK will continue to follow all of the EU's rules, the EU's pharmaceutical law remains applicable to the UK and the UK's trading relationship will remain the same. However, regulations (including financial laws and regulations, tax and free trade agreements, intellectual property rights, data protection laws, supply chain logistics, environmental, health and safety laws and regulations medicine licensing and regulations, immigration laws and employment laws), have yet to be addressed. This lack of clarity on future UK laws and regulations and their interaction with the EU laws and regulations may negatively impact foreign direct investment in the UK, increase costs, depress economic activity and restrict access to capital.

The uncertainty concerning the UK's legal, political and economic relationship with the EU after Brexit may be a source of instability in the international markets, create significant currency fluctuations, and/or otherwise adversely affect trading agreements or similar cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) beyond the date of Brexit.

These developments, or the perception that any of them could occur, may have a significant adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and limit the ability of key market participants to operate in certain financial markets. In particular, it could also lead to a period of considerable uncertainty in relation to the UK financial and banking markets, as well as on the regulatory process in Europe. Asset valuations, currency exchange rates and credit ratings may also be subject to increased market volatility.

If the UK and the EU are unable to negotiate acceptable agreements or if other EU member states pursue withdrawal, barrier-free access between the UK and other EU member states or among the European Economic Area overall could be diminished or eliminated. The long-term effects of Brexit will depend on any agreements (or lack thereof) between the UK and the EU and, in particular, any arrangements for the UK to retain access to EU markets either during a transitional period or more permanently.

Such a withdrawal from the EU is unprecedented, and it is unclear how the UK's access to the European single market for goods, capital, services and labor within the EU, or single market, and the wider commercial, legal and regulatory environment, will impact our current and future operations (including business activities conducted by third parties and contract manufacturers on our behalf) and clinical activities in the UK In addition to the foregoing, our UK operations support our current and future operations and clinical activities in other countries in the EU and European Economic Area, or EEA, and these operations and clinical activities could be disrupted by Brexit.

We may also face new regulatory costs and challenges that could have an adverse effect on our operations. Depending on the terms of the UK's withdrawal from the EU, the UK could lose the benefits of global trade agreements negotiated by the EU on behalf of its members, which may result in increased trade barriers that could make our doing business in the EU and the EEA more difficult. Since the regulatory framework in the UK covering quality, safety and efficacy of pharmaceutical products, clinical trials, marketing authorization, commercial sales and distribution of pharmaceutical products is derived from EU directives and regulations, Brexit could materially impact the future regulatory regime with respect to the approval of our product candidates in the UK For instance, in November 2017, EU member states voted to move the EMA, the EU's regulatory body, from London to Amsterdam. Operations in Amsterdam commenced in March 2019, and the move itself may cause significant disruption to the regulatory approval process in Europe. It remains to be seen how, if at all, Brexit will impact regulatory requirements for product candidates and products in the UK Any delay in obtaining, or an inability to obtain, any regulatory approvals, as a result of Brexit or otherwise, would prevent us from commercializing our product candidates in the UK and/or the EU and restrict our ability to generate revenue and achieve and sustain profitability. If any of these outcomes occur, we may be forced to restrict or delay efforts to seek regulatory approval in the UK and/or EU for our product candidates, which could significantly and materially harm our business Even prior to any change to the UK's relationship with the EU, the announcement of Brexit has created economic uncertainty surrounding the terms of Brexit and its consequences could adversely impact customer confidence resulting in customers reducing their spending budgets on our solutions, which could adversely affect our business, revenue, financial condition, results of operations and could adversely affect the market price of our ADSs.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Environmental matters

The Group does not manufacture its own product, nor does it store finished goods. Refer to the Carbon Emission Report for further information. The Group leases all of its facilities and as such, it has a very minimal environmental impact. The Group complies with all laws and regulations, but as of this time it does not have a large environmental footprint.

Employee consultation

The Group operates a Framework for employee information and consultation which complies with the requirements of the information and Consultation of Employees Regulations 2004. As of 31 December 2019, the Group had 852 employees including our President & Chief Executive Officer. There have been no work stoppages and employee relations are good. The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. Regular meetings are held between local management and employees to allow a free flow of information and ideas. The employee share scheme has been running successfully since its inception and is open to all employees.

Diversity

Appointments within the Group are made on merit according to the balance of skills and experience offered by prospective candidates. Whilst acknowledging the benefits of diversity, individual appointments are made irrespective of personal characteristics such as race, disability, gender, sexual orientation, religion or age. A breakdown of the employment statistics as of 31 December 2019 is as follows:

Position	Male	Female	Total
Executive [(1)]	9	2	11
VP/Directors	45	27	72
Managers	58	44	102
Associates	8	19	27
Sales Professionals	240	400	640
Total Employees	360	492	852

[(1)] Includes our President & Chief Executive Officer

Social, community & human rights issues

The Group endeavours to impact positively on the communities in which it operates. The Group does not, at present, have a specific policy on human rights. However, we have several policies that promote the principles of human rights. We will respect the human rights of all our employees, including:

- Provision of a safe, clean working environment
- Ensuring employees are free from discrimination and coercion
- Not using child or forced labour
- Respecting the rights of privacy and protecting access and use of employee personal information

We also have an equal opportunities policy and an anti-harassment policy, both of which promote the right of every employee to be treated with dignity and respect and not to be harassed or bullied on any grounds.

S172 Statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1a) to (f) and forms the directors' statement required under section 414CZA of the Companies Act 2006.

Stakeholder	Overview	Issues and Factors	Engagement	Outcome
	Significance of the stakeholder to the business	*Issues and factors most important to the stakeholder*	*What was done in 2019*	*Results of actions taken*
Employees	We are committed to making Amarin a great place to work for our employees and we rely on their commitment to our core values and their ability to deliver on our strategic priorities	- Understanding the Company's strategic priorities and how his or her role impacts those priorities - Opportunities to meaningfully impact patients' lives and patient care - Opportunities to hear from and provide feedback to executive management - Ability to contribute to the long-term growth and value of the enterprise	- Town hall meetings led by senior leadership with an opportunity to ask questions - New hire training sessions, periodic training classes for sales professionals and on-line training -Sales meetings at least annually - Conducted recruiting activities and encouraged candidates to solicit feedback on our work environment from our employee base	- Our reputation for being a great place to work allowed us to expand our sales force from approximately 400 sales representatives to approximately 800 sales representatives - The European Medicines Agency validated our marketing authorization application seeking approval for Vascepa in the European Union in December 2019 thanks to the dedication and hard work of our employees - This same dedication and hard work is allowing us to progress our ongoing clinical trial in China

Patients and customers	To provide quality and sustainability in our product and to ensure that we continue to meet the needs of our patients We sell Vascepa principally to a limited number of major wholesalers, as well as selected regional wholesalers and specialty pharmacy providers, that in turn resell Vascepa to retail pharmacies for subsequent resale to patients and healthcare providers	- Safety and efficacy of Vascepa - Access to an uninterrupted supply of Vascepa	- Ongoing efforts to communicate the benefits of Vascepa, including the relative risk reduction of 25% to a high degree of statistical significance in first occurrence of major adverse cardiovascular events, to health care providers and patients (or potential patients) through an increase in sales force and marketing efforts - Actively monitoring adverse events reporting - Continually monitoring and analysing cost effectiveness of Vascepa	- The Company received FDA approval for a new indication and expanded label of Vascepa in the US in December 2019; received approval from Health Canada in December 2019 - Increase in health care providers called upon from 50,000 to 75,000 to expand patient reach as a result of the increased sales force - Multiple third party analyses indicated that Vascepa is cost effective
Suppliers and partners	Suppliers of goods and services are critical to the effective operation of our strategic plan and providing products to our patients. Many of our business critical operations are managed by our suppliers	- Providing a collaborative environment where our partners can grow with us - Continually assess our needs and provide opportunities to suppliers accordingly - Receive timely deliveries and make timely payments for goods and services being provided	- Discussions with suppliers regarding any product or operational delays to ensure quick resolutions as well as assessing proactive measure to improve efficiency - Supply team actively engaged with potential suppliers to identify new potential partner relationships - Active discussions with suppliers on supply needs and/or projected supply needs	- Experienced no material disruptions in our supply chain - Constant engagement and planning on needs to ensure adequate supply to meet patient demand - Increased the number of partners that the Company utilised to run business operations to accommodate sales growth as well as to diversify supply chain operations
Shareholders, Investors and Analysts	The Board is accountable to shareholders and acts in a way that will likely promote the success of the Company for the benefit of its investors. The Company works to ensure good communication with its investors.	- Successfully gain U.S. FDA approval for a new indication and expanded label of Vascepa - Financial performance and commercial success, including sales growth - Opportunity for dialogue with management on key matters such as performance	- Annual General Meeting in May 2019 - Regular investor meetings and individual investor discussions and feedback throughout the year - Hold quarterly earnings calls, including a question and answer session - Engage in outreach activities with potential analysts to increase company coverage	- The Board nominated Dr. Ekman and Mr. Zakrzewski for re-election as directors at the Company's 2020 Annual General Meeting - Increase in shareholder voting response rate as a result of investor outreach activities - The number of analysts covering the company increased during the year

Society	The Company endeavours to impact positively on the communities in which it operates.	- The impact of our activities on the local area and environment, including the sustainability of the feedstock supply - Promotion and awareness of the health benefits of Vascepa in an effort to lower cardiovascular risk - Priced product at a level deemed by third-party analysis to be cost effective	- Provided educational material on the safety and efficacy of Vascepa - Sought out opportunities to participate in community and non-profit initiatives related to our business	- Increase in health care providers called upon in the U.S. from 50,000 to 75,000 to expand patient reach as a result of the increased sales force - We do not expect and have not had any negative impact on the sustainability of feedstock - Donated and participated in American Heart Association walks within the community

By order of the Board

/s/ John F. Thero

John F. Thero
Director

CARBON EMISSION REPORT

We have adapted our environmental reporting to reflect the requirements of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013.

We have used the GHG Protocol Corporate Accounting and Reporting Standard methodology to identify our greenhouse gas inventory of Scope 1 (direct) and Scope 2 (indirect) CO2. We have considered the six main GHGs and report in CO2 equivalent.

The Company does not own any of its facilities or manufacturing plants and has no control over the operations of such facilities. The Company considered carbon emissions from business travel as well as purchased electricity and water.

Assessment Parameters

Baseline year	FY 2013
Consolidation Approach	Operational control/Financial control
Boundary Control	All entities and all facilities owned or under operational control were included
Consistency with Financial Statements	No variation
Assessment methodology	Greenhouse Gas Protocol and ISO 14064-1 (2006)
Intensity Ratio	Emissions per $m turnover

Greenhouse Gas Emissions Source	**2019** (tCO2e)	**2019** (tCO2e/$m)	**2018** (tCO2e)	**2018** (tCO2e/$m)
Scope 1	—	—	—	—
Scope 2	3,831	9.0	1,939	8.5

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2019.

Directors

The Directors of the Company at 31 December 2019, who have been Directors for the whole of the year ended on that date, were as follows:

Executive
Mr. John F. Thero, President and Chief Executive Officer

Non-executive
Dr. Lars Ekman
Mr. Patrick O'Sullivan
Ms. Kristine Peterson
Mr. David Stack
Mr. Jan van Heek
Mr. Joseph S. Zakrzewski

Directors' interests in shares of the Company

The beneficial interests at 31 December 2019 of the persons who on that date were Directors of Amarin Corporation plc in the ordinary shares of the Company were as follows:

	Ordinary shares		Share options/restricted stock units to acquire ordinary shares	
	2019	2018	2019	2018
Dr. L. Ekman	—	40,000	196,660	550,015
Mr. P. O'Sullivan	—	—	429,461	412,375
Ms. K. Peterson	—	—	340,961	487,375
Mr. D. Stack	—	—	174,993	382,375
Mr. J. van Heek	14,168	25,203	297,114	472,375
Mr. J. Zakrzewski	84,547	84,547	870,503	1,919,042
Mr. J. Thero (executive director)	2,342,285	2,117,271	6,614,832	7,991,813

Election of Directors

The Articles provide that, at every Annual General Meeting, one-third of the Directors at the time shall retire from office (or, if the number of Directors at the time is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office). The Directors elected at the Annual General Meeting will hold office until their successors are elected and qualified, unless they resign or their seats become vacant due to death, removal, or other cause in accordance with the Articles.

Code of Business Conduct and Ethics

We believe that our Board and committees provide the necessary leadership, wisdom and experience that the Company needs in making sound business decisions. Our Code of Business Conduct and Ethics helps clarify the operating standards and ethics that we expect of all of our officers, Directors and employees in making and implementing those decisions. Waivers of our Code of Business Conduct and Ethics for the benefit of a Director or an executive officer may only be granted by the Board or, if permitted, a committee of the Board, and will be publicly announced promptly in our Securities and Exchange Commission, or SEC, filings. Waivers of our Code of Business Conduct and Ethics for the benefit of other employees may be made by our Compliance Officer, the Board or, if permitted, a committee of the Board. In furthering our commitment to these principles, we invite you to review our Code of Business Conduct and Ethics and other corporate governance materials located on our website at *www.amarincorp.com*.

DIRECTORS' REPORT (continued)

Indemnification of Directors

Qualifying third party indemnity provisions (as defined in section 234(2) of the Companies Act 2006) are in force for the benefit of the Directors, officers and the Secretary.

Going concern

The accompanying consolidated financial statements of the Group have been prepared on a basis which assumes that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of liabilities and commitments in the normal course of business. On 13 December 2019, the FDA approved a new indication and label expansion for Vascepa based on the results of REDUCE-IT. Vascepa is the first and only drug approved by the FDA as an adjunct to maximally tolerated statin therapy for reducing persistent cardiovascular risk in select high risk patients. As a result, the Group's focus is on the continued commercialisation of Vascepa under the new indication and expanded label.

At 31 December 2019, the Group had cash and cash equivalents balances of approximately $648.5 million. The Group started making sales in 2013 and the new indication and expanded label will necessitate further expenditure by the Group to continue to commercialise the product and develop the market. Additionally, the Group has expenditures related to expanded promotion of Vascepa (including a larger sales force and increased marketing expenses) and expenditures related to inventory build. Management has considered various scenarios reflecting differing market conditions, including the continuing spread of the COVID-19 virus and the measures being adopted in much of the world to address it. The Group expects as a result of these considerations, together with current planned expenditures, purchase commitments, existing cash resources and latest sales information, that the Group will have sufficient cash to enable it to meet its liabilities as they fall due for at least 12 months from approval of these financial statements.

Therefore, after making inquiries, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Reporting currency

The reporting currency of the Company continues to be U.S. Dollars.

Financial risk management objectives and policies

Liquidity risk

Our sources of liquidity as of 31 December 2019 include cash and cash equivalents of $648.5 million. Our projected uses of cash include expansion of our sales force and initiatives for marketing, including direct-to-consumer advertising, medical education and market awareness following successful REDUCE-IT results, increasing inventory purchases, and general corporate and working capital purposes. Our cash flows from operating, investing and financing activities are reflected in the consolidated statement of cash flows. Liquidity risk decreased as a result of raising funds through the public offering in 2019. We believe that our cash balance at 31 December 2019 will be sufficient to fund our projected operations for at least the next 12 months.

Credit risk

The Group is exposed to credit-related losses in the event of non-performance by third parties to financial instruments. The Group does not expect any third parties to fail to meet their obligations given the policy of selecting only parties with high credit ratings, and minimising its exposure to any one institution.

DIRECTORS' REPORT (continued)

Future developments

The Directors aim to increase revenues and cash flows through the continued commercialisation of Vascepa under the expanded label and new REDUCE-IT indication. We intend to seek additional approvals of Vascepa in other parts of the world, based on the successful results of the REDUCE-IT cardiovascular outcomes study which were publicly presented and published in November 2018.

Post balance sheet events

See review of the business above and Note 35 to the financial statements for details of post balance sheet events.

Dividends

Amarin has never paid dividends on its ordinary shares and does not anticipate declaring any cash dividends on ordinary shares in the foreseeable future.

Research and development activities

The Group has a programme of expenditure on research and development activities. Research and development costs are written off as they are incurred and are included within operating expenses. Research and development costs include staff costs, professional and contractor fees, materials and external services.

Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the Board

/s/ John F. Thero

John F. Thero
Director

DIRECTORS' REMUNERATION REPORT

CHAIRMAN OF THE REMUNERATION COMMITTEE'S ANNUAL STATEMENT

Dear Shareholder,

I am pleased to present the Amarin Corporation plc Directors' Remuneration Report for the financial year ended 31 December 2019. This report has been prepared in accordance with Schedule 8 to the Accounting Regulation under the Companies Act 2006 (the "Act").

Overall remuneration framework

Our philosophy in setting compensation policies for executive officers has two fundamental objectives: (1) to attract and retain a highly skilled team of executives and (2) to align our executives' interests with those of our shareholders by rewarding short-term and long-term performance and tying compensation to increases in shareholder value. The Remuneration Committee believes that executive compensation should be directly linked both to continuous improvements in corporate performance ("pay for performance") and accomplishments that are expected to increase shareholder value. In furtherance of this goal, the Remuneration Committee has adhered to the following guidelines as a foundation for decisions that affect the levels of compensation:

- provide a competitive total compensation package that enables the Company to attract and retain highly qualified executives with the skills and experience required for the achievement of business goals;
- align compensation elements with the Company's annual goals and long-term business strategies and objectives;
- promote the achievement of key strategic and financial performance measures by linking short-term and long-term cash and equity incentives to the achievement of measurable corporate and individual performance goals; and
- align executives' incentives with the creation of shareholder value.

The Remuneration Committee has historically compensated executive officers with three compensation components: base salary, annual and short-term incentive bonuses and long-term equity-based compensation. The Remuneration Committee believes that cash compensation in the form of a base salary and incentive bonuses provides our executives with short-term rewards for success in operations, and that long-term compensation through equity awards aligns the objectives of management with those of our shareholders with respect to long-term performance and success.

Annual bonus incentive

Pay-out for the annual bonus incentive to our executive officers was based on achievement of 100% of the Company's pre-defined corporate goals for 2019 plus an incremental 21% awarded for achievement of a pre-defined stretch goal related to revenues exceeding plan. The Strategic Report gives details of the Company's performance in 2019, including:

- Reported $429.8 million in total revenue in 2019, representing an increase of 88% over 2018 total revenue of $229.2 million, including $427.4 million in Vascepa product revenue;
- Obtained FDA approval for a new indication and label expansion for Vascepa based on the results of REDUCE-IT. Vascepa is the first and only drug approved by the FDA as an adjunct to maximally tolerated statin therapy for reducing persistent cardiovascular risk in select high risk patients;
- Increased the Company's direct sales force to approximately 900 sales professionals, including 800 sales representatives, from approximately 440 sales professionals, including 400 sales representatives in the prior year; and
- Health Canada granted approval for Vascepa to reduce the risk of cardiovascular events in statin-treated patients with elevated triglycerides, who are at high risk of cardiovascular events.

DIRECTORS' REMUNERATION REPORT (continued)

In view of the Group's overall performance against its goals during the period, I am satisfied that the level of annual performance bonus achieved is appropriate.

Equity compensation

In considering annual equity awards for our executive officers in 2019, our Remuneration Committee aimed to grant equity at a level targeted between the 50th and 75th percentile of the Company's peer group. Equity awards in 2019 were comprised of a mix of time-based stock options (vesting over a four-year period), time-based restricted stock unit awards (vesting over a three-year period), and performance-based restricted stock units (vesting in full upon the achievement of certain sales performance conditions). Equity awards in 2019 were granted with a view towards both retaining and incentivizing our executives in future periods. Non-executive directors were issued equity awards in 2019 comprised of a mix of time-based stock options and deferred restricted stock unit awards consistent with the Company's non-executive director compensation program as described beginning on page 58 of this report.

Changes to director remuneration in 2019 and 2020

Effective 1 February 2019, the base salary of Mr. John Thero, President and Chief Executive Officer of the Company and its sole executive director, increased to $700,000 (2018: $664,800). Effective 1 February 2020, the base salary of Mr. Thero increased to $820,000. Base salary is targeted near the 50th percentile for CEOs within our peer group and for 2019 was slightly below this target level.

Effective 31 January 2020, upon recommendation of the Remuneration Committee, the Board approved an amendment to the non-executive director compensation program which increases the grant-date fair value of new hire and annual equity grants to non-executive directors. Details of the changes to non-executive director compensation arrangements are included within the disclosures of the remuneration policy for non-executive directors beginning on page 58 of this report.

We continue to be committed to open disclosure of the Company's remuneration practices and hope to receive your support at this year's Annual General Meeting of Shareholders.

/s/ David Stack

David Stack
Chairman of the Remuneration Committee

DIRECTORS' REMUNERATION REPORT (continued)

The Act requires the Company's auditor to report to the Company's members on certain parts of the Directors' Remuneration Report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Accounting Regulations under the Act. The report has therefore been divided into separate sections for audited and unaudited information.

UNAUDITED INFORMATION

Remuneration Committee

The Company has established a Remuneration Committee. The terms of reference of the Remuneration Committee are available upon request.

The members of the Remuneration Committee at 1 January 2019 and again effective 1 January 2020 were Mr. David Stack (Chairman), Mr. Jan van Heek, and Ms. Kristine Peterson, who are all independent non-executive directors. None of the members of the Remuneration Committee have any personal financial interest (other than as shareholders), conflicts of interest arising from cross-directorships, or day-to-day involvement in running the business.

The Remuneration Committee determines the individual remuneration packages of each executive director and other members of the executive committee. No director plays a part in any discussion about his or her own remuneration.

Directors' remuneration policy report

The tables below summarise the remuneration policy, by component, for executive and non-executive directors. The Company's policy on remuneration is to attract, retain and incentivise highly qualified executives, recognising that they are key to the success of the business, and to align our directors' and senior management's interests with those of our shareholders by rewarding short-term and long-term performance and tying compensation to increases in shareholder value.

Consistent with this policy, the Company's benefit packages awarded to directors and senior management are intended to be competitive and comprise a mix of remuneration (historically consisting of base salary, annual cash incentive bonus and equity-based compensation) with the goals listed below, while not detracting from the goals of good corporate governance:

- provide a competitive total compensation package that enables the Company to attract and retain highly qualified directors and senior management with the skills and experience required for the achievement of business goals;
- align compensation elements with the Company's annual goals and long-term business strategies and objectives;
- promote the achievement of key strategic and financial performance measures by linking short-term and long-term cash and equity incentives to the achievement of measurable corporate and individual performance goals; and
- align the incentives of directors and senior management with the creation of shareholder value.

The Company's American Depositary Shares ("ADSs") are listed on the NASDAQ Global Market ("NASDAQ") and the Company is therefore subject to NASDAQ corporate governance rules.

The Company's peer group with respect to staffing lies within the pharmaceutical and biotechnology industries. Subject to changes in the industry and to competitive and other pressures, the Company will generally align its rates of remuneration with this sector, both in terms of overall packages and the division between basic and performance-related elements. However, it is recognised that such competition is only one of a number of factors to be taken into account.

DIRECTORS' REMUNERATION REPORT (continued)

Long-term incentives are provided to directors and senior management in the form of executive share options and, additionally, in the case of executive directors and senior management, by the granting of end-of-year cash bonuses that are specifically designed to reward executives for overall corporate performance as well as individual performance in a given year. Share options are granted to directors and senior management to aid in their retention, to motivate them to assist with the achievement of corporate objectives and to align their interests with those of our shareholders by creating a return tied to the performance of our stock price. It is the intention of the Board to grant share options to executive directors and senior management in the furtherance of these objectives and to reward performance. Additionally, the Board may award options from time to time to non-executive directors as is relatively standard practice in the United States.

Share options are currently granted to directors and senior management pursuant to the Amarin Corporation plc 2011 Stock Incentive Plan approved by the shareholders in general meeting on 12 July 2011 (the "2011 Plan"). The maximum number of the Company's ordinary shares of £0.50 each or any ADSs, as the case may be (the "Shares"), to be issued under the 2011 Plan, as amended, shall not exceed the sum of (i) 51.5 million Shares, (ii) the number of Shares that remain available for grants under the Company's existing 2002 Stock Option Plan (the "2002 Plan") as of 12 July 2011 and (iii) the number of Shares underlying awards under the 2002 Plan that are outstanding as of 12 July 2011 that are subsequently forfeited, cancelled, expire or are otherwise terminated. The Remuneration Committee may grant options to eligible persons. In determining which eligible persons may receive an award of options and become participants in the 2011 Plan, as well as the terms of any option award, the Remuneration Committee may take into account the nature of the services rendered to the Company by the eligible persons, their present and potential contributions to our success or such other factors as the Remuneration Committee, at its discretion, shall deem relevant.

In the event that a director resigns, then under the 2011 Plan, the director's unvested options lapse, and vested but unexercised options will lapse 12 months following the date of such resignation. Upon the initial appointment or re-election to the Board, non-executive directors will be eligible to receive equity awards split equally in value between options and restricted stock units, the latter of which are subject to deferred settlement upon the director's separation of service with the company (such restricted stock units, "DSUs"). In addition, for so long as the non-executive director remains on the Board, on an annual basis the non-executive director will be eligible to receive an additional equity award, such award to be made each year immediately after the company's Annual General Meeting of shareholders, split equally in value between options and DSUs. In addition, a non-executive Chairman of the Board that continues on the Board following the company's Annual General Meeting of shareholders, and who was not first elected to the Board at such meeting, will be eligible to receive an annual equity award split equally in value between options and DSUs. Share options granted to non-executive directors pursuant to the 2011 Plan typically vest in full upon the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year, while DSUs vest in equal annual instalments over three years commencing upon the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year. Historically, share options granted to new employees typically vested 25% upon the one-year anniversary of the date of hire and then vested rateably over the subsequent 36-month period, however, beginning in 2019, they typically vest 25% upon the one-year anniversary of the date of hire and then vest rateably on a quarterly basis over the subsequent 12-quarter period.

The Remuneration Committee has the delegated authority of the Board to vary the remuneration of executive directors and senior management to include the award of end-of-year bonuses and grant of options. The Remuneration Committee awards performance-based cash bonuses based in part on the Company's achievement of corporate goals. In addition, the Remuneration Committee considers the individual performance of the Company's executive directors and senior management and the level of each such individual's accountability, scope of responsibilities and impact on the Company's performance during the course of the year as well as corporate achievement beyond established goals. The Remuneration Committee also considers its own understanding of what executives with similar functions at similarly situated companies typically receive for performance-based cash compensation so as to ensure that the Company's executive directors and senior management are properly remunerated.

DIRECTORS' REMUNERATION REPORT (continued)

Remuneration policy – executive directors

The following policy applies to the Company's sole executive director, Mr. John Thero, President and Chief Executive Officer.

Component of remuneration package – purpose and link to strategy	Operation	Opportunity	Performance Measures
Basic salary			
Our Remuneration Committee aims to set executives' base salaries, in the aggregate, at levels near the 50th percentile of salaries of executives with similar roles at the Company's peer group. The Remuneration Committee believes it is important to provide adequate fixed compensation to our executive officers working in a highly volatile and competitive industry.	Salaries are reviewed annually and fixed for 12 months from 1 February. Salaries are paid semi-monthly in arrears, in cash.	Adjustments to base salary are considered annually in light of each executive officer's individual performance, the Company's performance and compensation levels at peer companies in our industry, as well as changes in job responsibilities or promotion. Effective 1 February 2019, an increase to Mr. Thero's salary to $700,000 was approved (2018: $664,800). Effective 1 February 2020, an increase to Mr. Thero's salary to $820,000 was approved.	Not applicable.
Annual bonus incentive			
The Company provides executive officers with performance-based cash bonuses, which are specifically designed to reward executives for overall corporate performance as well as individual performance in a given year.	Payable in cash on an annual basis at the discretion of the Remuneration Committee.	The bonus potential for Mr. Thero for 2019 was 75% of his base salary and the individual goals of Mr. Thero match the Company's corporate goals 100%. The corporate goals are based on achievement of various operational criteria. The bonus potential for Mr. Thero for 2020 will be 80% of his base salary and the individual goals of Mr. Thero will continue to match the Company's corporate goals 100%.	See discussion of the 2019 corporate goals below. 2020 corporate goals relate primarily to commercial (40%) and financial (20%) performance measures, with the remaining 40% relating to regulatory/R&D, quality/supply and international partners performance measures, with percentages reflecting the relative weighting of the bonus to the performance measures.

Pensions			
Executive officers are eligible to receive company match on their 401(k) contributions based on the company's defined contribution plan, on the same basis as other employees, subject to applicable law.	Executive officers receive company match on the first day of the month following 60 days from hire.	The value of the company match awarded to executive officers is dependent on the individual's salary and personal contribution amount. Company match is calculated at 50% of the employee's contribution, up to 4% of their base salary subject to statutory annual limits.	Not applicable.
Equity compensation			
Executive officers are eligible to receive equity compensation in the form of stock options, restricted stock units (RSUs) and performance-based restricted stock units (PSUs). The Remuneration Committee grants stock options, RSUs and PSUs to executive officers to aid in their retention, to motivate them to assist with the achievement of both near-term and long-term corporate objectives and to align their interests with those of our shareholders by creating a return tied to the performance of our stock price.	Awards are granted at the discretion of the Remuneration Committee based on individual performance and contributions.	All share options will be awarded at fair market value and calculated based on the closing market price on the grant date. All RSUs and PSUs will be awarded at zero cost and valued based on the fair market value (closing market price) as of the date of vesting.	Each award grant has pre-specified time-based and/or performance vesting criteria.
Employee benefits			
Executive officers are eligible to participate in all of our employee benefit plans, including medical, dental, group life, disability and accidental death and dismemberment insurance, in each case on the same basis as other employees, subject to applicable law.	Executive officers receive private health insurance from the date of appointment.	The value of the private health insurance awarded to executive officers is dependent on the individual's circumstances.	Not applicable.

Information in respect of performance measures or targets, in the opinion of the directors, is commercially sensitive in respect of the Company.

Such details will be reported upon achievement of the performance criteria.

2019 Corporate Goals: The following represent the Company's 2019 corporate goals. The related percentages assigned represent the percentage allocated to each set of functional goals, the total of which comprises 100% of the corporate goals. The goals may be determined to have been achieved on a graded basis at the discretion of the Remuneration Committee based on partial achievement of the functional goals.

DIRECTORS' REMUNERATION REPORT (continued)

Commercial (40%): These goals established target performance for the Company regarding the commercialisation of Vascepa. The specific goals were as follows:

- Revenues: Achieve net revenue target of $388.9 million
- Compliance: Favourable outside audit report regarding compliance program and no lost claim due to untruthful or misleading statements to healthcare professionals

Regulatory, Clinical, Development, and Medical (30%): These goals established target performance for the Company regarding regulatory and clinical development matters and medical education. The specific goals were as follows:

- sNDA: Complete successful FDA Advisory Committee meeting (for 2020 PDUFA date) or attain first cycle approval to expand Vascepa indication to include cardiovascular risk reduction
- Ex-US: Transfer critical REDUCE-IT documents to licensing partners in Canada, China and MENA for use in regulatory meetings/filings and conduct EU regulatory review to support submission to regulatory authorities
- Data Visibility: Secure presentations at more than 3 major medical congresses and publish more than 3 manuscripts in peer-reviewed journals maintaining consistency with sNDA

Product Quality, Expansion & Life Cycle Management (20%): These goals established target performance for the Company regarding the commercial and clinical supply. The specific goals were as follows:

- Quality: Ensure product quality and uninterrupted supplies that meet commercial and research demands by supporting first cycle approval of a new API supplier and other agreed supplemental submissions
- Supply: Purchase inventory needed for operating plan at an average price consistent with operating plan
- Suppliers: Qualify at least one additional supplier to ensure supply capacity/coverage

Financial (10%): These goals established target performance for the Company regarding the operational finance performance. The specific goals were as follows:

- Cash Outflow from Operations: Ensure gross cash outflow is not greater than operating plan

Pre-Specified "Stretch" Goals: The specific goals (each for up to 50%) were as follows:

- Exceed net revenue target per 2019 Operating Plan ($388.9 million); Zero for < 5% above net revenue target; 10% for 5% or more above net revenue target increasing ratably to 100% maximum for achievement of 50% above net revenue target
- Business Development: Acquire a company or product that fits within the strategic landscape of Amarin or partnership for Vascepa in additional international territory
- Intellectual Property: Satisfactory conclusion of ANDA litigation prior to the end of 2019

Approach to recruitment remuneration – executive directors

The ongoing remuneration package for a newly recruited executive director is determined by the Remuneration Committee using the policy set out above. To facilitate recruitment, the Remuneration Committee may also make one-off awards to a newly recruited external executive director in the form of a sign-on bonus or to reimburse relocation expenses. Such awards are assessed on a case-by-case basis.

Loss of office – executive directors

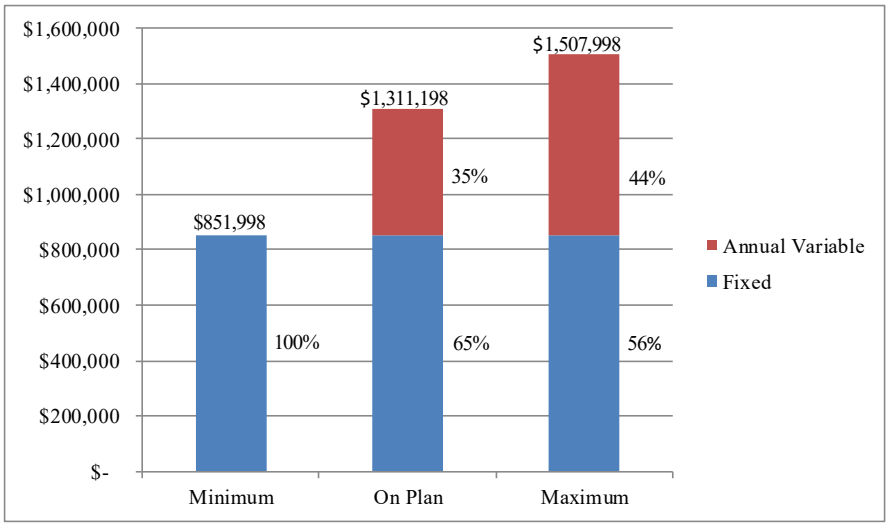
As of 31 December 2019, in the event that Mr. Thero had been terminated by the Company without cause or resigned for good reason, he would have been entitled to severance as follows: continuation of base salary for twelve (12) months; continuation of group health plan benefits for up to twelve (12) months to the extent authorised by and consistent with COBRA with the cost of the regular premium for such benefits shared in the same relative proportion by the Company and Mr. Thero as in effect on the date of termination; and twelve (12) months of accelerated vesting of all outstanding equity incentive

DIRECTORS' REMUNERATION REPORT (continued)

awards to the extent subject to time-based vesting. If Mr. Thero had been terminated by the Company without cause or he quit for good reason as of 31 December 2019, in either case, within twenty-four (24) months following a change of control, then he would have been entitled to severance as follows: continuation of base salary for eighteen (18) months; continuation of group health plan benefits for up to eighteen (18) months to the extent authorised by and consistent with COBRA with the cost of the regular premium for such benefits shared in the same relative proportion by the Company and Mr. Thero as in effect on the date of termination; a lump sum cash payment equal to the full target annual performance bonus for the year during which the termination occurred; and 100% acceleration of vesting of all outstanding equity incentive awards.

Illustrations of application of remuneration policy

The chart below provides an indication of the expected remuneration for executive directors (i.e., Chief Executive Officer) and at three level scenarios: Minimum, On Plan and Maximum.



In developing the scenarios, the following assumptions have been made:

Minimum: Fixed elements of remuneration comprise basic salary, benefits and pension-related benefits. CEO's salary is the last known salary. Benefits and pension-related benefits are measured as set forth on the single total figure of remuneration table on page 61.

On Plan: Fixed elements of remuneration are as for the minimum scenario. The annual variable element pays out at 70% of the annual bonus target.

Maximum: Fixed elements of remuneration are as for the minimum scenario. The annual variable element pays out at 100% of the annual bonus target.

DIRECTORS' REMUNERATION REPORT (continued)

Remuneration policy – non-executive directors

Component	Purpose and link to strategy	Operation
Fees	The annual retainer fees are commensurate with the time each director is expected to spend on the Company's affairs and with the responsibility assumed as director of a listed Company. The fee amounts are intended to approximate the 50th percentile of non-executive director compensation within the Company's peer group.	The remuneration of non-executive directors is set annually by the Board having taken advice on appropriate levels. The current level of fees, which are reviewed annually, are detailed below. Non-executive directors are also reimbursed for their reasonable out-of-pocket expenses incurred in connection with attending Board and committee meetings.
Additional fees payable for duties	The additional fees payable to the Chairman and members of the Board committees reflect the additional time commitment in preparing and attending meetings and in relation to the Chairmen of the Board committees, outside these meetings.	
Equity compensation	Equity incentive awards are granted to new and continuing directors as described below.	All share options will be awarded at fair market value and calculated based on the closing market price on the grant date.

Retirement and re-election of directors

The Company's Articles of Incorporation provide that, at every Annual General Meeting, at least one-third of the directors at the time shall retire from office (or, if the number of directors at the time is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office). The directors elected at the Annual General Meeting of Shareholders will hold office until their successors are elected and qualified, unless they resign or their seats become vacant due to death, removal, or other cause in accordance with the Articles.

The Company is not currently a party to a service contract with any of its non-executive directors. Current non-executive directors are paid under the Company's non-executive director compensation policy, which is summarised below.

Statement of consideration of employment conditions elsewhere in the group

The Company has not formally consulted with employees when drawing up the directors' remuneration policy. However, the Company considers any informal feedback received via employee staff surveys or other channels.

Statement of consideration of shareholders' views

The Remuneration Committee takes very seriously the views of shareholders when making changes to executive remuneration arrangements. The Remuneration Committee notes the high historic level of approval from shareholders for the Directors' Remuneration Report and thanks shareholders for their continuing support.

DIRECTORS' REMUNERATION REPORT (continued)

The Remuneration Committee welcomes shareholders' views on the executive remuneration package. The Remuneration Committee continues to challenge whether the executive remuneration arrangements align with the group's strategy, and to respond to best practice and any concerns or views expressed by our institutional investors.

The Nominating and Corporate Governance Committee, which acts as the Company's nominating committee, reviews and recommends to the Board potential nominees for election to the Board. In reviewing potential nominees, the Nominating and Corporate Governance Committee considers the qualifications of each potential nominee in light of the Board's existing and desired mix of experience and expertise. Specifically, as set forth in our Nominating and Corporate Governance Committee Charter, it considers whether the nominee satisfies the following minimum criteria: has experience at a strategic or policymaking level in a business, government, non-profit or academic organisation of high standing; is highly accomplished in his or her field, with superior credentials and recognition; is well regarded in the community and has a long-term reputation for the highest ethical and moral standards; has sufficient time and availability to devote to the affairs of the Company, particularly in light of the number of boards on which the nominee may serve; has a demonstrated history of actively contributing at board meetings (to the extent that the nominee serves or has previously served on other boards). In addition to these minimum qualifications, the Nominating and Corporate Governance Committee recommends that the Board select persons for nomination to help ensure that: a majority of the Board shall be independent in accordance with in the listing standards of NASDAQ; each of the Company's Audit Committee, Remuneration Committee and Nominating and Corporate Governance Committee shall be comprised entirely of independent directors; and at least one member of the Audit Committee shall qualify as an audit committee financial expert as defined by Securities and Exchange Commission ("SEC") regulations. In addition, the Nominating and Corporate Governance Committee may consider whether the nominee has direct experience in the pharmaceutical, biotechnology or healthcare industries or in the markets in which the Company operates and whether the nominee, if elected, would assist in achieving a mix of Board members that represents a diversity of background and experience. Although the Nominating and Corporate Governance Committee may consider whether nominees assist in achieving a mix of Board members that represents a diversity of background and experience, which is not only limited to race, gender or national origin, we have no formal policy regarding board diversity.

After reviewing the qualifications of potential Board candidates, the Nominating and Corporate Governance Committee presents its recommendations to the Board, which selects the final director nominees. Upon the recommendation of the Nominating and Corporate Governance Committee, the Board nominated Dr. Ekman and Mr. Zakrzewski for re-election as directors at the Company's 2020 Annual General Meeting.

Non-executive director compensation

The levels of fees payable in 2019 and 2020 are as follows:

	Retainer and Meeting Fees 2019	Retainer and Meeting Fees 2020
Annual Board Retainer Fee:		
Non-Executive Chairman	$95,000	$95,000
All other non-executive directors	$55,000	$62,500
Annual Chairman Retainer Fees:		
Audit Committee Chairman	$20,000	$25,000
Remuneration Committee Chairman	$20,000	$20,000
Nominating and Corporate Governance Committee Chairman	$10,000	$11,000
Annual Committee Member Retainer Fees:		
Audit Committee	$10,000	$12,000
Remuneration Committee	$10,000	$10,000
Nominating and Corporate Governance Committee	$5,000	$5,000

Upon recommendation of the Remuneration Committee, the Board approved an amended non-executive director compensation program effective 10 December 2012, as amended on 20 May 2013, 11 March 2014, 31 January 2019, and 31 January 2020. The amended non-executive director compensation program was intended to approximate the 50th percentile of non-executive director compensation within the Company's peer group. The annual retainers are paid in equal instalments

DIRECTORS' REMUNERATION REPORT (continued)

made in arrears within thirty days of the end of each calendar quarter, or upon the earlier resignation or removal of the non-executive director. Amounts owing to non-executive directors as annual retainers shall be annualised, meaning that for non-executive directors who join the Board during the calendar year, such amounts shall be on a pro rata basis depending on the number of calendar days served by such director.

Non-executive directors shall be given an annual election option, which option is to be exercised within ten calendar days of the end of each quarter of receiving their annual retainers in the form of either (i) cash or (ii) unregistered non-ADR ordinary shares, with any such issuances to be priced at the greater of (i) the closing price of the Company's ADSs on NASDAQ on the date which is ten calendar days after the end of each quarter or (ii) £0.50 per ordinary share (i.e., par value).

In addition, upon their initial appointment or re-election to the Board, non-executive directors will be eligible to receive equity awards valued at $375,000 based on a consistently-applied, methodology, split equally in value between option awards and DSUs. Effective 31 January 2020, the Remuneration Committee authorised this amount to be increased to $540,000. The option awards vest in full upon the one-year anniversary of the date of grant. The DSUs are subject to deferred settlement upon the director's separation of service with the Company and vest in equal instalments over three years on the anniversary of the date of grant. The grant date for such awards will be the date of such initial appointment or re-election, as the case may be, and the exercise price of any such option award shall be equal to the closing market price on NASDAQ of the ADSs representing the Company's Ordinary Shares on the date of such appointment or re-election to the Board.

In addition, for so long as the non-executive director remains on the Board, the non-executive director will be eligible to receive annual equity awards valued at $250,000 based on a consistently-applied methodology, split equally in value between option awards and DSUs. Effective 31 January 2020, the Remuneration Committee authorised this amount to be increased to $360,000. Such options award for ordinary shares will vest in full upon the earlier of the one-year anniversary of the date of grant or the Annual General Meeting of shareholders in such anniversary year. Such DSUs will vest in equal annual instalments over three years, in each case upon the earlier of the anniversary of the date of grant or the Annual General Meeting of shareholders in such anniversary year. The grant date for such awards will be the date of the Company's Annual General Meeting of shareholders, and the exercise price of any such option award shall be equal to the closing market price on NASDAQ of the Company's ordinary shares (and represented by ADSs) on the date of such meeting. In addition, the non-executive directors are also eligible to participate in the Company's stock option plans on a case-by-case basis. Non-executive directors are also reimbursed for their reasonable out-of-pocket expenses incurred in connection with attending Board and committee meetings.

In addition, a non-executive chairman of the Board that continues on the Board following the Company's Annual General Meeting of shareholders (and who was not first elected to the Board at such meeting) will be eligible to receive an annual equity award valued at $20,000 based on a consistently-applied, methodology, split equally in value between option awards and DSUs. Such awards will have a grant date and exercise price identical to other annual equity awards.

On 20 May 2019, the Company awarded options representing the right to purchase 9,658 Ordinary Shares and 7,428 DSUs to each of Mr. O'Sullivan, Ms. Peterson, Mr. Stack, Mr. van Heek and Mr. Zakrzewski in connection with their service on the Board. For each grantee, the options will vest in full upon the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year and the DSUs will vest in equal annual instalments over three years commencing on the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year. The total grant-date fair value of these option and DSU awards was $99,381 and $125,013, respectively, based on a closing price of $16.83 on NASDAQ of the ADSs representing the Company's Ordinary Shares on the date of grant.

In addition, on 20 May 2019, the Company awarded 10,431 options and 8,023 DSUs to Dr. Ekman in connection with his service on the Board and as Non-Executive Chairman of the Board. The options will vest in full upon the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year and the DSUs will vest in equal annual instalments over three years commencing on the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year. The total grant-date fair value of these option and DSU awards was $107,335 and $135,027, respectively, based on a closing price of $16.83 on NASDAQ of the ADSs representing the Company's Ordinary Shares on the date of grant.

DIRECTORS' REMUNERATION REPORT (continued)

Annual report on remuneration

Single total figure of remuneration table (Audited)

2019

	Basic salary and fees	All taxable benefits	Annual performance-related remuneration (1)	Long-term performance-related remuneration (2)(3)	Pension-related benefits (4)	Total
Executive directors						
Mr. J. Thero	$697,067	$26,498	$635,250	$35,573,749	$5,500	$36,938,064
Non-executive directors						
Dr. L. Ekman	100,000	—	—	1,135,105	—	1,235,105
Mr. P. O'Sullivan	75,000	—	—	1,009,894	—	1,084,894
Ms. K. Peterson	75,000	—	—	1,009,894	—	1,084,894
Mr. D. Stack	75,000	—	—	1,009,894	—	1,084,894
Mr. J. van Heek	85,000	—	—	1,009,894	—	1,094,894
Mr. J. Zakrzewski	60,000	—	—	1,009,894	—	1,069,894
Subtotal	**470,000**	**—**	**—**	**6,184,575**	**—**	**6,654,575**
Total	**$1,167,067**	**$26,498**	**$635,250**	**$41,758,324**	**$5,500**	**$43,592,639**

2018

	Basic salary and fees	All taxable benefits	Annual performance-related remuneration (1)	Long-term performance-related remuneration (2)	Pension-related benefits (4)	Total
Executive directors						
Mr. J. Thero	$660,383	$24,859	$722,970	$11,753,051	$5,500	$13,166,763
Non-executive directors						
Dr. L. Ekman	100,000	—	—	96,097	—	196,097
Mr. P. O'Sullivan	75,000	—	—	87,005	—	162,005
Ms. K. Peterson	72,500	—	—	87,005	—	159,505
Mr. D. Stack	70,000	—	—	87,005	—	157,005
Mr. J. van Heek	82,500	—	—	87,005	—	169,505
Mr. J. Zakrzewski	60,000	—	—	87,005	—	147,005
Subtotal	**460,000**	**—**	**—**	**531,122**	**—**	**991,122**
Total	**$1,120,383**	**$24,859**	**$722,970**	**$12,284,173**	**$5,500**	**$14,157,885**

(1) In 2019 and 2018, the annual performance-related remuneration for Mr. Thero represents the bonus earned under the Management Incentive Compensation Plan and is based entirely on the company's achievement of its 2019 and 2018 corporate goals.

(2) In 2019 and 2018, the long-term performance-related remuneration represents stock options and restricted stock units that vested during the respective years upon completion of service requirements and, for Mr. Thero, achievement of applicable performance-related milestones, valued based on the market price of the company's stock on the vesting date.

(3) For Mr. Thero, includes 1,265,250 restricted stock units granted in 2015 which vested in 2019 upon achievement of the Cash Flow Milestone described on page 63, valued as described in (2) above.

(4) Pension-related benefits represent the company's match obligations related to the defined contribution plan.

Analysis of taxable benefits received (Audited)

Executive directors are eligible to participate in all of our employee benefit plans, including medical, dental, group life, disability and accidental death and dismemberment insurance, in each case on the same basis as other employees, subject to applicable law.

DIRECTORS' REMUNERATION REPORT (continued)

Pension entitlements (Audited)

The Company makes available a defined contribution retirement plan for its U.S. employees including executive directors. The Company made $5,500 in contributions in 2019 to its executive director (2018: $5,500).

Variable performance-related awards made in 2019 (Audited)

Award – type of interest and basis of award	**Performance period end**	**Amount at face value**
Annual Bonus Incentive		
Type of interest Cash *Basis of award* The bonus is payable on a sliding scale from 0% to 187.5% of base salary, consisting of a conditional award of 75% of base salary for Mr. Thero for achievement of pre-defined corporate goals, assuming such corporate goals are achieved at a level of at least 70%, plus opportunity for an additional 112.5% of base salary for achievement of pre-defined corporate stretch goals. *Performance measures and targets* In reviewing the Company's performance against the pre-specified corporate goals set by the Remuneration Committee as described on pages 55 and 56, the Remuneration Committee determined: (i) that the commercial revenues goal was achieved at the 100% level and the commercial compliance goal was achieved at the 100% level, resulting in a weighted score of 40% for this component of the corporate goals; (ii) that the sNDA goal was achieved at the 100% level, the ex-US goal was achieved at the 100% level, and the data visibility goal was achieved at the 100% level, resulting in a combined weighted score of 30% for this component of the corporate goals; (iii) that the quality supply chain goal was achieved at the 100% level, the supply average price goal was achieved at the 100% level, and the suppliers goal was achieved at the 100% level, resulting in a combined weighted score of 20% for this component of the corporate goals; (iv) that the cash outflow goal was achieved at the 100% level, resulting in a combined weighted score of 10% for this component of the corporate goals; and (v) an additional 21% was added in conjunction with the achievement of the pre-specified stretch goal of exceeding the net revenue target per 2019 Operating Plan. In total, the Remuneration Committee determined that these pre-defined corporate and stretch goals were achieved at the 121% level for 2019. The cash bonus award for Mr. Thero was based entirely on the Company's achievement of the 2019 corporate goals (which includes stretch goals). As a result, he received a cash bonus in the amount of 121% of his target bonus amount.	31 December 2019	$635,250 Actual outcome – 91% of base salary (121% of target award based on pre-defined criteria, including calculation for achieving corporate stretch goals)

Share Options		
Type of interest Restricted stock units (RSUs) *Basis of award* The RSUs vest in full subject to achievement of the below described performance measure. *Performance measures and targets* The performance measures and targets were established in 2015 when these RSUs were awarded. Achievement of the performance measure required that the Company become cash flow positive from operations over a four quarter period (the "Cash Flow Milestone"). The Company became net cash flow positive, as defined, over the four quarters ended 30 September 2019. As such, the performance measure was deemed achieved by the Remuneration Committee of the Board of Directors on 7 October 2019 and the RSUs vested on that date as a result.	31 December 2019	1,265,250 RSUs vested on 7 October 2019. Actual outcome – 100.0%

DIRECTORS' REMUNERATION REPORT (continued)

Directors' interest in shares (Audited)

The directors serving in the financial year and their interest in the share capital of the Company (all beneficially held, other than with respect to options to acquire the ordinary shares) are as follows:

	At 31 December 2019 Ordinary Shares	At 31 December 2018 Ordinary Shares
Dr. L. Ekman	—	40,000
Mr. P. O'Sullivan	—	—
Ms. K. Peterson	—	—
Mr. D. Stack	—	—
Mr. J. van Heek	14,168	25,203
Mr. J. Zakrzewski	84,547	84,547
Mr. J. Thero (executive director) (1)	2,342,285	2,117,271

(1) During the period from the end of the financial year to 17 April 2020, Mr. Thero acquired a beneficial interest in 146,326 ordinary shares in the Company, increasing his total beneficial holding to 2,488,611 ordinary shares.

None of the interests in ordinary shares were subject to performance measures.

Share options and restricted/deferred stock units granted (Audited)

Share options and restricted/deferred stock units granted to directors in 2019 were as follows:

	Share Options	Restricted/Deferred Stock Units
Dr. L. Ekman	10,431	8,023
Mr. P. O'Sullivan	9,658	7,428
Ms. K. Peterson	9,658	7,428
Mr. D. Stack	9,658	7,428
Mr. J. van Heek	9,658	7,428
Mr. J. Zakrzewski	9,658	7,428
Mr. J. Thero (executive director)	302,500	216,100
Total	**361,221**	**261,263**

For each non-executive director with the exception of Dr. Ekman, 9,658 options will vest in full upon the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year, while 7,428 DSUs will vest in equal annual instalments over three years commencing on the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year. For Dr. Ekman, 10,431 options will vest in full upon the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year, while 8,023 DSUs will vest in equal annual instalments over three years commencing on the earlier of the one-year anniversary of the grant date or the Annual General Meeting of shareholders in such anniversary year.

For Mr. Thero, 302,500 options vest quarterly over four years commencing 15 May 2019 and 216,100 RSUs vest in equal annual instalments over three years commencing 31 January 2020.

DIRECTORS' REMUNERATION REPORT (continued)

Interests in share options and restricted stock unit awards (Audited)

Share schemes

Details of share options and restricted stock units held by directors (or entities which they represent if disclosed in the notes below) as at 31 December 2019, and those who served as directors during 2019, are set out below:

Date of grant	Earliest exercise date	Expiry date	Exercise price (US$)	No. at 1 January 2019 (£0.50 shares)	Options/ RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2019 (£0.50 shares)	Vested but unexercised at 31 December 2019 (£0.50 shares)
Mr. J. Zakrzewski (1)									
21/12/2009 (options)	21/06/2010	21/12/2019	1.35	35,000	-	35,000	-	-	-
11/11/2010 (options)	11/11/2010	11/11/2020	3.4	1,050,000	-	650,000	-	400,000	400,000
20/10/2011 (options)	1/11/2011	20/10/2021	9	338,542	-	200,000	-	138,542	138,542
1/2/2012 (options)	29/02/2012	1/2/2022	8.86	143,750	-	143,750	-	-	-
2/1/2013 (options)	31/01/2013	2/1/2023	8.1	36,875	-	36,875	-	-	-
11/3/2014 (options)	11/3/2015	11/3/2024	1.87	28,500	-	-	-	28,500	28,500
11/3/2014 (DSUs)	11/3/2015	11/3/2024	N/A	24,000	-	-	-	24,000	24,000
6/7/2015 (options)	6/7/2016	6/7/2025	2.5	40,502	-	-	-	40,502	40,502
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	58,500
11/7/2016 (options)	11/7/2017	11/7/2026	2.19	28,847	-	-	-	28,847	28,847
11/7/2016 (DSUs)	11/7/2017	11/7/2026	N/A	20,548	-	-	-	20,548	20,548
15/5/2017 (options)	15/5/2018	15/5/2027	3.06	21,146	-	-	-	21,146	21,146
15/5/2017 (DSUs)	15/5/2018	15/5/2027	N/A	14,706	-	-	-	14,706	9,804
14/5/2018 (options)	14/5/2019	14/5/2028	3.21	46,973	-	-	-	46,973	46,973
14/5/2018 (DSUs)	14/5/2019	14/5/2028	N/A	31,153	-	-	-	31,153	10,385
20/5/2019 (options)	20/5/2020	20/5/2029	16.83	-	9,658	-	-	9,658	-
20/5/2019 (DSUs)	20/5/2020	20/5/2029	N/A	-	7,428	-	-	7,428	-
				1,919,042	**17,086**	**1,065,625**	**-**	**870,503**	**827,747**

(1) The equity awards were issued to Mr. Zakrzewski as a director in 2009, and 2013 through 2019. The other equity awards were issued to Mr. Zakrzewski as Chief Executive Officer in 2010, 2011, 2012 and 2013. Mr. Zakrzewski resigned as Chief Executive Officer of Amarin on 31 December 2013 and as a result, forfeited all unvested equity awards on such date that were issued in his capacity as Chief Executive Officer of Amarin.

DIRECTORS' REMUNERATION REPORT (continued)

Date of grant	Earliest exercise date	Expiry date	Exercise price (US$)	No. at 1 January 2019 (£0.50 shares)	Options/ RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2019 (£0.50 shares)	Vested but unexercised at 31 December 2019 (£0.50 shares)
Mr. J. van Heek (2)									
10/2/2010 (options)	10/8/2010	10/2/2020	1.03	90,000	-	90,000	-	-	-
10/7/2012 (options)	10/7/2013	10/7/2022	14.4	45,000	-	45,000	-	-	-
9/7/2013 (options)	9/7/2014	9/7/2023	5.58	13,500	-	-	-	13,500	13,500
9/7/2013 (DSUs)	9/7/2014	9/7/2023	N/A	9,000	-	-	-	9,000	9,000
11/3/2014 (options)	11/3/2015	11/3/2024	1.87	28,500	-	28,500	-	-	-
11/3/2014 (DSUs)	11/3/2015	11/3/2024	N/A	24,000	-	-	-	24,000	24,000
6/7/2015 (options)	6/7/2016	6/7/2025	2.5	40,502	-	-	-	40,502	40,502
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	58,500
11/7/2016 (options)	11/7/2017	11/7/2026	2.19	28,847	-	28,847	-	-	-
11/7/2016 (DSUs)	11/7/2017	11/7/2026	N/A	20,548	-	-	-	20,548	20,548
15/5/2017 (options)	15/5/2018	15/5/2027	3.06	21,146	-	-	-	21,146	21,146
15/5/2017 (DSUs)	15/5/2018	15/5/2027	N/A	14,706	-	-	-	14,706	9,804
14/5/2018 (options)	14/5/2019	14/5/2028	3.21	46,973	-	-	-	46,973	46,973
14/5/2018 (DSUs)	14/5/2019	14/5/2028	N/A	31,153	-	-	-	31,153	10,385
20/5/2019 (options)	20/5/2020	20/5/2029	16.83	-	9,658	-	-	9,658	-
20/5/2019 (DSUs)	20/5/2020	20/5/2029	N/A	-	7,428	-	-	7,428	-
				472,375	**17,086**	**192,347**	**-**	**297,114**	**254,358**

(2) These equity awards were issued to the individual as a director.

DIRECTORS' REMUNERATION REPORT (continued)

Date of grant	Earliest exercise date	Expiry date	Exercise price (US$)	No. at 1 January 2019 (£0.50 shares)	Options/ RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2019 (£0.50 shares)	Vested but unexercised at 31 December 2019 (£0.50 shares)
Dr. L. Ekman (2)									
10/2/2010 (options)	10/8/2010	10/2/2020	1.03	120,000	-	120,000	-	-	-
10/7/2012 (options)	10/7/2013	10/7/2022	14.4	45,000	-	45,000	-	-	-
9/7/2013 (options)	9/7/2014	9/7/2023	5.58	13,500	-	13,500	-	-	-
9/7/2013 (DSUs)	9/7/2014	9/7/2023	N/A	9,000	-	-	-	9,000	9,000
11/3/2014 (options)	1/1/2015	11/3/2024	1.87	6,390	-	6,390	-	-	-
11/3/2014 (options)	11/3/2015	11/3/2024	1.87	28,500	-	28,500	-	-	-
11/3/2014 (DSUs)	1/1/2015	11/3/2024	N/A	5,348	-	-	-	5,348	5,348
11/3/2014 (DSUs)	11/3/2015	11/3/2024	N/A	24,000	-	-	-	24,000	24,000
6/7/2015 (options)	6/7/2016	6/7/2025	2.5	45,645	-	45,645	-	-	-
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	62,500	-	-	-	62,500	62,500
11/7/2016 (options)	11/7/2017	11/7/2026	2.19	35,258	-	35,258	-	-	-
11/7/2016 (DSUs)	11/7/2017	11/7/2026	N/A	25,115	-	-	-	25,115	25,115
15/5/2017 (options)	15/5/2018	15/5/2027	3.06	25,845	-	25,845	-	-	-
15/5/2017 (DSUs)	15/5/2018	15/5/2027	N/A	17,974	-	-	-	17,974	11,983
14/5/2018 (options)	14/5/2019	14/5/2028	3.21	51,671	-	51,671	-	-	-
14/5/2018 (DSUs)	14/5/2019	14/5/2028	N/A	34,269	-	-	-	34,269	11,423
20/5/2019 (options)	20/5/2020	20/5/2029	16.83	-	10,431	-	-	10,431	-
20/5/2019 (DSUs)	20/5/2020	20/5/2029	N/A	-	8,023	-	-	8,023	-
				550,015	**18,454**	**371,809**	**-**	**196,660**	**149,369**

(2) These equity awards were issued to the individual as a director.

DIRECTORS' REMUNERATION REPORT (continued)

Date of grant	Earliest exercise date	Expiry date	Exercise price (US$)	No. at 1 January 2019 (£0.50 shares)	Options/ RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2019 (£0.50 shares)	Vested but unexercised at 31 December 2019 (£0.50 shares)
Ms. K. Peterson (2)									
17/11/2010 (options)	17/11/2011	17/11/2020	3.67	120,000	-	120,000	-	-	-
10/7/2012 (options)	10/7/2013	10/7/2022	14.4	30,000	-	30,000	-	-	-
9/7/2013 (options)	9/7/2014	9/7/2023	5.58	13,500	-	13,500	-	-	-
9/7/2013 (DSUs)	9/7/2014	9/7/2023	N/A	9,000	-	-	-	9,000	9,000
11/3/2014 (options)	11/3/2015	11/3/2024	1.87	28,500	-	-	-	28,500	28,500
11/3/2014 (DSUs)	11/3/2015	11/3/2024	N/A	24,000	-	-	-	24,000	24,000
6/7/2015 (options)	6/7/2016	6/7/2025	2.5	40,502	-	-	-	40,502	40,502
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	58,500
11/7/2016 (options)	11/7/2017	11/7/2026	2.19	28,847	-	-	-	28,847	28,847
11/7/2016 (DSUs)	11/7/2017	11/7/2026	N/A	20,548	-	-	-	20,548	20,548
15/5/2017 (options)	15/5/2018	15/5/2027	3.06	21,146	-	-	-	21,146	21,146
15/5/2017 (DSUs)	15/5/2018	15/5/2027	N/A	14,706	-	-	-	14,706	9,804
14/5/2018 (options)	14/5/2019	14/5/2028	3.21	46,973	-	-	-	46,973	46,973
14/5/2018 (DSUs)	14/5/2019	14/5/2028	N/A	31,153	-	-	-	31,153	10,385
20/5/2019 (options)	20/5/2020	20/5/2029	16.83	-	9,658	-	-	9,658	-
20/5/2019 (DSUs)	20/5/2020	20/5/2029	N/A	-	7,428	-	-	7,428	-
				487,375	**17,086**	**163,500**	**-**	**340,961**	**298,205**

(2) These equity awards were issued to the individual as a director.

DIRECTORS' REMUNERATION REPORT (continued)

Date of grant	Earliest exercise date	Expiry date	Exercise price (US$)	No. at 1 January 2019 (£0.50 shares)	Options/ RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2019 (£0.50 shares)	Vested but unexercised at 31 December 2019 (£0.50 shares)
Mr. P. O'Sullivan (2)									
13/12/2011 (options)	13/12/2012	13/12/2021	6.74	45,000	-	-	-	45,000	45,000
10/7/2012 (options)	10/7/2013	10/7/2022	14.4	30,000	-	-	-	30,000	30,000
9/7/2013 (options)	9/7/2014	9/7/2023	5.58	13,500	-	-	-	13,500	13,500
9/7/2013 (DSUs)	9/7/2014	9/7/2023	N/A	9,000	-	-	-	9,000	9,000
11/3/2014 (options)	11/3/2015	11/3/2024	1.87	28,500	-	-	-	28,500	28,500
11/3/2014 (DSUs)	11/3/2015	11/3/2024	N/A	24,000	-	-	-	24,000	24,000
6/7/2015 (options)	6/7/2016	6/7/2025	2.5	40,502	-	-	-	40,502	40,502
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	58,500
11/7/2016 (options)	11/7/2017	11/7/2026	2.19	28,847	-	-	-	28,847	28,847
11/7/2016 (DSUs)	11/7/2017	11/7/2026	N/A	20,548	-	-	-	20,548	20,548
15/5/2017 (options)	15/5/2018	15/5/2027	3.06	21,146	-	-	-	21,146	21,146
15/5/2017 (DSUs)	15/5/2018	15/5/2027	N/A	14,706	-	-	-	14,706	9,804
14/5/2018 (options)	14/5/2019	14/5/2028	3.21	46,973	-	-	-	46,973	46,973
14/5/2018 (DSUs)	14/5/2019	14/5/2028	N/A	31,153	-	-	-	31,153	10,385
20/5/2019 (options)	20/5/2020	20/5/2029	16.83	-	9,658	-	-	9,658	-
20/5/2019 (DSUs)	20/5/2020	20/5/2029	N/A	-	7,428	-	-	7,428	-
				412,375	**17,086**	**-**	**-**	**429,461**	**386,705**

(2) These equity awards were issued to the individual as a director.

DIRECTORS' REMUNERATION REPORT (continued)

Date of grant	Earliest exercise date	Expiry date	Exercise price (US$)	No. at 1 January 2019 (£0.50 shares)	Options/ RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2019 (£0.50 shares)	Vested but unexercised at 31 December 2019 (£0.50 shares)
Mr. D. Stack (2)									
10/12/2012 (options)	10/12/2013	10/12/2022	9.34	45,000	-	45,000	-	-	-
9/7/2013 (options)	9/7/2014	9/7/2023	5.58	13,500	-	13,500	-	-	-
9/7/2013 (DSUs)	9/7/2014	9/7/2023	N/A	9,000	-	-	-	9,000	9,000
11/3/2014 (options)	11/3/2015	11/3/2024	1.87	28,500	-	28,500	-	-	-
11/3/2014 (DSUs)	11/3/2015	11/3/2024	N/A	24,000	-	-	-	24,000	24,000
6/7/2015 (options)	6/7/2016	6/7/2025	2.5	40,502	-	40,502	-	-	-
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	58,500
11/7/2016 (options)	11/7/2017	11/7/2026	2.19	28,847	-	28,847	-	-	-
11/7/2016 (DSUs)	11/7/2017	11/7/2026	N/A	20,548	-	-	-	20,548	20,548
15/5/2017 (options)	15/5/2018	15/5/2027	3.06	21,146	-	21,146	-	-	-
15/5/2017 (DSUs)	15/5/2018	15/5/2027	N/A	14,706	-	-	-	14,706	9,804
14/5/2018 (options)	14/5/2019	14/5/2028	3.21	46,973	-	46,973	-	-	-
14/5/2018 (DSUs)	14/5/2019	14/5/2028	N/A	31,153	-	-	-	31,153	10,385
20/5/2019 (options)	20/5/2020	20/5/2029	16.83	-	9,658	-	-	9,658	-
20/5/2019 (DSUs)	20/5/2020	20/5/2029	N/A	-	7,428	-	-	7,428	-
				382,375	**17,086**	**224,468**	**-**	**174,993**	**132,237**

(2) These equity awards were issued to the individual as a director.

DIRECTORS' REMUNERATION REPORT (continued)

Date of grant	Earliest exercise date	Expiry date	Exercise price (US$)	No. at 1 January 2019 (£0.50 shares)	Options/ RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2019 (£0.50 shares)	Vested but unexercised at 31 December 2019 (£0.50 shares)
Mr. J. Thero (3)									
21/12/2009 (options)	21/12/2010	21/12/2019	1.35	-	-	-	-	-	-
10/11/2010 (options)	11/11/2010	10/11/2020	3.4	750,000	-	-	-	750,000	750,000
1/2/2012 (options)	29/02/2012	1/2/2022	8.86	83,230	-	-	-	83,230	83,230
2/1/2013 (options)	31/01/2013	2/1/2023	8.1	52,500	-	-	-	52,500	52,500
8/1/2014 (options)	31/01/2014	8/1/2024	2.04	607,500	-	49,025	-	558,475	558,475
2/2/2015 (options)	28/02/2015	2/2/2025	1.02	400,000	-	106,372	-	293,628	293,628
2/2/2015 (RSUs)	31/01/2016	2/2/2025	N/A	-	-	-	-	-	-
2/2/2015 (RSUs)(4)	2/2/2015	2/2/2025	N/A	-	-	-	-	-	-
6/7/2015 (options)	31/07/2015	6/7/2025	2.5	600,000	-	-	-	600,000	600,000
6/7/2015 (options)(4)	31/07/2015	6/7/2025	2.5	800,000	-	36,600	-	763,400	763,400
6/7/2015 (RSUs)	30/09/2015	6/7/2025	N/A	75,000	-	75,000	-	-	-
6/7/2015 (RSUs)(4)	6/7/2015	6/7/2025	N/A	1,265,250	-	1,265,250	-	-	-
1/2/2016 (options)	28/2/2016	1/2/2026	1.4	550,000	-	-	-	550,000	538,550
1/2/2016 (RSUs)	31/1/2017	1/2/2026	N/A	120,000	-	120,000	-	-	-
1/2/2017 (options)	28/2/2017	1/2/2027	2.95	550,000	-	-	-	550,000	401,044
1/2/2017 (RSUs)	31/1/2018	1/2/2027	N/A	239,333	-	119,667	-	119,666	-
1/2/2018 (options)	28/2/2018	1/2/2028	3.8	558,000	-	-	-	558,000	267,375
1/2/2018 (RSUs)	31/1/2019	1/2/2028	N/A	371,000	-	123,667	-	247,333	-
12/3/2018 (RSUs)(4)	30/9/2018	31/12/2027	N/A	970,000	-	-	-	970,000	-
1/2/2019 (options)	15/5/2019	1/2/2029	16.87	-	302,500	-	-	302,500	56,719
1/2/2019 (RSUs)	31/1/2020	1/2/2029	N/A	-	216,100	-	-	216,100	-
				7,991,813	**518,600**	**1,895,581**	**-**	**6,614,832**	**4,364,921**

(3) The equity awards were issued to Mr. Thero as Chief Financial Officer in 2009, as President in 2010, 2012 and 2013, and as President and Chief Executive Officer in 2014 through 2019.

(4) These equity awards are exercisable subject to the achievement of certain financial and clinical performance criteria.

During the year ended 31 December 2019, no other directors have been granted equity awards in the shares in the Company or other group entities.

DIRECTORS' REMUNERATION REPORT (continued)

The market price of the Company's shares at the end of the financial year was US$21.44 and the range of the market prices during the year was between US$12.44 and US$26.12.

Long-term incentive scheme (Audited)
There are no long-term incentive schemes in place in respect of any of the directors.

Share ownership guidelines
The Company believes it is important to align the interests of the directors with those of its shareholders. To this end, in March 2013, the Company established Share Ownership Guidelines for its executive and non-executive directors. The guidelines require that each director maintain an equity interest in the Company at least equal to three times the amount of such director's annual salary or cash retainer. Equity interests that count toward the satisfaction of the ownership guidelines include the value of ordinary shares owned beneficially and ordinary shares issuable, the settlement of restricted stock or restricted stock units, and unvested deferred stock units. The calculation of a director's equity interest, however, does not include the value of share options (whether or not vested), unvested restricted stock, and unvested restricted stock units, except unvested deferred stock units. Directors have five years from the date of the commencement of their appointment as a director to attain these ownership levels. If a director does not meet the guideline by the end of the five-year period, the director is required to hold a minimum of 50% to 100% of the shares resulting from any future equity awards until the guideline is met, net of shares sold or withheld to exercise share options and pay withholding taxes. The Remuneration Committee, however, may make exceptions for any director on whom this requirement could impose a financial hardship. As of the date of this Directors' Remuneration Report, all of the Company's directors have satisfied these ownership guidelines, or have time to do so.

Relative importance of spend on pay
The table below shows the Group's total employee remuneration for the current and prior years and the year-on-year change. There were no dividends distributed in either period.

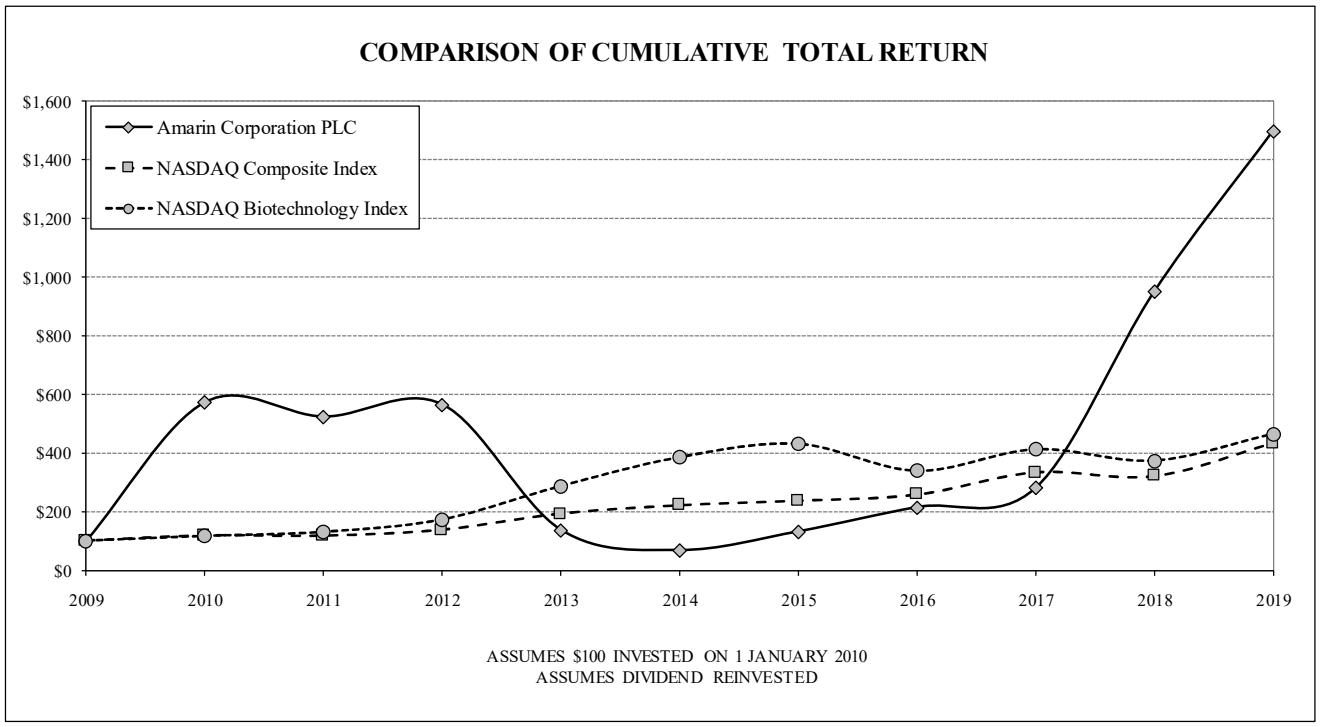
	2019 ($000)	*2018 ($000)*	*Change ($000)*
Employee remuneration	$152,248	$82,077	$70,171

Employee remuneration includes total staff costs as shown in Note 8 to the Group financial statements. The increase in 2019 was primarily the result of increased headcount and related increases in salaries, bonus pay-outs, post-retirement benefits, and non-cash share-based compensation expense.

Total Shareholder Return Performance Graph (Unaudited)
The following graph compares the cumulative ten-year return provided to stockholders of Amarin Corporation plc's ADSs relative to the cumulative total returns of the NASDAQ Composite Index and the NASDAQ Biotechnology Index. We believe these indices are the most appropriate indices against which the total shareholder return of Amarin should be measured. The NASDAQ Biotechnology Index has been selected because it is an index of U.S. quoted biotechnology and pharmaceutical companies. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our ADSs and in each of the indices on 1 January 2010 and its relative performance is tracked through 31 December 2019.

Included in this ten-year time period is the substantial positive impact on the price of Amarin's ADSs in 2018 following presentation and publication of positive REDUCE-IT results and, in late 2019, following approval by the FDA of a new indication and label expansion for Vascepa to reduce cardiovascular risk. Also included in this period is the substantial negative impact on the price of Amarin's ADSs in 2013 when the FDA notified us that it rescinded the ANCHOR study SPA agreement because the FDA determined that a substantial scientific issue essential to determining the effectiveness of Vascepa in the studied population was identified after testing began in the ANCHOR trial. The FDA expressed that this scientific issue arose based on data from the study of other drugs by other companies related to lipid modification. This FDA notification was followed in 2013 by a reduction in force by Amarin and retargeting of the commercial targets for promotion of Vascepa. More recently, during the entire 5-year time period through 31 December 2019, cumulative total return for Amarin's ADSs approximated or exceeded both the NASDAQ Composite Index and NASDAQ Biotechnology Index.

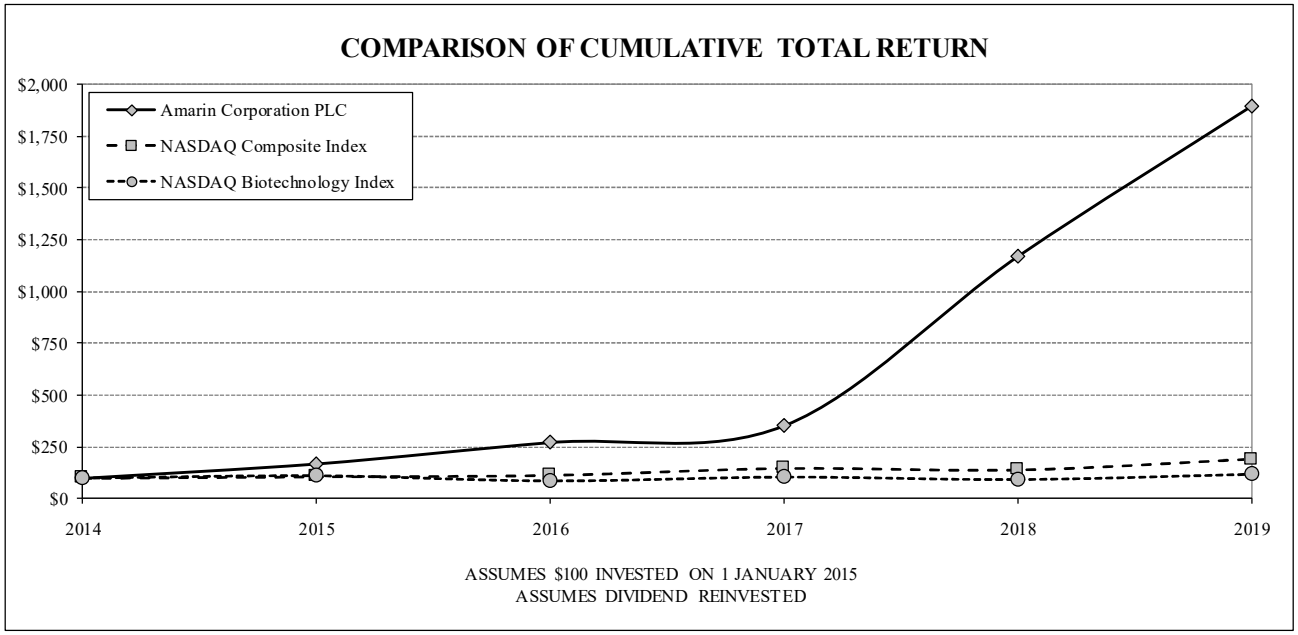
DIRECTORS' REMUNERATION REPORT (continued)



Company/Market/Peer Company	31/12/2010	31/12/2011	31/12/2012	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
Amarin Corporation PLC	573.43	523.78	565.73	137.76	68.53	132.17	215.38	280.42	951.74	1,499.27
NASDAQ Composite Index	118.02	117.04	137.47	192.62	221.02	236.41	257.37	333.65	320.69	433.67
NASDAQ Biotechnology Index	116.06	130.08	172.67	286.67	385.29	430.64	338.7	412.07	373.65	464.86

The following graph compares the cumulative 5-year return provided to stockholders of Amarin's ADSs relative to the cumulative total returns of the NASDAQ Composite Index and the NASDAQ Biotechnology Index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our ADSs and in each of the indices on 1 January 2015 and its relative performance is tracked through 31 December 2019.

DIRECTORS' REMUNERATION REPORT (continued)



Company/Market/Peer Company	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
Amarin Corporation PLC	169.91	272.57	354.87	1171.68	1897.35
NASDAQ Composite Index	106.81	113.88	146.05	139.3	189.82
NASDAQ Biotechnology Index	110.96	86.54	104.77	93.18	118.19

Chief Executive Officer remuneration – Ten-year comparison (Unaudited)

The table below summarises the Chief Executive Officer's single total figure of remuneration, annual and long-term variable performance-related remuneration (and the percentage of the maximum opportunity that these represent) in relation to the past ten years.

Year	Chief Executive Officer	Single total figure of remuneration $	Annual variable element (actual award versus maximum opportunity) $ (and % vesting) (1)(2)			Long-term incentive (vesting versus maximum opportunity) $ (and % vesting) (1)(3)		
2019	J. Thero	36,938,064	635,250	(121.0%)	(17)	35,573,749	(104.8%)	(18)
2018	J. Thero	13,166,763	722,970	(145.0%)	(15)	11,753,051	(47.0%)	(16)
2017	J. Thero	5,372,872	540,000	(117.7%)		4,194,227	(25.7%)	(14)
2016	J. Thero	2,938,875	530,974	(122.0%)		1,803,967	(13.4%)	(13)
2015	J. Thero	1,607,384	638,000	(76.1%)	(8)	430,695	(10.1%)	(9)
2014	J. Thero	762,293	243,750	(42.4%)	(4)	—	(25.7%)	(6)
2013	J. Zakrzewski	759,771	—	(0.0%)	(5)	178,289	(54.0%)	(7)
2012	J. Zakrzewski	9,215,275	305,525	(101.0%)		8,347,750	(45.6%)	(7)
2011	J. Zakrzewski	6,050,030	159,588	(93.6%)		5,568,900	(30.0%)	
2010	J. Zakrzewski (10)	556,630	100,000	(100.0%)		292,500	(27.8%)	
	C. Stewart (11)	116,985	—	(0.0%)		—	(0.0%)	
	D. Doogan (12)	869,203	140,000	(87.5%)		292,500	(38.4%)	

DIRECTORS' REMUNERATION REPORT (continued)

Notes to CEO remuneration table:

(1) The single total figure of remuneration, annual variable element and long-term incentive amounts for 2019 and 2018 are as reported in the total, annual performance-related remuneration, and long-term performance-related remuneration columns, respectively, of the single total figure of remuneration table on page 61. The notes to that table explain how these amounts have been calculated. Amounts for previous years have been computed on the same basis. These amounts, therefore, represent the awards that achieved all performance vesting conditions by the end of the relevant financial year (even if subject to further service conditions). The percentage vesting compared to the maximum opportunity calculates the percentage that the amounts described above bear to the amounts that would have been reported in these columns if the maximum award had vested.
(2) Comprises achievement of annual bonus incentive only unless otherwise specified.
(3) Comprises vesting of time-based share options only unless otherwise specified.
(4) Comprises 75% achievement of annual bonus incentive and 0% achievement of special incentive bonus.
(5) Comprises 0% awarded for annual bonus incentive and 0% vesting of performance-related share options.
(6) Comprises vesting of 100% time-based share options per approved vesting schedules and 0% achievement of long-term performance incentives. 186,252 of share options vested out of a total maximum of 725,564; however, there is no cash value attributable to the vested share options, due to the strike price being lower than the market rate throughout the current year.
(7) Comprises vesting of 100% share options per approved vesting schedules and 33% achievement of long-term performance incentives.
(8) Comprises 100% achievement of annual bonus incentive and 60% achievement in conjunction with special incentive bonuses.
(9) Comprises vesting of 100% time-based share options per approved vesting schedules and 0% achievement of long-term performance incentives.
(10) Mr. Zakrzewski served as CEO beginning 10 November 2010.
(11) Mr. Stewart served as interim CEO for the period 16 August 2010 through 10 November 2010.
(12) Dr. Doogan served as interim CEO for the period 1 January 2010 through 16 August 2010.
(13) Comprises vesting of 100% share options per approved vesting schedules and options vested upon 100% achievement of the 2016 Sales Milestone.
(14) Comprises vesting of 100% share options per approved vesting schedules and options vested upon 100% achievement of the 2017 Sales Milestone.
(15) Comprises 95% achievement of annual corporate bonus incentive plus 50% related to achievement of a pre-defined stretch goal.
(16) Comprises vesting of 100% time-based share options per approved vesting schedules and RSUs vested upon achievement of the REDUCE-IT Milestone.
(17) Comprises 100% achievement of annual corporate bonus incentive plus 21% related to achievement of a pre-defined stretch goal.
(18) Comprises vesting of 100% time-based share options per approved vesting schedules and RSUs vested upon achievement of the Cash Flow Milestone described on page 63.

Comparison of CEO remuneration to employee remuneration (Unaudited)

	CEO remuneration (1)			**Employee remuneration (2)**
	2019 $	**2018 $**	**2019 % increase**	**2019 % increase**
Salaries and fees	697,067	660,383	5.6%	-15.6%
Taxable benefits (3)	26,498	24,859	6.6%	1.3%
Annual variable performance-related remuneration	635,250	722,970	-12.1%	-8.9%
Total	**1,358,815**	**1,408,212**	**-3.5%**	
Single total figure of remuneration (4)	**36,938,064**	**13,166,763**	**180.5%**	

Notes to Comparison of CEO remuneration to employee remuneration table:

(1) CEO remuneration is from the single total figure of remuneration table on page 61.
(2) The % increase in average remuneration for employees of the company taken as a whole is calculated using wages and salaries (excluding share-based payments) of $65,984,000 (2018: $34,635,000), as detailed in Note 8 to the group financial statements, analysed into the three components in the table, and the weighted average number of employees of 580 (2018: 257). The weighted average number of employees was utilised in 2019 and 2018 due to the fact that a large amount of hiring was conducted in the second half of each year to expand the

sales force in preparation for label expansion in 2019 and following REDUCE-IT results in 2018, which in each case skewed the average remuneration due to these new employees having partial-year salaries and benefits and no bonuses. These figures for employees are considered comparable with the components of remuneration required to be included for the CEO.

(3) The Company self-funds its employee health insurance benefits plan, subject to a stop loss. The % increase in taxable benefits is largely the result of an increase in the employer portion of such benefit premiums, which are variable from year to year.

(4) Single total figure of remuneration includes long-term performance-related remuneration and pension-related benefits referenced in the single total figure of remuneration table above on page 61.

The CEO's total remuneration (attributable to salary, taxable benefits and annual variable performance-related remuneration) in 2019 decreased by 3.5%, primarily reflecting an increase in salary substantially offset by a decrease in annual incentive bonus related to a pre-defined stretch goal year over year, while the total remuneration increased by 180.5%, reflecting the vesting of share options upon achievement of the Cash Flow Milestone in addition to increased normal monthly and quarterly vestings, coupled with higher share prices used to value the vested options and RSUs in 2019 compared to 2018. Total average employee remuneration was $191,799 and $218,442 in 2019 and 2018, respectively, on a full-time equivalent basis.

Remuneration Committee

Role and responsibilities of the Remuneration Committee (Unaudited)

The Remuneration Committee, together with the Board, determines the framework for the compensation of the Company's executive officers. The Remuneration Committee also determines the corporate and individual performance goals under the Company's management incentive compensation plan and achievement of these goals, as well as determines the policy for and scope of service agreements for the executive officers and termination payments. While the Remuneration Committee draws on a number of resources, including input from the Chief Executive Officer and independent compensation consultants, to make decisions regarding the Company's executive compensation program, ultimate decision-making authority rests with the Remuneration Committee, subject in key cases to ratification by the Board. The Remuneration Committee relies upon the judgement of its members in making compensation decisions, after reviewing the performance of the Company and evaluating an executive's performance during the year against established goals, operational performance and business responsibilities. In addition, the Remuneration Committee incorporates judgement in the assessment process to respond to and adjust for the evolving business environment.

Members of the Remuneration Committee (Unaudited)

The Remuneration Committee consists exclusively of non-executive directors. The members of the Remuneration Committee during the year were:

Mr. David Stack (Chairman)
Mr. Jan van Heek
Ms. Kristine Peterson

Each member of the Remuneration Committee attended at least 75% of the scheduled meetings in 2019.

Effective 1 January 2020, the members of the Remuneration Committee are:

Mr. David Stack (Chairman)
Mr. Jan van Heek
Ms. Kristine Peterson

DIRECTORS' REMUNERATION REPORT (continued)

Remuneration advisors to the Remuneration Committee (Unaudited)

The Remuneration Committee retains the services of Radford, an Aon Hewitt Company, or Radford, as independent external compensation consultants. The mandate of the consultants include assisting the Remuneration Committee in its review of executive and director compensation practices, including the competitiveness of pay levels, executive compensation design and benchmarking with the Company's peers in the industry. The Remuneration Committee regularly evaluates the performance of its compensation consultants, considers alternative compensation consultants and has the final authority to engage and terminate such services.

The Remuneration Committee has assessed the independence of Radford and concluded that no conflict of interest exists that would prevent Radford from serving as an independent consultant to the Remuneration Committee. The total fees paid or payable to Radford in respect of its services to the Remuneration Committee during the year were approximately $112,000. The fees charged for major projects are normally negotiated as fixed fees in advance (and this was the case in the financial year) whereas fees associated with the ongoing support to the Remuneration Committee are charged on a "time spent" basis.

Competitive market benchmarking (Unaudited)

The Remuneration Committee draws on a number of resources to assist in the evaluation of the various components of the Company's executive compensation program. While we do not establish compensation levels based solely on benchmarking, pay practices at other companies are a factor that the Remuneration Committee considers in assessing the reasonableness of compensation and ensuring that our compensation practices are competitive in the marketplace.

Our peer companies used in determining compensation actions in the 2019 fiscal year were selected by the Remuneration Committee with the support of Radford, which beginning in 2011 has been retained to conduct comprehensive reviews of the Company's executive compensation practices. Our peer companies were selected in consultation with Radford on the basis of their similarity to us in terms of competition for talent, their status as a commercial or near-commercial stage company, phase of products in development, financial attributes, research and development expenditures, and market capitalisation. Radford also qualitatively evaluated each company based on business focus and corporate strategy.

The Remuneration Committee considered the foregoing analysis in selecting the following 20 publicly-traded peer companies for use in determining compensation actions in the 2019 fiscal year:

Acorda Therapeutics*	Exelixis	Pacira Pharmaceuticals*
Akcea Therapeutics	Halozyme Therapeutics*	PTC Therapeutics
Alnylam Pharmaceuticals, Inc.	ImmunoGen, Inc.*	Repligen Corporation*
AMAG Pharmaceuticals*	Intercept Pharmaceuticals	Spectrum Pharmaceuticals*
Clovis Oncology, Inc.	Ionis Pharmaceuticals	Supernus Pharmaceuticals*
Corcept Therapeutics*	Ironwood Pharmaceuticals	Vanda Pharmaceuticals*
Eagle Pharmaceuticals*	Momenta Pharmaceuticals*	

*Included in prior-year peer group.

In addition to the peer group above, the Remuneration Committee also reviews competitive compensation data from the Radford Global Survey Suite. For 2019 compensation decisions, the Radford survey group included publicly traded biotechnology and pharmaceutical companies with between 100 and 1,000 employees. Radford assessed Amarin's 2019 compensation against market pay elements such as base salary, target short-term incentives as a percentage of base salary, target total cash compensation, long-term incentives and target total direct compensation. Additionally, Amarin's incumbent officers were matched to benchmark positions according to each officer's primary responsibilities.

The Remuneration Committee reviews the Company's list of peer companies periodically to reflect changes in market capitalisation, developments at the Company relative to its peer companies, and other factors.

DIRECTORS' REMUNERATION REPORT (continued)

Summary of the principal activity of the Remuneration Committee during 2019 (Unaudited)

The summary below provides a description of the Remuneration Committee's activities during 2019:

- Review of the 2018 Directors' Remuneration Report;
- Review of compensation trend analysis and assessment of competitive market benchmarking;
- Review of outcomes of the annual performance evaluation;
- Determination of annual bonus incentive and equity awards for performance during 2018;
- Review of special incentive bonus award program;
- Evaluation of the performance and effectiveness of the Remuneration Committee as part of the overall Board evaluation; and
- Assessment of the Company's overall compensation structure to determine effectiveness in retention of employees.

Matters for consideration in 2020 (Unaudited)

During 2020, the Remuneration Committee will focus on reviewing and assessing the appropriateness of current executive remuneration packages and targets and reviewing remuneration arrangements and ensuring that they continue to attract and retain talent.

Statement of shareholder voting (Unaudited)

The table below sets out the voting by the Company's shareholders on the resolution to approve the Directors' Remuneration Report (and included within the directors' remuneration policy) at the Annual General Meeting of Shareholders held on 9 July 2013, including votes for, against and withheld:

	Total number of votes	*% of votes cast*
For	57,475,361	96.5
Against	2,104,038	3.5
Withheld*	598,950	N/A
Total votes cast	60,178,349	

*A vote "withheld" is not counted in the calculation of the proportion of votes "for" and "against" a resolution

The Remuneration Committee is pleased to note that 96.5% of shareholders approved the 2012 Directors' Remuneration Report. We appreciate the continuing support of our shareholders and value their views.

On behalf of the board

/s/ David Stack

David Stack
Chairman of the Remuneration Committee
April 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare such financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMARIN CORPORATION PLC

Opinion

In our opinion:

- Amarin Corporation plc's Group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Amarin Corporation plc which comprise:

Group	**Parent company**
Consolidated Balance Sheet as at 31 December 2019	Balance Sheet as at 31 December 2019
Consolidated Income Statement for the year then ended	
Consolidated Statement of Changes in Equity for the year then ended	Statement of Changes in Equity for the year then ended
Consolidated Cash Flow Statement for the year then ended	Cash Flow Statement for the year then ended
Related notes 1 to 35 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards to the Parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ((ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Group and Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMARIN CORPORATION PLC (continued)

Overview of our audit approach

Key audit matters	• Gross-to-net revenue adjustments particularly in relation to the rebates and estimated product return accruals.
Audit scope	• We work as an integrated primary team with EY US and performed an audit of the Group at a consolidation level. • We also performed an audit of the complete financial information of the standalone Parent Company.
Materiality	• Overall Group materiality of $4.0m which represents 0.94% of operating expenses, given the Group continues to be loss making.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	**Our response to the risk**	**Key observations communicated to the Audit Committee**
Gross-to-net revenue adjustments particularly in relation to the rebates and estimated product return accruals. ($545.5m, PY comparative $256.1m.5m) *Refer to the Accounting policies (page 106); and the significant judgements and estimates made in respect of recognising revenue on page 110 Consolidated Financial Statements.* We have identified a risk in respect of improper revenue recognition in relation to under recognition of gross-to-net adjustments particularly in relation to the rebates (see page 106) and estimated product return accruals (see page 106).	To address the areas of identified higher risk, we have completed procedures as follows: Rebates procedures o We updated our understanding of the rebates to customers and other government programs process, performed a walkthrough of this process and evaluated the design, including the precision of review type controls, in this area. We tested relevant controls over the identified risks, including the controls over the data and assumptions used in the analysis. These controls were mainly manual controls and monthly reconciliation detect controls as well as management review controls.	Based on the procedures performed, we did not identify any evidence of material misstatement in the net revenue recognised in the year ended to 31 December 2019.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
We recognised the risk of pressure for management to meet revenue targets may result in understatement of the rebates and returns reserve and therefore overstatement of net revenue.	➢ We performed substantive audit procedures, which included testing of the key assumptions used in the calculation and accrual of rebates due to Medicare, Medicaid, MCOs and other third-party customers: o Obtained an understanding and tested inputs to the Company's rebate pricing calculations o Performed a look-back of actual rebates remitted or invoiced as compared to estimated rebates after year-end and also as recorded in prior year compared to current year rebates. o Vouched a sample of actual rebate payments made, evaluated changes to legacy rebate programs or new rebate programs and their overall impact on the accrual. o And performed analytical procedures over accrued rebate balances. ➢ We evaluated the appropriateness of the financial statement presentation and disclosure. <u>Product returns procedures</u> ➢ We obtained an understanding performed a walkthrough of the process and evaluated the design and tested the operating effectiveness of the controls over the Company's estimation process for product returns including inventory in the distribution channel. These procedures included controls over management's review of the inputs used and assumptions applied in the returns reserve calculation and channel inventory analysis. ➢ We tested management's historical return rate calculation and testing the completeness and accuracy of sales and returns data used in the calculation. ➢ We also performed analysis on daily sales to identify any unusual trends or spikes that are not in line with expectations, obtaining evidence to corroborate explanations on the identified movements.	Based on the procedures performed, we did not identify any evidence of material misstatement in the net revenue recognised in the year ended to 31 December 2019.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	➢ We compared product expiration dates in the calculation to the related quality control documentation ➢ We assessed the historical accuracy of management's estimate and performed analytical procedures to assess the correlation of monthly sales to distributors and monthly patient prescriptions. ➢ We analysed channel inventory data at the end of each quarterly period (including year-end) compared to actual prescription date subsequent to each quarter-end to identify any significant lag within the channel, obtaining evidence to corroborate explanations on the identified movements. ➢ We confirmed prescription data directly with a third party and confirmed contract terms directly with significant customers to determine that no side arrangements or deals exist that would indicate wholesaler would return products back to the Company after fiscal year end. Also tested credit memos issued subsequent to year-end for recording in the proper period. ➢ We read significant customer contracts and performed direct inquiries with management including the sales, legal, and contracting departments to identify any terms or conditions not included in customer contracts that could impact the estimate of product returns. ➢ We evaluated the appropriateness of the financial statement presentation and disclosure.	

In the prior year, our auditor's report included a key audit matter in relation to rebates and estimated product return accruals which is consistent with the current year.

Emphasis of matter – Post balance sheet events

We draw attention to the Note 35 of the financial statements, which describes a) the economic and social disruption the company is facing as a result of COVID-19 which is impacting supply chains, consumer demand and personnel available for work and or being able to access offices and b) the ruling in in favour of generic companies in the company's patent litigation. Our opinion is not modified in this respect.

An overview of the scope of our audit

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we have audited the Group at a consolidated level given the Group finance function operates principally from Bridgewater, New Jersey. The Group has centralised processes and controls over the key areas of our audit focus with responsibility lying with Group management for all estimation processes and significant risk areas. We have tailored our audit response accordingly and thus all of our focus areas, audit procedures were undertaken directly by the Group audit team.

Team structure

The Group is required to prepare consolidated financial statements in both the UK and the US, as a UK registered Company whose shares are traded on the NASDAQ. The company's principal executives and offices are based in the US and the Republic of Ireland therefore audit team has included members based in UK, US and Ireland and the overall audit strategy is directed and supervised by the UK audit partner.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be $4.0 million (2018: $4.0 million), which is 0.9% (2018: 1.4% of operating expenses) of net revenue. We believe that net revenue provides us with appropriate basis for materiality as the Group continues to be loss making and based on our historical experience with the Company we believe that investors are more focused on revenue. Other earnings-based measures such as EBITDA and EBIT are in loss positions. The basis of materiality has changed from operating expenses to net revenue and we believe that this is more appropriate given the investors focus is on revenue.

We determined materiality for the Parent Company to be $11.0 million (2018: $6.6 million), which is 1% (2018: 1%) of assets. Materiality for the Parent Company is higher than for Group, due to the underlying basis on which it is calculated. 'AMCO' is the holding company of Amarin Group. The activities of the company are limited to intercompany recharges including the management fee and interest on intercompany loans and therefore we believe assets is the most suitable basis on which to calculate materiality.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2018: 75%) of our planning materiality, namely $3m (2018: $3m). In the current year we have set performance materiality 75% as there have been no events outside the normal course of business, there have been no material corrected misstatements and the uncorrected misstatements are not indicative of a pattern of repeated misstatements or indicate management bias.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $200k (2018: $200k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report as set out on pages 1-79, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMARIN CORPORATION PLC (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 79, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Etherington (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
Date: 28th April 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMARIN CORPORATION PLC (continued)

Notes:

1. The maintenance and integrity of the Amarin Corporation plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

AMARIN CORPORATION PLC
CONSOLIDATED INCOME STATEMENT
(Amounts in US$, in thousands, except per share data)

	Note	31 December 2019	31 December 2018
Continuing operations:			
Product revenue		427,391	228,371
Licensing Revenue	5	2,364	843
Cost of goods sold		(96,019)	(54,544)
Gross margin		333,736	174,670
Expenses:			
Research and development		(35,255)	(53,978)
General and administrative		(331,386)	(229,773)
Total operating expenses	6	(366,641)	(283,751)
Operating loss	13	**(32,905)**	**(109,081)**
Finance income	11	8,499	1,074
Finance costs	12	(13,429)	(17,794)
Change in fair value & extinguishment of derivatives	24	(1,162)	(131,018)
Loss before tax		**(38,997)**	**(256,819)**
Income tax change	14	(376)	(1,312)
Loss after tax for the financial year		**(39,373)**	**(258,131)**
Loss attributable to owners of the Parent		**(39,373)**	**(258,131)**
Basic and diluted loss per ordinary share	15	(0.11)	(0.87)
Shares used in calculation of basic and diluted loss per share attributable to owners of the Parent		342,538	297,237

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the consolidated income statement and, accordingly, no separate consolidated statement of comprehensive loss has been prepared.

The accompanying notes are an integral part of the financial statements.

AMARIN CORPORATION PLC
CONSOLIDATED BALANCE SHEET
(Amounts in US$, in thousands)

	Note	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Intangible assets	16	18,016	10,257
Property, plant and equipment	17	2,331	15
Right-of-use assets	34	8,278	—
Other long-term assets	18	1,074	174
Deferred tax assets	14	—	—
Total non-current assets		**29,699**	**10,446**
Current Assets			
Other taxation and social security		35	12
Trade receivables	19	116,430	67,503
Other current assets	21	12,850	3,545
Inventory	22	76,769	57,802
Cash and cash equivalents		648,495	250,727
Total current assets		**854,579**	**379,589**
Total assets		**884,278**	**390,035**
LIABILITIES			
Current liabilities			
Trade and other payables	23	189,391	122,960
Contract liabilities	5	2,342	1,221
Provisions	25	94	190
Short-term debt, net	24	47,938	—
Total current liabilities		**239,765**	**124,371**
Net current assets		**614,814**	**255,218**
Non-current liabilities			
Long-term debt, net	24	—	71,238
Provisions	25	3,617	10,389
Contract liabilities	5	18,504	19,495
Lease liabilities	34	9,443	—
Total non-current liabilities		**31,564**	**101,122**
Total liabilities		**271,329**	**225,493**
Net assets		**612,949**	**164,542**
EQUITY			
Share capital	27	268,884	246,374
Preference shares	27	21,850	21,850
Share premium account		1,290,726	837,767
Other capital reserves		139,988	139,988
Share-based payment reserve		170,577	140,459
Capital redemption reserve		27,633	27,633
Treasury shares		(35,900)	(10,414)
Foreign currency translation adjustment		(2,572)	(2,572)
Retained deficit		(1,268,237)	(1,236,543)
Total equity		**612,949**	**164,542**

The financial statements of Amarin Corporation plc (registered number 2353920) were approved by the Board of Directors and authorised for issue on 28 April 2020.

They were signed on its behalf by

/s/ John F. Thero

John F. Thero
Director

The accompanying notes are an integral part of the financial statements.

AMARIN CORPORATION PLC
PARENT COMPANY BALANCE SHEET
(Amounts in US$, in thousands)

	Note	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Investment in subsidiaries	20	616,277	523,284
Total non-current assets		**616,277**	**523,284**
Current Assets			
Other current assets	21	1,147	46
Cash and cash equivalents		566,551	189,112
Total current assets		**567,698**	**189,158**
Total assets		**1,183,975**	**712,442**
LIABILITIES			
Current liabilities			
Trade payables and other payables	23	126	115
Total current liabilities		126	115
Net current assets		**567,572**	**189,043**
Long-term payable to subsidiaries	20	—	6,025
Total non-current liabilities		—	**6,025**
Total liabilities		126	**6,140**
Net assets		**1,183,849**	**706,302**
EQUITY			
Capital and reserves attributable to owners of the Parent Company			
Share capital	27	268,884	246,374
Preference shares	27	21,850	21,850
Share premium account		1,290,726	837,767
Other capital reserves		139,988	139,988
Share-based payment reserve		153,617	123,500
Capital redemption reserve		27,633	27,633
Treasure shares		(35,900)	(10,414)
Foreign currency translation adjustment		832	832
Retained deficit		(683,781)	(681,228)
Total shareholders' equity		**1,183,849**	**706,302**

As permitted by section 408 of the Companies Act 2006, the Parent's Income Statement has not been included in these financial statements. The company incurred a loss of $10.2 million (2018: loss of $157.3 million). Please see the statement of changes in equity for details of the Parent's results.

The financial statements of Amarin Corporation plc (registered number 2353920) were approved by the Board of Directors and authorised for issue on 28 April 2020.

They were signed on its behalf by

/s/ John F. Thero

John F. Thero
Director

The accompanying notes are an integral part of the financial statements.

AMARIN CORPORATION PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Amounts in US$, in thousands)

	Share capital	Preferred Stock	Share premium	Other Capital Reserves	Share-based payment reserve	Capital redemption reserve	Treasury shares	Foreign currency transla-tion reserve	Retained deficit	Total
At 1 January 2018	208,479	24,364	547,837	—	128,210	27,633	(4,230)	(2,572)	(976,794)	(47,073)
Change arising from adoption of IFRS15	—	—	—	—	—	—	—	—	(8,646)	(8,646)
At 1 January 2018 **restated**	208,479	24,364	547,837	—	128,210	27,633	(4,230)	(2,572)	(985,440)	(55,719)
Comprehensive loss:										
Loss for the period	—	—	—	—	—	—	—	—	(258,131)	(258,131)
Total comprehensive loss	—	—	—	—	—	—	—	—	(258,131)	(258,131)
Transactions with owners:										
Conversion of preferred shares	2,514	(2,514)	(39)	—	—	—	—	—	—	(39)
Exchange of exchangeable senior notes, net of transaction costs	5,011	—	25,062	139,988	—	—	—	—	—	170,061
Issuance of common stock, net of transaction costs	21,744	—	242,974	—	—	—	—	—	—	264,718
Share issuances	8,626	—	21,933	—	(10,142)	—	(6,184)	—	7,028	21,261
Share-based payments	—	—	—	—	22,391	—	—	—	—	22,391
Total transactions with owners	37,895	(2,514)	289,930	139,988	12,249	—	(6,184)	—	7,028	478,392
At 31 December 2018	246,374	21,850	837,767	139,988	140,459	27,633	(10,414)	(2,572)	(1,236,543)	164,542
Comprehensive loss:										
Loss for the period	—	—	—	—	—	—	—	—	(39,373)	(39,373)
Total comprehensive loss	—	—	—	—	—	—	—	—	(39,373)	(39,373)
Transactions with owners:										
Conversion of preferred shares	—	—	—	—	—	—	—	—	—	—
Issuance of common stock, net of transaction costs	16,052	—	430,272	—	—	—	—	—	—	446,324
Share issuances	6,458	—	22,687	—	(10,181)	—	(25,486)	—	7,679	1,157
Share-based payments	—	—	—	—	40,299	—	—	—	—	40,299
Total transactions with owners	22,510	—	452,959	—	30,118	—	(25,486)	—	7,679	487,780
At 31 December 2019	268,884	21,850	1,290,726	139,988	170,577	27,633	(35,900)	(2,572)	(1,268,237)	612,949

The accompanying notes are an integral part of the financial statements.

AMARIN CORPORATION PLC
PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
(Amounts in US$, in thousands)

	Share capital	Preferred Stock	Share premium	Other Capital Reserves	Share-based payment reserve	Capital redemp-tion reserve	Treasury shares	Foreign currency transla-tion reserve	Retained deficit	Total
At 1 January 2018	208,479	24,364	547,837	—	111,251	27,633	(4,230)	832	(530,954)	385,212
Comprehensive loss:										
Loss for the period	—	—	—	—	—	—	—	—	(157,302)	(157,302)
Total comprehensive loss	—	—	—	—	—	—	—	—	(157,302)	(157,302)
Transactions with owners:										
Conversion of preferred shares	2,514	(2,514)	(39)	—	—	—	—	—	—	(39)
Exchange of exchangeable senior notes, net of transaction costs	5,011	—	25,062	139,988	—	—	—	—	—	170,061
Issuance of common stock, net of transaction costs	21,744	—	242,974	—	—	—	—	—	—	264,718
Share issuances	8,626	—	21,933	—	(10,142)	—	(6,184)	—	7,028	21,261
Share-based payments	—	—	—	—	22,391	—	—	—	—	22,391
Total transactions with owners	37,895	(2,514)	289,930	139,988	12,249	—	(6,184)	—	7,028	478,392
At 31 December 2018	246,374	21,850	837,767	139,988	123,500	27,633	(10,414)	832	(681,228)	706,302
Comprehensive loss:										
Loss for the period	—	—	—	—	—	—	—	—	(10,232)	(10,232)
Total comprehensive loss	—	—	—	—	—	—	—	—	(10,232)	(10,232)
Transactions with owners:										
Conversion of preferred shares	—	—	—	—	—	—	—	—	—	—
Issuance of common stock, net of transaction costs	16,052	—	430,272	—	—	—	—	—	—	446,324
Share issuances	6,458	—	22,687	—	(10,182)	—	(25,486)	—	7,679	1,156
Share-based payments	—	—	—	—	40,299	—		—	—	40,299
Total transactions with owners	22,510	—	452,959	—	30,117	—	(25,486)	—	7,679	487,779
At 31 December 2019	268,884	21,850	1,290,726	139,988	153,617	27,633	(35,900)	832	(683,781)	1,183,849

The accompanying notes are an integral part of the financial statements.

AMARIN CORPORATION PLC
CONSOLIDATED CASH FLOW STATEMENT
(Amounts in US$, in thousands)

	Note	31 December 2019	31 December 2018
Net cash outflow from operating activities	9	(11,612)	(86,205)
Cash flows from investing activities			
Interest received		7,437	1,074
Purchase of property, plant and equipment		(2,477)	—
Purchase of intangibles		—	(2,789)
Net cash inflow/(outflow) from investing activities		4,960	(1,715)
Cash flows from financing activities			
Proceeds from issue of share capital		467,130	292,285
Expenses on issue of share capital		(379)	(161)
Repayments of debt		(30,875)	(20,477)
Acquisition of treasury stock		(25,486)	(6,184)
Interest paid		(5,970)	(1,053)
Net cash inflows from financing activities		404,420	264,410
Net increase in cash and cash equivalents		397,768	176,490
Cash and cash equivalents at the beginning of the year		250,727	74,237
Cash and cash equivalents at the end of the year		648,495	250,727

The accompanying notes are an integral part of the financial statements.

AMARIN CORPORATION PLC
PARENT COMPANY CASH FLOW STATEMENT
(Amounts in US$, in thousands)

	Note	31 December 2019	31 December 2018
Net cash outflow from operating activities	10	$ (70,815)	$ (119,604)
Net cash inflow from investing activities		—	—
Cash flows from financing activities			
Proceeds from issue of share capital	27	467,130	292,285
Expenses on issue of share capital	27	(379)	(161)
Acquisition of treasury stock		(25,486)	(6,184)
Interest received		6,989	—
Net cash inflow from financing activities		448,254	285,940
Net increase in cash and cash equivalents		377,439	166,336
Cash and cash equivalents at the beginning of the year		189,112	22,776
Cash and cash equivalents at the end of the year		566,551	189,112

The accompanying notes are an integral part of the financial statements.

1. Going Concern

The accompanying consolidated financial statements of the Group have been prepared on a basis which assumes that the Group will continue as a going concern, which contemplates the realisation of assets and the satisfaction of liabilities and commitments in the normal course of business.

At 31 December 2019, the Group had cash balances of approximately $648.5 million. This represents year over year increase of $397.8 million. The increase is primarily due to completing a public offering of 22,222,223 ADS with each ADS representing one ordinary share at a price of $18.00 per ADS, $17.235 per ADS after commission, on 18 July 2019. In addition, we granted the underwriters a 30-day option to purchase up to an additional 3,333,333 ADS at the same price per ADS. On 29 July 2019, the underwriters exercised the full option. This public offering, including the exercised option, resulted in net proceeds of $440.1 million, after deducting customary commissions and offering expenses.

The Group‘s focus is on commercialisation of Vascepa following the 13 December 2019 FDA approval of Vascepa as the first and only drug approved by the FDA as an adjunct to maximally tolerated statin therapy for reducing persistent cardiovascular risk in select high risk patients. Management has considered various scenarios reflecting differing market conditions, including the continuing spread of the COVID-19 virus and the measures being adopted in much of the world to address it. Management expects as a result of these considerations, together with current planned expenditures, purchase commitments, existing cash resources and latest sales information, that the Group will have sufficient cash to enable it to meet its liabilities as they fall due for at least 12 months from approval of these financial statements.

Therefore, after making enquiries, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the accounts.

2. Basis of Preparation

Basis of Accounting

The financial statements have also been prepared in accordance with IFRSs adopted by the European Union.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

New accounting standards

The following standards and interpretations have been issued but are not yet effective (or in some cases have not yet been adopted by the European Union):

- IFRS 17 Insurance Contracts
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 – Definition of Material
- Amendments to IFRS 3 – Definition of a Business

The Company believes that the impact of these recently issued but not yet adopted accounting pronouncements will not have a material impact on the Company’s consolidated financial position, results of operations, and cash flows in future periods, or do not apply to the Company’s operations.

In the current year, the Group has applied IFRIC 23 ‘Uncertainty over Income Tax Treatments’ that is effective for annual periods that begin on or after 1 January 2019. IFRIC 23 addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 ‘Income Taxes’. The Group assessed whether the interpretation had an impact on its consolidated financial statements, determined that it did, and made a provision of $134,291 for the identified uncertain tax positions in the current financial year. There was no comparable provision was recorded in the prior year.

2. Basis of Preparation (continued)

New accounting standards (continued)

In the current year, the Group has applied IFRS 16 'Leases' that is effective for annual periods that begin on or after 1 January 2019. IFRS 16 'Leases' replaces IAS 17 'Leases' and introduces new or amended requirements with respect to lease accounting. The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is outlined in Note 34.

Accounting Policies

The preparation of financial statements in conformity with IFRS as adopted by the European Union and as issued by the IASB requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Group undertakings during the year had the following nature of business:

Trading companies: Amarin Pharmaceuticals Ireland Limited
Research and development companies: Amarin Pharma, Inc.
Intermediary funding company: Corsicanto Designated Activity Company (DAC) & Corsicanto II Designated Activity Company (DAC)
Dormant companies: Amarin Neuroscience Limited *&* Ester Neurosciences Limited

All of the above listed companies are wholly-owned subsidiaries and included in the consolidated financial statements of Amarin Corporation plc. Corsicanto Designated Activity Company (DAC) was dissolved on 15 January 2019. In addition, Corsicanto II Designated Activity Company (DAC) was placed into liquidation on 27 September 2019.

See Note 20 for further information on the investment of the Company in its subsidiaries.

(b) Intangible assets and research and development expenditure

In-process research and development

Acquired in-process research and development ("IPR&D") is stated at cost less accumulated amortisation and impairments. Acquired IPR&D arising on acquisitions is capitalised and amortised on a straight-line basis over its estimated useful economic life, which is the patent life of the intangible asset. The useful economic life commences upon generation of economic benefits relating to the acquired IPR&D.

2. Basis of Preparation (continued)

(b) Intangible assets and research and development expenditure (continued)

Cost is defined as the amount of cash or cash equivalents paid, or the fair value of other consideration given. When IPR&D is acquired and the consideration is settled using the Group's equity instruments, the IPR&D is stated at fair value at the date of acquisition. In cases where the fair value of the IPR&D acquired cannot be measured reliably, the fair value capitalised at

the date of acquisition is measured by reference to the fair value of the equity instruments granted as consideration.

Intangible assets not yet available for use are not subject to amortisation but are tested for impairment at least annually. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's research and development activities conducted to provide evidence of product efficacy is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. To date, all research and development costs have been written off as incurred and are included within operating expenses. Research and development costs include staff costs, professional and contractor fees and external services.

Capitalisation of technological rights

Technological rights arising from the Group's research and development activities are recognised as it is probable that the asset created will generate future economic benefits.

Impairment of intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Basis of Preparation (continued)

(b) Intangible assets and research and development expenditure (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Amortisation of intangible assets

Capitalised research and development costs are amortised over the period over which the company is expected to benefit. This period has been estimated to be an average of 12.8 years. Computer software is also held as an intangible asset and has an estimated economic life of five years. The company assesses the appropriateness of the economic life at each reporting period.

Licenses and other intangible assets

Separately acquired licenses and other intangible assets are shown at historical cost. Licenses and other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Licenses and other intangible assets have a finite life and are carried at cost less accumulated amortisation. Amortisation commences when the asset is available for use and is calculated using the straight line method over their estimated useful lives.

(c) Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in U.S. dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use,

  which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in a foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss or partial disposal of the net investment.

2. Basis of Preparation (continued)

(c) Foreign currencies (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified in other comprehensive income and accumulated in equity (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Depreciation is calculated using the straight-line method to write down the value of assets to their residual value over their estimated useful lives as follows:

Short leasehold	2 to 5 years
Fixtures and fittings	5 years
Computer equipment	5 years

(e) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short term nature of these liabilities.

(f) Investments in subsidiary undertakings

Investments in subsidiary undertakings are shown at cost less any provision for impairment. Cost includes loans advanced to/received from subsidiary undertakings that are considered to form part of the net investment in the subsidiary undertakings. Investments in subsidiaries also include the cost of recharges to subsidiary undertakings for share-based payment expense incurred by the Parent company.

(g) Leases

The group implemented IFRS 16 from 1 January 2019 using the modified retrospective method. Therefore, for the prior year, the relevant accounting policy for leases was IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

2. Basis of Preparation (continued)

(g) Leases *(continued)*

Under these standards rentals arising under operating leases were recognised as an expense in the period in which they incurred. In the event that lease incentives were received to enter into operating leases, such incentives were recognised as a liability. The aggregate benefit of incentives was recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

The adoption of IFRS 16 did not result in any lease liabilities as at 1 January 2019 and can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	$'000
Operating lease commitments as at 31 December 2018	200
Less: Commitments related to short-term leases	(200)
Lease liabilities at 1 January 2019	-

For any new contracts entered into on or after 1 January 2019, and therefore under the new IFRS 16 accounting policy, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- whether the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- whether the Group has the right to direct the use of the identified asset throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2. Basis of Preparation (continued)

(g) Leases *(continued)*

On the statement of financial position, right-of-use assets have been included as a separate category in non-current assets and as a lease liability, under current and non-current liabilities.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease, except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(h) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
The Group's financial assets at amortised cost includes trade receivables and loan to Subsidiaries under other non-current financial assets.

2. Basis of Preparation (continued)

(h) Financial assets (continued)

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets
Aside from this note, other disclosures relating to impairment of financial assets (trade receivables) are included in Note 2.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(i) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

2. Basis of Preparation (continued)

(i) Financial liabilities (continued)

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(j) Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

2. Basis of Preparation (continued)

(j) Current and deferred taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Uncertain Tax Position

Where an uncertain tax position is identified, management will make a judgement as to what the probable outcome will be. Where it is assessed that an economic outflow is probable to arise a provision is made for the best estimate of the liability.

(k) Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 29.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Save As You Earn (SAYE) share options granted to employees are treated as cancelled when employees cease to contribute to the scheme. This results in accelerated recognition of the expenses that would have arisen over the remainder of the original vesting period.

For cash-settled shared-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and, for the purposes of the cash flow statement, bank overdrafts are included within cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(m) Provisions and contingencies

A provision is recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefit will be required to settle the obligation and it is reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Included in provisions are onerous leases.

A contingent liability is disclosed where the existence of the obligation is considered more than remote.

2. Basis of Preparation (continued)

(m) Provisions and contingencies (continued)

Contingent consideration payable under collaborative agreements is recognised when it is probable that any cash flow of economic benefit will be required and can be measured reliably. Payments relating to the funding of research are expensed and payments relating to the acquisition of an asset are capitalised. Provisions are re-measured at each balance sheet date based on the best estimate of the settlement amount.

(n) Finance income and costs

Finance income comprises interest income on cash and cash equivalents, gains on the disposal of available-for-sale financial assets and foreign currency gains on financing activities. Interest income is recognised on a time proportion basis using the effective interest method.

Finance costs comprise foreign currency losses incurred on financing activity, impairment losses on financial assets and borrowing costs. Borrowing costs are allocated to financial reporting periods over the effective life of the related borrowings using the effective interest method.

(o) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its own ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible debentures, share options and warrants granted. If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the balance sheet date but before the financial statements are authorised for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

(p) Segment reporting

A segment is a distinguishable component of the Group that is engaged in either providing related products or services which is subject to risks and rewards that are different from those of other segments. The Chief Operating Decision-Maker has been identified as our Chief Executive Officer. The Chief Executive Officer reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined that commercialisation of Vascepa is the one operating segment.

(q) Capital redemption reserve

The capital redemption reserve comprises deferred shares previously in issue which were cancelled.

(r) Patent costs

The Group undertakes to protect its intellectual property using patent applications. Costs associated with such applications are written off as incurred where they relate to ongoing development expenditure that is also not capitalised. Acquired patent costs arising on acquisitions are capitalised and amortised on a straight-line basis over their estimated useful economic lives. The useful economic life commences upon generation of economic benefits relating to the acquired patent.

2. Basis of Preparation (continued)

(s) Inventory

Inventory is stated at the lower of cost or net realisable value. The Company capitalises inventory purchases of saleable product from approved suppliers. Cost is determined based on actual cost. An allowance is established when management determines that certain inventory may not be saleable. If inventory cost exceeds net realisable value due to obsolescence or quantities in excess of expected demand, the Company will record a provision for the difference between cost and net realisable value.

(t) Revenue recognition

The Company sells Vascepa principally to a limited number of major wholesalers, as well as selected regional wholesalers and specialty pharmacy providers, or collectively, its Distributors, that in turn resell Vascepa to retail pharmacies for subsequent resale to patients and healthcare providers. Patients are required to have a prescription in order to purchase Vascepa. In accordance with IFRS 15, revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Company has contracts with its primary Distributors and delivery occurs when a Distributor receives Vascepa. The Company evaluates the creditworthiness of each of its Distributors to determine whether revenues can be recognised upon delivery, subject to satisfaction of the other requirements, or whether recognition is required to be delayed until receipt of payment or when the product is utilised. In order to determine the transaction price, the Company must be able to (i) calculate its gross product revenues from the sales to Distributors and (ii) reasonably estimate its net product revenues. The Company calculates gross product revenues based on the wholesale acquisition cost that the Company charges its Distributors for Vascepa. The Company estimates its net product revenues by deducting from its gross product revenues (a) trade allowances, such as invoice discounts for prompt payment and distributor fees, (b) estimated government and private payor rebates, chargebacks and discounts, such as Medicaid reimbursements, (c) reserves for expected product returns and (d) estimated costs of incentives offered to certain indirect customers, including patients.

Trade Allowances: The Company generally provides invoice discounts on Vascepa sales to its Distributors for prompt payment and pays fees for distribution services, such as fees for certain data that Distributors provide to the Company. The payment terms for sales to Distributors generally include a 2% discount for payment within 30 days while the fees for distribution services are based on contractual rates agreed with the respective Distributors. Based on judgement and experience, the Company expects its Distributors to earn these discounts and fees, and deducts the full amount of these discounts and fees from its gross product revenues and accounts receivable at the time such revenues are recognised.

Rebates, Chargebacks and Discounts: The Company contracts with Medicaid, other government agencies and various private organisations, or collectively, Third-party Payors, so that Vascepa will be eligible for purchase by, or partial or full reimbursement from, such Third-party Payors. The Company estimates the rebates, chargebacks and discounts it will provide to Third-party Payors and deducts these estimated amounts from its gross product revenues at the time the revenues are recognised. The Company estimates the rebates, chargebacks and discounts that it will provide to Third-party Payors based upon (i) the Company's contracts with these Third-party Payors, (ii) the government-mandated discounts applicable to government-funded programs, (iii) information obtained from the Company's Distributors and (iv) information obtained from other third parties regarding the payor mix for Vascepa.

Product Returns: The Company's Distributors have the right to return unopened unprescribed Vascepa during the 18-month period beginning six months prior to the labeled expiration date and ending twelve months after the labeled expiration date. The expiration date for Vascepa is three years after it has been converted into capsule form, which is the last step in the manufacturing process for Vascepa and generally occurs within a few months before Vascepa is delivered to Distributors. As of 31 December 2019, the Company had experienced a de minimis quantity of product returns. The Company estimates future product returns on sales of Vascepa based on: (i) data provided to the Company by its Distributors (including weekly reporting of Distributors' sales and inventory held by Distributors that provided the Company with visibility into the distribution channel in order to determine what quantities were sold to retail pharmacies and other providers), (ii) information provided to the Company from retail pharmacies, (iii) data provided to the Company by a third-party data provider which collects and

2. Basis of Preparation (continued)

(t) Revenue recognition (continued)

publishes prescription data, and other third parties, (iv) historical industry information regarding return rates for similar pharmaceutical products, (v) the estimated remaining shelf life of Vascepa previously shipped and currently being shipped to Distributors and (vi) contractual agreements intended to limit the amount of inventory maintained by the Company's Distributors.

Other Incentives: Other incentives that the Company offers to indirect customers include co-pay mitigation rebates provided by the Company to commercially insured patients who have coverage for Vascepa and who reside in states that permit co-pay mitigation programs. The Company's co-pay mitigation program is intended to reduce each participating patient's portion of the financial responsibility for Vascepa's purchase price to a specified dollar amount. Based upon the terms of the program and information regarding programs provided for similar specialty pharmaceutical products, the Company estimates the average co-pay mitigation amounts and the percentage of patients that it expects to participate in the program in order to establish its accruals for co-pay mitigation rebates and deducts these estimated amounts from its gross product revenues at the time the revenues are recognised. The Company adjusts its accruals for co-pay mitigation rebates based on actual redemption activity and estimates regarding the portion of issued co-pay mitigation rebates that it estimates will be redeemed.

The following table summarizes activity in each of the net product revenue allowance and reserve categories described above for the years ended 31 December 2019 and 2018:

In thousands	Trade Allowances	Rebates, Chargebacks and Discounts	Product Returns	Other Incentives	Total
Balance as of January 1, 2018	**$ 12,035**	**$ 32,064**	**$ 1,887**	**$ 2,107**	**$ 48,093**
Provision related to current period sales	46,002	190,329	1,211	20,732	258,274
Provision related to prior period sales	—	(1,845)	—	(69)	(1,914)
Credits/payments made for current period sales	(29,202)	(148,857)	—	(19,307)	(197,366)
Credits/payments made for prior period sales	(9,340)	(30,057)	(150)	(2,296)	(41,843)
Balance as of December 31, 2018	**$ 19,495**	**$ 41,634**	**$ 2,948**	**$ 1,167**	**$ 65,244**
Provision related to current period sales	92,378	403,865	2,430	47,169	545,842
Provision related to prior period sales	—	(324)	—	—	(324)
Credits/payments made for current period sales	(63,288)	(312,790)	5	(43,416)	(419,489)
Credits/payments made for prior period sales	(19,324)	(41,388)	(804)	(1,200)	(62,716)
Balance as of December 31, 2019	**$ 29,261**	**$ 90,997**	**$ 4,579**	**$ 3,720**	**$ 128,557**

Such net product revenue allowances and reserves are included within accrued expenses and other current liabilities within the consolidated balance sheets, with the exception of trade allowances and chargebacks, which are included within accounts receivable, net as discussed below.

Multiple-Element Arrangements and Licensing Revenue

When evaluating multiple-element arrangements, the Company identifies the deliverables included within the agreement and evaluates which deliverables represent separate units of accounting based on whether the delivered element has stand-alone value to the customer or if the arrangement includes a general right of return for delivered items.

The consideration received is allocated between each of the separable elements in the arrangement using the relative selling price method. The selling price used for each separable element will be based on vendor specific objective evidence ("VSOE") if available, third-party evidence if VSOE is not available, or estimated selling price if neither VSOE nor third-party evidence is available. Revenue is then recognised as each of the separable elements to which the revenue has been allocated is delivered.

The Company may receive up-front, non-refundable payments when licensing its intellectual property in conjunction with research, development and commercialisation agreements. In determining the units of accounting, management evaluates whether the licence has stand-alone value from the undelivered elements to the collaborative partner based on the consideration of the relevant facts and circumstances for each arrangement. Factors considered in this determination include

2. Basis of Preparation (continued)

(t) Revenue recognition (continued)

the stage of development of the licence delivered, research and development capabilities of the partner and the ability of partners to develop and commercialise Vascepa independent of the Company.

When management believes the licence to its intellectual property does not have stand-alone value from the other deliverables to be provided in the arrangement, the Company generally recognises revenue attributable to the licence over the Company's contractual or estimated performance period. Any unrecognised portion of licence revenue is classified within contract liabilities in the accompanying consolidated balance sheets. When management believes the licence to its intellectual property has stand-alone value, the Company recognises revenue attributed to the licence upon delivery. The periods over which revenue is recognised is subject to estimates by management and may change over the course of the agreement. Such a change could have a material impact on the amount of revenue the Company records in future periods.

During the year, the Company re-examined the approval timelines surrounding Vascepa in China (pursuant to the Development, Commercialization and Supply Agreement with Eddingpharm). As such, the Company determined that the estimated NDA filing date is Q1 2020, resulting in an increase in the period over which the upfront payment and milestone payments received will be amortised. As this represents a change in estimate, the Company accounted for the difference in amortisation prospectively, in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Milestones

Contingent consideration from activities that is earned upon the achievement of a substantive milestone is recognised in its entirety in the period in which the milestone is achieved. At the inception of each arrangement that includes milestone payments, the Company evaluates whether each milestone is substantive. This evaluation includes an assessment of whether: (a) the consideration is commensurate with either (1) the entity's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the entity's performance to achieve the milestone, (b) the consideration relates solely to past performance and (c) the consideration is reasonable relative to all of the deliverables and payment terms within the arrangement. The Company evaluates factors such as the scientific, clinical, regulatory, commercial and other risks that must be overcome to achieve the respective milestone, the level of effort and investment required and whether the milestone consideration is reasonable relative to all deliverables and payment terms in the arrangement in making this assessment.

(u) Distribution Costs

The Company records distribution costs related to shipping product to its customers, primarily through the use of common carriers or external distribution services, in cost of goods sold.

(v) Costs for Patent Litigation and Legal Proceedings

Costs for patent litigation or other legal proceedings are expensed as incurred and included in selling, general and administrative expenses.

(w) Concentration of Suppliers

The Company has contractual freedom to source the API for Vascepa and to procure other services supporting its supply chain and has entered into long-term supply agreements with multiple FDA-approved API suppliers and encapsulators.

The Company cannot provide assurance that its efforts to procure uninterrupted supply of Vascepa to meet market demand will continue to be successful or that it will be able to renew current supply agreements on favorable terms or at all. Significant alteration to or termination of the Company's current supply chain or its failure to enter into new and similar agreements in a timely fashion, if needed, could have a material adverse effect on its business, condition (financial and other), prospects or results of operations.

2. Basis of Preparation (continued)

(w) Concentration of Suppliers (continued)

The Company currently has manufacturing agreements with multiple independent FDA-approved API manufacturers and several independent FDA-approved API encapsulators and packagers for Vascepa manufacturing. Each of these companies has qualified and validated its manufacturing processes and is capable of manufacturing Vascepa. There can be no guarantee that these or other suppliers with which the Company may contract in the future to manufacture Vascepa will remain qualified to do so to its specifications or that these and any future suppliers will have the manufacturing capacity to meet anticipated demand for Vascepa.

(x) Equity Reserves

The equity reserves recorded in the Group's Statement of Financial Position include:

Share-based payment Reserves: This item includes reserves related to the issuance of shares related to the exercise of share options.

Capital Redemption Reserve: This item includes deferred shares previously in issue, which were cancelled.
Foreign currency translation Reserve: This item is used to record exchange differences arising from the translation of the net investment in foreign operations.

Preference shares: This item includes convertible preference shares in issue.

(y) Classification as liability or equity

The fundamental principle of IAS 32 is that a financial instrument should be classified as either a financial liability or an equity instrument according to the substance of the contract, not its legal form, and the definitions of financial liability and equity instrument. The company makes the decision at the time the instrument is initially recognised. The classification is not subsequently changed based on changed circumstances.

(z) Preference shares

Preference share can be classified as a financial liability or equity. If the company issues preference (preferred) shares that pay a fixed rate of dividend and that have a mandatory redemption feature at a future date, the substance is that they are a contractual obligation to deliver cash and, therefore, should be recognised as a liability. In contrast, preference shares that do not have a fixed maturity, and where the issuer does not have a contractual obligation to make any payment are equity.

(aa) Treasury shares

The cost of an entity's own equity instruments that it has reacquired ('treasury shares') is deducted from equity. Gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received is recognised directly in equity.

3. Critical Judgements in Applying the Group's Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based on our financial statements and notes, which have been prepared in accordance with IFRS. The preparation of these financial statements requires us to make estimates and judgements that affect the reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, we evaluate our estimates and judgements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgements 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. A summary of our significant accounting policies is contained in Note 2.

3. Critical Judgements in Applying the Group's Accounting Policies (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of investments

Determining whether investments for the Parent Company are impaired requires an estimation of the future cash flows associated with each investment. The value in use calculation requires the entity to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate present value.

Accounting for debt, including derivative liabilities

Determining the valuation and the classification of the Group's debt, including derivative liabilities, is a key area of judgement. Management has reviewed the terms of the debt instruments to determine the most appropriate accounting treatment for the liability and associated derivative. In addition, they have assessed the future cash flows used in measuring the liability and the derivative.

Accounting for revenue

The Group calculates gross product revenues based on the wholesale acquisition cost that the Group charges its Distributors for Vascepa. The Group estimates its net product revenues by deducting from its gross product revenues (a) trade allowances, such as invoice discounts for prompt payment and distributor fees, (b) estimated government and private customer rebates, chargebacks and discounts, such as Medicaid reimbursements, (c) reserves for expected product returns and (d) estimated costs of incentives offered to certain indirect customers, including patients. The quantification of such gross to net sales deductions requires the use of judgement.

Share-based payments

The cost of employee services received (compensation expenses) in exchange for awards of equity instruments are recognised based upon the grant date fair value of stock options and stock. The grant date fair value of stock options is estimated using a Binomial Lattice option valuation model. This valuation model requires the use of assumptions, including expected stock price volatility, the estimated life of each award and the estimated dividend yield. The risk-free interest rate used in the model is determined, based on a US treasury zero-coupon gilt yield with a life equal to the expected life of the equity-settled share-based payments. Our current share-based payment plans do not provide for cash settlement of options and stock.

4. Segment Information

The Chief Executive Officer reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined there is one operating segment based on these reports, which is commercialisation of Vascepa. There is also only one geographical segment, being the United States of America.

Net revenue from the Company's three largest customers, each representing more than 10% overall revenue, amounted to $119,307,090, $105,182,000, & $157,891,721 (2018: $66,029,120, $60,576,856, & $71,557,118). A significant portion of the Company's sales are to wholesalers in the pharmaceutical industry. In addition, the Company's revenues are predominantly generated from operations within the United States of America.

5. Development, Commercialisation and Supply Agreement

In-licences

Mochida Pharmaceutical Co., Ltd.

In June 2018, the Company entered into a collaboration agreement with Mochida Pharmaceutical Co., Ltd. ("Mochida") related to the development and commercialisation of drug products and indications based on the active pharmaceutical ingredient in Vascepa, the omega-3 acid, EPA (eicosapentaenoic acid). Among other terms in the agreement, the Company obtained an exclusive licence to certain Mochida intellectual property to advance the Company's interests in the United States and certain other territories and the parties will collaborate to research and develop new products and indications based on EPA for the Company's commercialisation in the United States and certain other territories. The potential new product and indication opportunities contemplated under this agreement are currently in early stages of development.

Upon closing of the collaboration agreement, the Company made a non-refundable, non-creditable upfront payment of approximately $2.7 million, which was capitalized as an intangible asset on the consolidated balance sheet as of 31 December 2018. In addition, the agreement provides for the Company to pay milestone payments upon the achievement of certain product development milestones and royalties on net sales of future products arising from the collaboration, if any.

Out-licences:

Eddingpharm (Asia) Macao Commercial Offshore Limited

In February 2015, the Company entered into a Development, Commercialisation and Supply Agreement (the "DCS Agreement") with Eddingpharm (Asia) Macao Commercial Offshore Limited ("Eddingpharm") related to the development and commercialisation of Vascepa in Mainland China, Hong Kong, Macau and Taiwan, or the China Territory. Under the terms of the DCS Agreement, the Company granted to Eddingpharm an exclusive (including as to the Company) licence with right to sublicence to develop and commercialise Vascepa in the China Territory for uses that are currently commercialised and under development by the Company based on the Company's MARINE, ANCHOR and REDUCE-IT clinical trials of Vascepa.

Under the DCS Agreement, Eddingpharm is solely responsible for development and commercialisation activities in the China Territory and associated expenses. The Company provides development assistance and is responsible for supplying finished and later bulk drug product at defined prices under negotiated terms. The Company retains all Vascepa manufacturing rights. Eddingpharm agreed to certain restrictions regarding the commercialisation of competitive products globally and the Company agreed to certain restrictions regarding the commercialisation of competitive products in the China Territory.

The Company and Eddingpharm agreed to form a joint development committee to oversee regulatory and development activities for Vascepa in the China Territory in accordance with a negotiated development plan and to form a separate joint commercialisation committee to oversee Vascepa commercialisation activities in the China Territory. Development costs are paid by Eddingpharm to the extent such costs are incurred in connection with the negotiated development plan or otherwise incurred by Eddingpharm. Eddingpharm is responsible for preparing and filing regulatory applications in all countries of the China Territory at Eddingpharm's cost with the Company's assistance. The DCS Agreement also contains customary provisions regarding indemnification, supply, record keeping, audit rights, reporting obligations, and representations and warranties that are customary for an arrangement of this type.

The term of the DCS Agreement expires, on a product-by-product basis, upon the later of (i) the date on which such product is no longer covered by a valid claim under a licenced patent in the China Territory, or (ii) the twelfth (12th) anniversary of the first commercial sale of such product in Mainland China. The DCS Agreement may be terminated by either party in the event of a bankruptcy of the other party and for material breach, subject to customary cure periods. In addition, at any time following the third anniversary of the first commercial sale of a product in Mainland China, Eddingpharm has the right to terminate the DCS Agreement for convenience with twelve months' prior notice. Neither party may assign or transfer the DCS Agreement without the prior consent of the other party, provided that the Company may assign the DCS Agreement in the event of a change of control transaction.

5. Development, Commercialisation and Supply Agreement (continued)

Upon closing of the DCS Agreement, the Company received a non-refundable $15.0 million up-front payment. In March 2016, Eddingpharm submitted its clinical trial application ("CTA") with respect to the MARINE indication for Vascepa to the Chinese regulatory authority. Following the CTA submission, the Company received a non-refundable $1.0 million milestone payment. In March 2017, the CTA was approved by the Chinese regulatory authority and, in December 2017, Eddingpharm commenced a pivotal clinical trial aimed to support the regulatory approval of the first indication of Vascepa in a patient population with severe hypertriglyceridemia in Mainland China.

In addition to the non-refundable, up-front and regulatory milestone payments described above, the Company is entitled to receive certain regulatory and sales-based milestone payments of up to an additional $153.0 million as well as tiered double-digit percentage royalties on net sales of Vascepa in the China Territory escalating to the high teens. The regulatory milestone events relate to the submission and approval of certain applications to the applicable regulatory authority, such as a clinical trial application, clinical trial exemption, or import drug licence application. The amounts to be received upon achievement of the regulatory milestone events relate to the submission and approval for three indications, and range from $2.0 million to $15.0 million for a total of $33.0 million. The sales-based milestone events occur when annual aggregate net sales of Vascepa in the territory equals or exceeds certain specified thresholds, and range from $5.0 million to $50.0 million for a total of $120.0 million. Each such milestone payment shall be payable only once regardless of how many times the sales milestone event is achieved. Each such milestone payment is non-refundable and non-creditable against any other milestone payments.

The Company assessed this arrangement in accordance with IFRS 15 and concluded that the contract counterparty, Eddingpharm, is a customer. The Company identified the following performance obligations at the inception of the DCS Agreement: (1) the exclusive licence to develop and commercialise Vascepa in the China Territory for uses that are currently commercialised and under development by the Company, (2) the obligation to participate in various steering committees, and (3) ongoing development and regulatory assistance. Based on the analysis performed, the Company concluded that the identified performance obligations are not distinct and therefore a combined performance obligation.

The transaction price includes the $15.0 million up-front consideration received and the $1.0 million milestone payment received related to the successful submission of the CTA for the MARINE indication. None of the other clinical or regulatory milestones have been included in the transaction price, as all milestone amounts were fully constrained. As part of its evaluation of the constraint, the Company considered numerous factors, including that receipt of the milestones is outside the control of the Company and contingent upon success in future clinical trials and the licensee's efforts. Any consideration related to sales-based milestones (including royalties) will be recognised when the related sales occur as they were determined to relate predominantly to the licence granted to Eddingpharm and therefore have also been excluded from the transaction price. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

During the years ended 31 December 2019 and 31 December 2018, the Company recognised $0.3 million and $0.1 million, respectively, as licensing revenue related to the up-front and milestone payments received in connection with the Eddingpharm agreement. Through 31 December 2019 and 31 December 2018, the Company has recognised $3.0 million and $2.8 million, respectively, as licensing revenue under the DCS Agreement concurrent with the support provided by Amarin to Eddingpharm in achieving the combined performance obligation, which in the Company's judgement is the best measure of progress towards satisfying the performance obligation. The remaining transaction price of $13.0 million and $13.2 million is recorded in contract liabilities as of 31 December 2019 and 31 December 2018, respectively, on the balance sheets and will be recognised as revenue over the remaining period of 15 years.

Biologix FZCo

In March 2016, the Company entered into an agreement with Biologix FZCo ("Biologix"), a company incorporated under the laws of the United Arab Emirates, to register and commercialise Vascepa in several Middle Eastern and North African countries. Under the terms of the distribution agreement, the Company granted to Biologix a non-exclusive licence to use its trademarks in connection with the importation, distribution, promotion, marketing and sale of Vascepa in the Middle East and North Africa territory. Upon closing of the agreement, the Company received a non-refundable up-front payment, which will be recognised as revenue over 10 years commencing upon first marketing approval of Vascepa in the territory. The Company is entitled to receive all payments based on total product sales and pays Biologix a service fee in exchange for its services, whereby the service fee represents a percentage of gross selling price which is subject to a minimum floor price.

5. Development, Commercialisation and Supply Agreement (continued)

In March 2018 and July 2018, the Company received approval for Vascepa as a prescription medication for use in Lebanon and United Arab Emirates, respectively, as an adjunct to diet to reduce triglyceride levels in adult patients with severe hypertriglyceridemia. The Company recognized net product revenue of approximately $0.7 million and $0.1 million as of 31 December 2019 and 2018, respectively.

HLS Therapeutics, Inc.

In September 2017, the Company entered into an agreement with HLS Therapeutics Inc. ("HLS"), a company incorporated under the laws of Canada, to register, commercialise and distribute Vascepa in Canada. Under the agreement, HLS will be responsible for regulatory and commercialisation activities and associated costs. The Company is responsible for providing assistance towards local filings, supplying finished product under negotiated supply terms, maintaining intellectual property, and continuing the development and funding of REDUCE-IT related activities.

Upon closing of the agreement, the Company received one-half of a non-refundable $5.0 million up-front payment, and received the remaining half on the six-month anniversary of the closing. Following achievement of the REDUCE-IT trial primary endpoint, which was announced in September 2018, the Company received a non-refundable $2.5 million milestone payment. Following approval from Health Canada in December 2019, the company received a non-refundable milestone payment of $2.5 million in February 2020. In addition to the non-refundable, up-front payment, the Company is entitled to receive certain regulatory and sales-based milestone payments of up to an additional $53.8 million, as well as tiered double-digit royalties on net sales of Vascepa in Canada.

The Company assessed this arrangement in accordance with IFRS 15 and concluded that the contract counterparty, HLS, is a customer. The Company identified the following performance obligations at the inception of the contract: (1) licence to HLS to develop, register, and commercialise Vascepa in Canada, (2) support general development and regulatory activities, and (3) participate in various steering committees. Based on the analysis performed, the Company concluded that the identified performance obligations in the agreement are not distinct and therefore a combined performance obligation.

The transaction price includes the $5.0 million up-front consideration, the $2.5 million milestone related to the achievement of the REDUCE-IT trial primary endpoint and the $2.5 million milestone related to obtaining approval from Health Canada. The other regulatory milestone has not been included in the transaction price, as it was fully constrained. As part of its evaluation of the constraint, the Company considered numerous factors, including that receipt of the milestone is outside the control of the Company and contingent upon the licensee's efforts. Any consideration related to sales-based milestones (including royalties) will be recognized when the related sales occur and therefore have also been excluded from the transaction price. The Company will re-evaluate the transaction price in each reporting period and as uncertain events are resolved or other changes in circumstances occur.

During the years ended 31 December 2019 and 2018, the Company recognized $2.1 million and $0.6 million, respectively, as licensing revenue related to upfront and milestone payments received in connection with the HLS agreement. From the contract's inception through 31 December 2019 and 2018, the Company has recognized $2.9 million and $0.9 million, respectively, as licensing revenue is recognized under the agreement concurrent with the support provided by Amarin to HLS in achieving this performance obligation, which in the Company's judgment is the best measure of progress towards satisfying the combined development and regulatory performance obligation. The remaining transaction price of $7.1 million and $6.6 million is recorded in contract liabilities as of 31 December 2019 and 2018, respectively, on the balance sheets and will be recognized as revenue over the remaining period of 11 years.

Licensing and Contract Liabilities

Licensing and contract liabilities currently consist of revenue attributable to receipt of up-front, non-refundable payments and milestone payments as described above. Up-front and milestone payments under such agreements are typically recognised as licensing revenue over the estimated period in which the Company is required to provide regulatory and development support and clinical and commercial supply pursuant to the agreements. During the years ended 31 December 2019 and 2018, the Company recognised $2.4 million and $0.8 million of up-front and milestone payments as licensing revenue, respectively, and recorded $20.8 million and $20.7 million as contract liability as of 31 December 2019 and 2018, respectively.

5. Development, Commercialisation and Supply Agreement (continued)

In terms of IFRS 15, the Company adjusted its 2018 opening retained earnings and contract liabilities balances by $8.6 million. The adjustment relates solely to the Company's licensing revenues and the timing over which certain non-refundable upfront and milestone payments received from Eddingpharm (Asia) Macao Commercial Offshore Limited and HLS Therapeutics Inc is to be recognised.

The 31 December 2019 following table presents changes in the balances of the Company's contract assets and liabilities during the year ended 31 December 2019 and 2018:

In thousands	Balance at Beginning of Period	IFRS 15 adoption	Additions	Deductions	Balance at End of Period
Year ended 31 December 2019:					
	$	$	$	$	$
Contract assets	—	—	—	—	—
Contract liabilities	$20,716	$ —	$2,500	$(2,370)	$20,846
Year ended 31 December 2018:					
	$	$	$	$	$
Contract assets	—	—	—	—	—
Contract liabilities	$10,411	$8,648	$2,500	$(843)	$20,716

During the year ended 31 December 2019, the Company recognized the following revenues as a result of changes in the contract asset and contract liability balances in the respective periods:

In thousands	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue recognized in the period from:		
Amounts included in contract liability at the beginning of the period	$ 1,633	$ 650
Performance obligations satisfied in previous periods	$ 299	$ 193

6. Operating Expenses – Consolidated

	Note	2019	2018
Operating expenses		**$'000**	**$'000**
General research and administrative expenses		313,069	251,871
Employee benefit expenses		10,954	8,030
Depreciation of property, plant and equipment		161	12
Depreciation of right-of-use assets	34	717	—
Amortisation of software		19	11
Amortisation of technology rights		679	646
Operating lease expenses		743	790
Share-based payments	29	40,299	22,391
Total operating expenses		**366,641**	**283,751**

7. Directors' Emoluments

	2019	2018
	$'000	$'000
Salary, fees, and bonus	1,802	1,843
Share-based compensation	8,422	7,351
Gain on exercise of options	56,042	17,855
Aggregate emoluments	**66,266**	**27,049**

Total remuneration of Directors (including benefits in kind) includes amounts paid to:

Highest paid Director

	2019	2018
	$'000	$'000
Salary, fees, and bonus	1,332	1,383
Share-based compensation	7,058	6,242
Gain on exercise of options	28,630	14,256
Aggregate emoluments	**37,020**	**21,881**

8. Employee Information

The average monthly number of persons (including Executive Directors) employed by the Group during the year was:

	2019 Number	2018 Number
Marketing and administration	619	276
Research and development	20	18
	639	294

	$'000	$'000
Staff costs (for the above persons):		
Wages and salaries	110,287	58,609
Post-retirement benefits	1,379	717
Termination payments	283	360
IFRS 2 share-based payment	40,299	22,391
	152,248	82,077

The Company made contributions of $1.1 million to its defined contribution plan in 2019 (2018: $0.7 million).

9. Consolidated Group Cash Flow Statement

	2019	2018
	$'000	$'000
Cash flows from operating activities		
Loss after tax for the year	(39,373)	(258,131)
Adjustments for:		
Depreciation of property, plant and equipment	161	12
Amortisation of technology rights	679	646
Amortisation of software	19	11
Increase / (Decrease) in carrying value of debt	1,162	(2,315)
Loss on extinguishment of 2017 notes	—	133,333
Share-based payment expense	40,299	22,391
Income tax expense	376	1,216
Operating cash flows before movements in working capital	3,323	(102,837)
Increase in other liabilities	—	15,031
Increase in trade receivables	(48,927)	(21,205)
(Decrease)/Increase in other current assets (Other taxation and social securities)	(9,328)	2,813
Decrease in other non-current assets	162	—
Increase in inventory	(18,967)	(27,542)
Increase in current liabilities	64,842	31,991
Decrease in non-current liabilities	(7,577)	—
Cash expended by operations	(16,472)	(101,749)
Income tax paid	—	(850)
Interest received	(8,499)	(1,073)
Interest expense	13,359	17,467
Cash expended on operating activities	(11,612)	(86,205)

10. Parent Company Cash Flow Statements

	2019	2018
	$'000	$'000
Cash flows from operating activities		
Loss after tax for the year	(10,232)	(157,303)
Adjustments for:		
Investment in subsidiaries	(52,375)	(113,343)
Impairment of Investment in subsidiaries	8,827	—
Decrease in long term payables to subsidiaries	(6,025)	72
Loss on extinguishment of notes	—	133,333
Operating cash flows before movements in working capital	(59,805)	(137,241)
Increase in other current assets	(39)	(2)
Decrease in current liabilities	11	—
Cash expended by operations	(59,833)	(137,243)
Interest received	(12,115)	(4,752)
Interest expense	—	—
Share based payments	1,133	22,391
Cash expended on operating activities	(70,815)	(119,604)

11. Finance Income

	2019	2018
	$'000	$'000
Interest income on short-term bank deposits	8,499	1,074
Foreign exchange gain	—	—
Total finance income	8,499	1,074

12. Finance Costs

	2019	2018
	$'000	$'000
Other finance costs	30	173
Lease interest charge	979	—
Interest expense	12,380	17,467
Foreign exchange loss	40	154
Total finance costs	13,429	17,794

Foreign exchange losses and bank charges

Foreign exchange gains and losses incurred during the years ended 31 December 2019 and 2018 resulted from changes in foreign currency exchange rates on accounts payables.

13. Loss for the Year

	2019	2018
	$'000	$'000
Loss for the year is stated after charging		
Depreciation charge for the period:		
Owned property, plant and equipment	132	5
Property, plant and equipment held under finance leases	29	7
Amortisation	679	657
Auditor's remuneration:		
Fees payable to the company's auditor and associates for:		
The audit of the company's annual & subsidiary accounts	1,193	1,114
Other assurance services	268	365
Taxation compliance services	7	7
Taxation advisory services	100	12
Other services	160	—
Operating lease charges:		
Other operating lease charges	1,459	806

In order to maintain the independence of the external auditor, the Board has determined policies as to what non-audit services can be provided by the Group's external auditor and the approval processes related to them.

Auditor's remuneration includes fees payable to Ernst & Young LLP, United Kingdom and Ernst & Young LLP, United States for the audits for the fiscal years ended 31 December 2019 and 2018.

13. Loss for the Year (continued)

Policies for non-audit services

The Audit Committee is responsible for the development, implementation and monitoring of the Group's policy on external audit. The policy assigns oversight responsibility for monitoring the independence, objectivity and compliance with ethical and regulatory requirements to the Audit Committee. It states that the external auditor is jointly responsible to the board and the Audit Committee and that the Audit Committee is the primary contact. The policy also sets out the categories of non-audit services which the external auditor will and will not be allowed to provide to the Group.

14. Taxation

	2019	2018
	$'000	$'000
Tax on loss before taxation:		
Current year tax expense	(376)	(96)
Deferred tax provision	—	(1,216)
Total tax charge	**(376)**	**(1,312)**

The following items represent the principal reasons for the differences between corporate income taxes computed at the Irish statutory tax rate and the total tax charge for the year.

	2019	2018
	$'000	$'000
Loss before taxation	(38,997)	(256,819)
Notional taxation charge at Irish corporation tax rate of 12.5% (2018: 12.5%)	4,875	32,102
State taxes	(242)	(80)
Tax effects of expenses that are not deductible	(2,951)	(18,788)
Tax effects of income that is not taxable	11,337	3,755
Tax effects of movement in relation to share based payments	(2,162)	(465)
Losses carried forward	(12,276)	(16,210)
Losses utilised	(1,572)	(594)
Unrecognised accelerated capital allowances and other timing differences	(1,461)	(147)
Other	(168)	(259)
Change in deferred tax asset	—	(724)
Difference between Irish trading and passive tax rate	1,557	594
Difference between Irish and overseas tax rate	2,687	(496)
Total tax charge	**(376)**	**(1,312)**

The Group balance sheet as at 31 December 2019 and 2018 included a tax liability of nil.

The Group had a provision for uncertain tax position at 31 December 2019 of $134,291 (2018: $nil) related to R&D state tax credits for its US subsidiary. The provision was required as a result of new accounting standard IFRIC 23 'Uncertainty over Income Tax Treatments' that is effective for annual periods that begin on or after 1 January 2019.

As outlined under risks in the Strategic Report the rules regarding determination of tax residence changed effective January 1, 2020, when a modified Ireland-UK DTA came into effect pursuant to the OECD's Multilateral Instrument, or MLI. Under the modified Ireland-UK DTA, from January 1, 2020, we would be solely tax resident in Ireland and not tax resident in the UK if we continued to be centrally managed and controlled in Ireland and if it were mutually agreed between the Irish and UK tax authorities under the MLI "tie-breaker rule" that we are solely tax resident in Ireland. Having made the relevant submission under the amended provisions, we received confirmation effective January 1, 2020 of the mutual agreement of Irish and UK tax authorities that we are solely tax resident in Ireland for the purposes of the modified DTA.

14. Taxation (continued)

On 22 December 2017, the U.S. enacted the Act that instituted fundamental changes to the taxation of multinational corporations. The Act includes changes to the taxation of foreign earnings by implementing a dividend exemption system, expansion of the current anti-deferral rules, a minimum tax on low-taxed foreign earnings and new measures to deter base erosion. The Act also includes a permanent reduction in the corporate tax rate to 21%, repeal of the corporate alternative minimum tax, expensing of capital investment, and limitation of the deduction of interest expense. Furthermore, as part of the transition to the new tax system, a one-time transition tax is imposed on a U.S. shareholder's historical undistributed earnings of foreign affiliates. Although the Act was generally effective 1 January 2018, IFRS required recognition of the tax effects of new legislation during the reporting period that included the enactment date, which was 22 December 2017. The primary impact of the Act on the Company related to the re-measurement of deferred tax assets and liabilities resulting from the change in the corporate tax rate from 34% to 21%.

The corporate tax rate in Israel is 23%. The corporate tax rate in the UK is 19%. The corporate tax rate in Ireland is 12.5% for profits on trading activities and 25% for non-trading activities. For the years ended 31 December 2019 and 2018 the Company's tax rate was 12.5%, which has therefore been applied in the reconciliation above.

Tax losses carried forward in Amarin Corporation plc at 31 December 2019 and 2018 were $152,925,000 and $148,724,000, respectively.

Tax losses carried forward in Amarin Neuroscience Limited at 31 December 2019 and 2018 were $42,565,000 and $40,959,000, respectively, subject to confirmation by UK tax authorities.

Tax losses carried forward in Amarin Pharmaceuticals Ireland Limited at 31 December 2019 and 2018 were $577,721,000 and $556,118,000, respectively.

Tax losses carried forward in Corsicanto Limited at 31 December 2019 and 2018 were $— and $6,907,000, respectively.

Tax losses carried forward in Ester Neurosciences Limited at 31 December 2019 and 2018 were $12,494,000 and $12,481,000, respectively, subject to confirmation by Israeli tax authorities.

Tax losses carried forward in Amarin Pharmaceuticals Inc. at 31 December 2019 and 2018 were $99,524,000 and $10,352,000, respectively.

The Group has an unrecognised deferred tax asset as follows:

	2019	2018
	$'000	$'000
Difference between accumulated depreciation and capital allowances	(48)	(48)
Temporary timing differences	(3,301)	439
Losses	(142,307)	(120,840)
	(145,656)	(120,449)

The Group has a recognised deferred tax asset as follows:

	Long-term timing differences	Total
	$'000	$'000
At 1 January 2018	—	—
Debit to income statement	—	—
At 1 January 2019	—	—
Debit to income statement	—	—
Deferred tax asset	—	—

14. Taxation (continued)

No deferred tax asset has been recognised as the Group does not believe that there will be future taxable profits against which deductible temporary differences may be offset.

The following amounts relating to tax have been recognised directly in equity:

	2019	2018
	$'000	$'000
Current tax		
Tax effects of movement in relation to share-based payments	—	—
Deferred tax		
Tax effects of movement in relation to share-based payments	—	—

15. Loss per Ordinary Share

	2019	2018
	$'000	$'000
Loss for the financial year attributable to ordinary shareholders	(39,373)	(258,131)
	U.S. cents	U.S. cents
Loss per ordinary share, basic and diluted	(0.11)	(0.87)
	Number	Number
Weighted average number of ordinary shares in issue (thousands) – basic and diluted	342,538	297,237

Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year. In 2019 and 2018, 4,019,065 and 2,553,275 shares, respectively, representing the weighted average number of treasury shares, have been deducted in arriving at the weighted average number of ordinary shares.

Diluted

Diluted loss per share is calculated by dividing the loss for the year by the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive shares. Potentially dilutive shares include share options, warrants, convertible debt on an as-if-converted basis, and preference shares on an as-if-converted basis. Since the Group reported a net loss from continuing operations in 2019 and 2018, none of the Group's contingently issuable shares were dilutive. The Group has 51,471,940 contingently issuable shares at 31 December 2019, consisting of 6,921,071 restricted stock units, 15,619,123 options and 28,931,746 potentially convertible preference shares.

16. Intangible Assets

Group

Cost	Software	License	Technology Rights	Total
	$'000	$'000	$'000	$'000
At 1 January 2018	559	—	11,624	12,183
Additions	58	2,729	—	2,787
At 31 December 2018	617	2,729	11,624	14,970
Additions	—	—	8,457	8,457
At 31 December 2019	617	2,729	20,081	23,427

Accumulated amortisation and impairment	Software	License	Technology Rights	Total
	$'000	$'000	$'000	$'000
At 1 January 2018	(558)	—	(3,498)	(4,056)
Charge for the year	(11)	—	(646)	(657)
At 31 December 2018	(569)	—	(4,144)	(4,713)
Charge for the year	(19)	—	(679)	(698)
At 31 December 2019	(588)	—	(4,823)	(5,411)
Net book value at 31 December 2019	29	2,729	15,258	18,016
Net book value at 31 December 2018	48	2,729	7,480	10,257

In June 2018, the Company entered into a collaboration agreement related to the development and commercialisation of drug products and indications based on the active pharmaceutical ingredients in Vascepa. The Company made an upfront payment of approximately $2.7 million in exchange for obtaining an exclusive license to certain intellectual property to advance the Company's interest in the United States and certain other territories.

Upon approval by FDA on 13 December 2019 of a new indication of Vascepa, a milestone for £5 million was achieved, which resulted in the Intangible asset increasing by $8.5 million.

17. Property, Plant and Equipment

Group

Cost	Short Leasehold	Fixtures and Fittings	Computer Equipment	Total
	$'000	$'000	$'000	$'000
At 1 January 2018	**155**	**67**	**63**	**285**
At 31 December 2018	**155**	**67**	**63**	**285**
Additions	681	1,569	227	2,477
Disposals	—	—	—	—
At 31 December 2019	**836**	**1,636**	**290**	**2,762**

Accumulated Depreciation	Short Leasehold	Fixtures and Fittings	Computer Equipment	Total
	$'000	$'000	$'000	$'000
At 1 January 2018	**148**	**47**	**63**	**258**
Charge for the year	7	5	—	12
At 31 December 2018	**155**	**52**	**63**	**270**
Charge for the year	29	103	29	161
At 31 December 2019	**184**	**155**	**92**	**431**
Net book value at 31 December 2019	**652**	**1,481**	**198**	**2,331**
Net book value at 31 December 2018	**—**	**15**	**—**	**15**

18. Other Long-term Assets

	Group		Parent Company	
	31 December		31 December	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Investment in Chemport (1)	174	174	—	—
Deposits	900	—	—	—
Total	**1,074**	**174**	**—**	**—**

(1) Concurrent with our supply agreement with Chemport, we agreed to make a minority share equity investment in Chemport.

19. Trade Receivables

	2019	2018
	$'000	$'000
Trade Receivables	**116,430**	**67,503**

Trade receivables disclosed above are classified as loans and receivables and therefore are measured at amortised cost. The trade receivable balances disclosed above include amounts which were past due as of 31 December 2019 and 2018 of $3.0 million and $9.6 million, respectively. No material allowances for expected credit losses has been made during 2019 or 2018. Additionally, the fair value of the trade receivables are not materially different to their carrying value.

19. Trade Receivables (continued)

A significant portion of the Group's sales are to wholesalers in the pharmaceutical industry. The Group monitors the creditworthiness of customers to whom it grants credit terms and has not experienced any credit losses. The average credit period taken on sales of goods is 30 days. The Group does not charge interest on its receivables. The Group does not require collateral or any other security to support credit sales. The Group's top three customers accounted for 91% and 87% of gross product sales for the years ending 31 December 2019 and 2018 and represented 91% and 89% of the gross accounts receivable balance for the years ended 31 December 2019 and 2018, respectively.

20. Investments and long-term receivables and payables

Cost	Long-term receivables	Investment in subsidiaries	Total Assets	Long-term payables (1)
	$'000	$'000	$'000	$'000
At 1 January 2018	**274,173**	**109,788**	**383,961**	**(5,954)**
Investment in subsidiaries - share-based compensation	—	21,588	21,588	—
Investment in subsidiaries - settlement of derivative liability on 2017 notes	—	21,229	21,229	—
Inter-company loan interest payable	—	—	—	—
Inter-company movements during the year	92,442	—	92,442	(71)
Inter-company loan interest receivable	4,064	—	4,064	—
Inter-company balance write off	—	—	—	—
Impairment	—	—	—	—
At 31 December 2018	**370,679**	**152,605**	**523,284**	**(6,025)**
Investment in subsidiaries - share-based compensation	—	39,166	39,166	—
Investment in subsidiaries - distribution received **(2)**	23,601	(23,601)	—	—
Inter-company loan interest payable	—	—	—	—
Inter-company movements during the year	58,590	—	58,590	—
Inter-company loan interest receivable	4,064	—	4,064	—
Inter-company balance write off **(3)**	—	—	—	6,025
Impairment **(4)**	—	(8,827)	(8,827)	—
At 31 December 2019	**456,934**	**159,343**	**616,277**	**-**

(1) This balance comprises long-term intercompany loans.
(2) During the year a non-cash distribution was made from Corsicanto II DAC to the parent entity. The receivable from this distribution was assigned as part of tripartite agreement to Amarin Pharmaceutical Ireland Limited. The non-cash distribution from Corsicanto II DAC was treated as a reduction in Investment in Subsidiary and the new receivable from Amarin Pharmaceutical Ireland Limited was treated as an increase in Long-term receivables.
(3) As a result of the liquidation of Corsicanto I DAC this payable to Corsicanto II DAC was written off.
(4) This is an impairment for remaining value of the Investment in Corsicanto II DAC, which was placed into liquidation before year end.

The Parent Company assessed the required allowance of expected credit losses (ECL's) required for its investment in long-term inter-company loans. The Parent Company assessed the likelihood of a default event within the next 12 months (a 12 month ECL) as well as credit losses expected over the remaining life of the exposure.

Having assessed the current value of the forecast cash flows, in light of the significant growth anticipated by the Company, management determined for the year ended 31 December 2019 that no provision in Amarin Corporation plc against the inter-company receivable from Amarin Pharmaceuticals Ireland Limited (APIL) was required (nil in 2018) as the risk of default is deemed low and not material. The Company will continue to reassess the ECL's and likelihood of default events of this inter-company receivable in future periods.

20. Investments and long-term receivables and payables (continued)

The fair value of the Long-term receivables above approximated the carrying value in all material aspects.

The Company liquidated Corsicanto DAC in January 2019 pursuant to a resolution of Amarin Corporation plc as a sole shareholder.

Interest in Group undertakings at 31 December 2019			Proportion of nominal value of issued chare capital held by the	
Name of undertaking	Country of incorporation or registration	Description of shares held	Group	Parent
			%	%
Amarin Pharma, Inc.	USA	100 $0.01 ordinary shares	100	100
Amarin Pharmaceuticals Ireland Limited	Ireland	100 €1 ordinary shares	100	100
Amarin Neuroscience Limited	Scotland	4,000,000 £1 ordinary shares	100	100
Corsicanto II Designated Activity	Ireland	100 €1 ordinary shares	100	100
Ester Neuroscience Limited	Israel	1,320,264 NIS 0.01 ordinary shares	100	100
		440,526 NIS 0.01 “A” redeemable convertible preference shares	100	100
		1,212,145 NIS 0.01 “B” redeemable convertible preference shares	100	100

- All of the above companies are wholly-owned subsidiaries and included in the consolidated financial statements of Amarin Corporation plc.
- Amarin Pharma, Inc. was incorporated on 31 August 2007.
- Amarin Pharmaceuticals Ireland Limited was incorporated on 5 October 2005.
- Amarin Neuroscience Limited was incorporated on 31 October 1997.
- Ester Neurosciences Limited was acquired on 5 December 2007 and was accounted for as an asset acquisition.
- Corsicanto II DAC was incorporated on 22 December 2016 (in liquidation as of 31 December 2019).

Group undertakings during the year had the following nature of business:

- Amarin Pharmaceuticals Ireland Limited – *Trading company*
  Byrne Wallace, 88 Harcourt Street, Dublin 2 Ireland
- Amarin Pharma Inc. - *Research and development and U.S. promotion of Vascepa on behalf of APIL*
  2 Pembroke House, Upper Pembroke Street 28-32, Dublin 2 Ireland
- Amarin Neuroscience Limited - *Research and development*
  4th Floor Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN
- Ester Neurosciences Limited - *Research and development*
- Corsicanto DAC – *Intermediary funding company* ***(1)***
  Arthur Cox Building, 10 Earlsfort Terrace, Dublin 2 Ireland
- Corsicanto II DAC – *Intermediary funding company*
  Arthur Cox Building, 10 Earlsfort Terrace, Dublin 2 Ireland

Corsicanto DAC was incorporated on 17 November 2012 (liquidated 15 January 2019).

21. Other Current Assets

	Group		Parent Company	
	31 December		31 December	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Prepayments and other	12,850	3,545	1,147	46

22. Inventory

Inventories consist of the following:

	Group	
	31 December	
	2019	2018
	$'000	$'000
Raw materials	19,456	14,142
Work in progress	12,031	8,590
Finished goods	45,282	35,357
Inventory Reserve	—	(287)
	76,769	57,802

23. Trade and Other Payables

	Group		Parent Company	
	31 December		31 December	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Trade payables	49,950	36,042	—	—
Lease liabilities	390	—	—	—
Accruals and other payables	139,051	86,918	126	115
	189,391	122,960	126	115

During the years ended 31 December 2019 and 2018, the Company has not defaulted on any of its payables.

24. Debt

Debt instruments of the Group are as follows:

	2012 Financing	2017 Senior exchangeable notes	Total
	$'000s	$'000s	$'000s
Liability component at 1 January 2018	**79,281**	**19,240**	**98,521**
Interest charged	14,749	1,682	16,431
Repayment	(20,477)	—	(20,477)
Extinguishment of debt (non-cash)	—	(20,922)	(20,922)
Change in carrying value	(2,315)	—	(2,315)
Liability component at 31 December 2018	**71,238**	**—**	**71,238**
Interest charged	11,781	—	11,781
Repayment	(36,243)	—	(36,243)
Extinguishment of debt (non-cash)		—	
Change in carrying value	1,162	—	1,162
Liability component at 31 December 2019	**47,938**	**—**	**47,938**

Interest charged above reflects both cash and non-cash interest.

Derivative liability components of the Group are as follows:

	2017 Senior exchangeable notes	Total
	$'000s	$'000s
Derivative liability at 1 January 2018	**15,500**	**15,500**
Chang in fair value	133,333	133,333
Capita contribution to subsidiary	21,229	21,229
Extinguishment of conversion feature	(170,062)	(170,062)
Derivative liability at 31 December 2018	—	—
Chang in fair value	—	—
Capita contribution to subsidiary	—	—
Extinguishment of conversion feature	—	—
Derivative liability at 31 December 2019	—	—

24. Debt (continued)

Derivative liability components of the Parent are as follows:

	2017 Senior exchangeable notes	Total
	$'000s	$'000s
Derivative liability at 1 January 2018	**15,500**	**15,500**
Chang in fair value	133,333	133,333
Capita contribution to subsidiary	21,229	21,229
Extinguishment of conversion feature	(170,062)	(170,062)
Derivative liability at 31 December 2018	—	—
Chang in fair value	—	—
Capita contribution to subsidiary	—	—
Extinguishment of conversion feature	—	—
Derivative liability at 31 December 2019	—	—

Debt – December 2012 Financing

On 6 December 2012 the Company entered into an agreement with BioPharma Secured Debt Fund II Holdings Cayman LP ("BioPharma"). Under this agreement, the Company granted to BioPharma a security interest in future receivables associated with the Vascepa patent rights, in exchange for $100 million received at the closing of the agreement, the closing of which occurred in December 2012. The Company has agreed to repay BioPharma up to $150 million of future revenue and receivables. On 20 December 2017, BioPharma assigned all rights under this agreement to CPPIB Credit Europe S.à r.l., or CPPIB. The Company has made payment under the agreement of $97.6 million through 31 December 2019. These payments were calculated based on the threshold limitation, as described below, as opposed to scheduled quarterly repayments.

Quarterly repayments, subject to the threshold limitation, are scheduled to be paid thereafter in accordance with the following schedule: $8.0 million in the second quarter of 2014 and in each of the next two quarters, $10.0 million per quarter in each of the next four quarters, $15.0 million per quarter in each of the next four quarters and $13.0 million in May 2017. All such payments reduce the remainder of the $150 million in aggregate payments. These quarterly payments are subject to a quarterly threshold amount whereby if a calculated threshold, based on quarterly Vascepa revenues, is not achieved, the quarterly payment payable in that quarter can at the Company's election be reduced and with the reduction carried forward without interest for payment in a future period. The payment of any carried forward amount is subject to similarly calculated threshold repayment amounts based on Vascepa revenue levels. Except upon a change of control in Amarin, the agreement does not expire until $150 million has been repaid. Under the agreement, upon a change of control, the Company would be required to repay $150 million, less any previously repaid amount, if a change of control event occurs after 31 December 2013. The Company can prepay after 1 October 2013, an amount equal to $150 million less any previously repaid amount.

For each quarterly period since the inception of the debt, net revenues were below the contractual threshold amount such that cash payments were calculated for each period reflecting the optional reduction amount as opposed to the contractual threshold payment due for each quarterly period. In accordance with the agreement, quarterly differences between the calculated optional reduction amounts and the repayment schedule amounts were rescheduled for payment beginning in the second quarter of 2017. Any such deferred repayments will remain subject to continued application of the quarterly ceiling in amounts due established by the calculated threshold limitation based on quarterly Vascepa net revenues. No additional interest expense or liability is incurred as a result of such deferred repayments. These estimates are reevaluated each reporting period by the Company and adjusted if necessary, prospectively.

The Company determined certain features of the debt, principally the redemption upon a change of control, to be an embedded derivative requiring bifurcation. The fair value of the embedded derivative was calculated by determining the fair value of the debt with the change in control provision included and also without the change in control provision.

The difference was determined to be the fair value of the embedded derivative, and the Company initially recorded a derivative liability of $14.6 million as a reduction to the carrying value of the debt. The fair value of this derivative liability was re-measured at each reporting period, with changes in fair value recognised in the statement of operations. The fair value of this derivative at 31 December 2019 is nil and the Company recognised no gain or loss on change in fair value of derivative liability for the period ended 31 December 2019.

24. Debt (continued)

There is an additional embedded derivative feature as of 31 December 2019 related to the Company's option to prepay the debt. This derivative feature currently had nominal value as the Company had no intention of prepaying the debt.

As a result of changes in the business resulting in changes in future cash flows, the Company has changed its estimates to extend the period of time during which the debt is expected to remain outstanding. Accordingly, in accordance with IFRS 9.B5.4.6, since the estimated cash flows have changed materially, management has adjusted the carrying amount of the debt to reflect the revised cash flows. The revised carrying amount was calculated by determining the net present value of the revised estimated cash flows by discounting such cash flows based on the original effective interest rate.

The carrying value of the debt component was determined to be $47.9 million at 31 December 2019 and the Company recognised financial loss of $1.2 million in the statement of operations as a result of the change in carrying value during the year ended 31 December 2019. The Company will periodically evaluate the remaining term of the agreement and the carrying value will be reassessed in the event that there is a material change in the Company's projected cash flows.

To secure the obligations under the agreement, the Company granted BioPharma, which it subsequently assigned to CPPIB, a security interest in the Company's patents, trademarks, trade names, domain names, copyrights, know-how and regulatory approvals related to the covered products, all books and records relating to the foregoing and all proceeds of the foregoing, referred to collectively as the collateral. If the Company (i) fails to deliver a payment when due and does not remedy that failure within a specific notice period, (ii) fails to maintain a first-priority perfected security interest in the collateral in the United States and does not remedy that failure after receiving notice of such failure or (iii) becomes subject to an event of bankruptcy, then CPPIB may attempt to collect the maximum amount payable by the Company under this agreement (after deducting any payments we have already made). For the year ended 31 December 2019, the Company recorded $11.8 million of interest expense.

January 2017 Exchangeable Senior Notes

On 20 January 2017, the Company and Corsicanto II DAC ("Corsicanto II"), a designated activity company formed under the laws of Ireland and a wholly owned subsidiary of the Company, entered into separate, privately negotiated purchase agreements with certain investors pursuant to which Corsicanto II issued and sold $30.0 million in aggregate principal amount of 3.5% exchangeable senior notes due 2047 (the "2017 Notes") at an issue price of 100%. In October 2018, Corsicanto II mandatorily exchanged $30.0 million of aggregate principal amount of the 2017 Notes for equity, such that no 2017 Notes remained outstanding as of 31 December 2019.

Parent company impact of derivatives arising from 2017 Exchangeable Senior Notes

As a result of issuance of the 2017 Exchangeable Senior Notes, it was determined that the conversion option feature of the notes had created a derivative liability of $15.5 million on the Parent's standalone Balance Sheet since the entity is the only one of the group able to convert the debt by issuing ADSs and acts as a guarantor for the notes holder. The fair value of the derivative liability was remeasured at each reporting period. The Parent company recognised a loss of $15.5 million on change in fair value of derivative liability for the period ended 31 December 2018. As of 31 December 2019 and 2018, respectively, the Company had no derivative liabilities.

25. Provisions

	Provisions	Total
	$'000	$'000
At 1 January 2018	**1,064**	**1,064**
Additions	10,047	10,047
Amount Used	(532)	(532)
At 31 December 2018	**10,579**	**10,579**
Additions	—	—
Amount Used	(6,868)	(6,868)
At 31 December 2019	**3,711**	**3,711**

	2019	2018
	$'000	$'000
Due within one year	94	190
Due after more than one year	3,617	10,389
Total	**3,711**	**10,579**

Provisions due after more than one year include $3.4 million (2018: $9.5m) payable to Kowa Pharmaceuticals America, Inc. for co-promotion fees, including tail payments, net of reimbursable amounts incurred for samples and other marketing expenses.

26. Financial Instruments

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), liquidity and credit risk. Details of the Group's financial instruments with regard to liquidity risk, interest rate risk and foreign currency risk are disclosed in the following sections to this note. It has been, and continues to be, the policy of the Board to minimise the exposure of the Group to these risks.

The Group has available financial instruments including cash and other liquid resources, and various items, such as receivables and trade payables that arise directly from its operations.

There has been no change to the Group's exposure to financial risks or the manner in which these risks are managed and measured.

Capital risk management

The Group's objective when managing its capital structure is to safeguard the Group's ability to continue as a going concern. The Group raises capital through the issuance of shares and debt. Please refer to Note 27 for further details on the Group's issued share capital and to Note 24 for further details on the Group's issued debt.

The balance sheet position at 31 December 2019 is not representative of the position throughout the period as cash and shares fluctuate considerably depending on sales levels and when fundraising activities have occurred.

Liquidity risk

Our sources of liquidity as of 31 December 2019 include cash and cash equivalents of $648.5 million. Our projected uses of cash include the expansion of our sales force and initiatives for marketing, including direct-to-consumer advertising, medical education and market awareness following successful REDUCE-IT results, increasing inventory purchases, working capital and other general corporate activities. Our cash flows from operating, investing and financing activities are reflected in the consolidated statements of cash flows.

26. Financial Instruments (continued)

We believe that our cash will be sufficient to fund our projected operations for at least the next 12 months and is adequate to achieve positive cash flow from the commercial launch of Vascepa. This is based on our current operational plans and activities at normal levels, which includes the expected impact of COVID-19 on operation, and does not assume any cash inflows from partnerships or other dilutive or non-dilutive financings in the longer-term.

The table below analyses the Group's and Parent Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group may be required to pay. The table includes both interest and principal cash flows. The amounts disclosed for debt are the undiscounted cash flows including interest and hence will not agree to the amount disclosed on the balance sheet.

Group

At 31 December 2019	< 1 year	1-2 years	2-5 years	>5 years	Total
	$'000	$'000	$'000	$'000	$'000
Trade and other payables	189,391	—	—	—	189,391
Short-term debt	47,938	—	—	—	47,938
Provisions	94	—	—	—	94
Total	**237,423**	**—**	**—**	**—**	**237,423**

At 31 December 2018	< 1 year	1-2 years	2-5 years	>5 years	Total
	$'000	$'000	$'000	$'000	$'000
Trade and other payables	122,960	—	—	—	122,960
Long-term debt	34,240	54,382	—	—	88,622
Provisions	190	10,389	—	—	10,579
Total	**157,390**	**64,771**	**—**	**—**	**222,161**

Parent Company

At 31 December 2019	< 1 year	1-2 years	2-5 years	>5 years	Total
	$'000	$'000	$'000	$'000	$'000
Trade and other payables	126	—	—	—	126
Total	**126**	**—**	**—**	**—**	**126**

At 31 December 2018	< 1 year	1-2 years	2-5 years	>5 years	Total
	$'000	$'000	$'000	$'000	$'000
Trade and other payables	115	—	—	—	115
Total	**115**	**—**	**—**	**—**	**115**

Credit risk

The Group and Parent Company are exposed to credit-related losses in the event of non-performance by third parties to financial instruments. Credit risk arises predominantly from cash and cash equivalents, including deposits with banks. For our principal banks and institutions, only independently rated parties with a minimum rating of 'A' are accepted. At year-end, all principal banks used by the Group and Parent Company were 'A' rated.

Creditor payment policy

It is Amarin's normal procedure to agree terms of transactions, including payment terms, with suppliers in advance. Payment terms vary, reflecting local practice throughout the world. It is Amarin's policy that payments be made in a timely manner, provided suppliers perform in accordance with the agreed terms. Amarin's policy follows the BIS's Better Payment Policy, copies of which can be obtained from the Better Payments Group's website.

26. Financial Instruments (continued)

Financial liabilities

The Group's non-derivative financial liabilities at 31 December 2019 and 2018 are classified at amortised cost and comprise trade and other payables, short-term and long-term debt.

	31 December 2019 ($'000)				31 December 2018 ($'000)			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
Sterling	—	—	9	9	—	—	28	28
Euro	—	—	901	901	—	—	908	908
US$	—	47,938	112,175	160,113	—	71,241	90,554	161,795
Total	**—**	**47,938**	**113,085**	**161,023**	**—**	**71,241**	**91,490**	**162,731**

The Group's derivative financial liabilities of $nil at 31 December 2019 (2018: $nil) are classified at fair value through profit and loss.

The Parent's financial liabilities at 31 December 2019 and 2018 are classified at amortised cost and comprise trade and other payables, exchangeable senior notes and finance leases.

	31 December 2019 ($'000)				31 December 2018 ($'000)			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
Euro	—	—	83	83	—	—	76	76
US$	—	—	43	43	—	—	39	39
Total	**—**	**—**	**126**	**126**	**—**	**—**	**115**	**115**

The Parent's derivative financial liabilities of $nil at 31 December 2019 (2018: $nil) are classified at fair value through profit and loss.

Market risk/interest rate risk profile of financial assets

The investment in Chemport described in Note 18 of $174,000 (2018: $174,000) is measured at fair value through profit or loss. The Parent Company assesses the required allowance of ECLs for its intercompany receivable of $456,934 using an amortised cost measurement which equals fair value.

The Group's other financial assets are all categorised as loans and receivables and comprise cash, other receivables, short-term and long-term deposits.

	31 December 2019 ($'000)				31 December 2018 ($'000)			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
Sterling	517	—	1,495	2,012	494	—	1,444	1,938
Euro	97	—	3	100	362	—	3	365
US$	638,689	—	173,363	812,052	233,993	—	103,302	337,295
Total	**639,303**	**—**	**174,861**	**814,164**	**234,849**	**—**	**104,749**	**339,598**

26. Financial Instruments (continued)

The Parent's financial assets are all categorised as loans and receivables and comprise cash, other receivables, short-term deposits and other investments.

	31 December 2019 ($'000)				31 December 2018 ($'000)			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
Sterling	—	—	11	11	—	—	12	12
Euro	—	—	—	—	—	—	—	—
US$	566,539	—	1,062	567,601	189,101	—	—	189,101
Total	**566,539**	**—**	**1,073**	**567,612**	**189,101**	**—**	**12**	**189,113**

The Group's principal currency is that of the United States (U.S. dollar), which is exposed to the currency of the UK (Sterling) and the currency of Ireland (Euro). The following table details the Group's sensitivity to a ten per cent increase and decrease in the U.S. dollar against the relevant foreign currencies. Ten per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for a ten per cent change in foreign currency rates. A positive number below indicates a decrease in net loss where the U.S. dollar strengthens ten per cent against the relevant currencies. For a ten per cent weakening of the U.S. dollar against the relevant currencies, there would be a comparable impact on the net loss, and the balances below would be negative.

	Sterling Impact ($'000)		Euro Impact ($'000)	
	2019	2018	2019	2018
Net (loss) gain	(200)	(191)	80	54
Total	**(200)**	**(191)**	**80**	**54**

The balances in the above table are mainly attributable to receivables and payables in the Group at the balance sheet date. The Group's sensitivity to foreign currency has increased during the current period mainly due to the increase in the volume of foreign currency transactions in 2019 as compared to 2018.

Interest rate sensitivity analysis

At 31 December 2019, the Group had cash balances of approximately $648.5 million, and earned $8.5 million in interest income during 2019. An interest rate sensitivity analysis was performed to see what the impact would be should interest rates increase by 1%, and it was determined that interest income would increase approximately $4.4 million, when using the Group's average 2019 cash balance.

Fair value measurements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

26. Financial Instruments (continued)

	Group fair value measurements at 31 December 2019 using			
	31 December 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inuts (Level 3)
	$000's	$000's	$000's	$000's
Asset measured at fair value				
Cash equivalents-money markets	10,078	10,078	—	—

	Group fair value measurements at 31 December 2018 using			
	31 December 2019	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inuts (Level 3)
	$000's	$000's	$000's	$000's
Asset measured at fair value				
Cash equivalents-money markets	9,880	9,880	—	—

The carrying amounts of cash, cash equivalents, accounts payable and accrued liabilities approximate fair value because of their short-term nature.

The carrying amounts and the estimated fair values of debt instruments as of 31 December 2019 and 2018 are as follows:

	31 December 2019		31 December 2018	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	$000's	$000's	$000's	$000's
Liabilities for which fair values are disclosed (Note 24)				
Long-Term Debt - December 2012 Financing	47,938	50,400	71,238	78,600

The estimated fair value of the debt from royalty-bearing instrument pursuant to the December 2012 financing is calculated utilizing the same Level 3 inputs utilised in valuing the related derivative liability (see Derivative Liabilities below). The estimated fair value of the 2017 Notes is calculated based on Level 1 quoted bond prices or, in the absence of quoted bond prices, is calculated using a Level 3 binomial model. In October 2018, Corsicanto II mandatorily exchanged $30.0 million of aggregate principal amount of the 2017 Notes for equity, such that no 2017 Notes remained outstanding as of 31 December 2019.

The Company's December 2012 financing agreement with BioPharma Secured Debt Fund II Holdings Cayman LP and subsequently assigned to CPPIB (discussed in Note 24 above) contains a redemption feature whereby, upon a change of control, the Company would have been required to pay $150 million, less any previously repaid amount. The Company determined this redemption feature to be an embedded derivative, which is carried at fair value and is classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs. At 31 December 2019, the fair value of the derivative was determined to be de minimis, and the debt was valued using a probability-weighted model incorporating management estimates for potential change in control, by comparing debt issues of similar companies with (i) remaining terms of between 1.9 and 7.3 years, (ii) coupon rates of between 6.0% and 11.5% and (iii) market yields of between 5.2% and 16.8%.

Any changes in the assumptions used to value the derivative liabilities, including the probability of a change in control, could result in a material change to the carrying value of such liabilities.

26. Financial Instruments (continued)

The fair value of amounts owed by subsidiary undertakings is considered to be at Level 3 of the hierarchy, as their calculation requires unobservable inputs. Fair value of intercompany receivables was estimated using a ten-year life and an estimated interest rate equal to the Parent Company's estimated borrowing rate, based on a company-specific estimated risk premium.

27. Equity

(a) Share Capital	**31 December 2019**	**31 December 2018**
Authorised	**$'000**	**$'000**
Unlimited ordinary shares of £0.50 at each of 31 December 2018 and 2017	—	—
Unlimited preference shares of £0.05 at each of 31 December 2018 and 2017	—	—
	—	—
Allotted, called up and fully paid	**$'000**	**$'000**
365,014,893 and 329,110,863 ordinary shares of £0.50 each issued at 31 December 2019 and 2018, respectively	268,884	246,374
289,317,460 preference shares (equivalent to 28,931,746 ordinary shares upon future consolidation and re-designation at a 10:1 ratio) of £0.05 each issued at each of 31 December 2019 and 2018	21,850	21,850
	290,734	268,224

On 13 December 2019, in connection with approval by the FDA for a new indication of Vascepa, the Company was required to make an aggregate milestone payment of £5 million (in either stock or cash at the sole option of each of the sellers) to Laxdale's former shareholders. One of the shareholders elected to receive payment in stock, resulting in the issuance of 257,713 shares at a price of $24.12 per share. The Company recorded a liability of $2.2 million in Trade and other payables on the balance sheet as of 31 December 2019.

On 18 July 2019, the Company completed a public offering of 22,222,223 ADSs with each ADS representing one ordinary share of the Company, at a price of $18.00 per ADS, $17.235 per ADS after commission. In addition, the Company granted the underwriters a 30-day option to purchase up to an additional 3,333,333 ADSs at the same price per ADS. On 29 July 2019, the underwriters exercised the full option. This public offering, including the exercised option, resulted in gross proceeds of approximately $460.0 million and, after deducting customary commissions and offering expenses, net proceeds to the Company of approximately $440.1 million.

On 29 November 2018, the Company completed a public offering of 11,111,112 ADSs, with each ADS representing one ordinary share of the Company. The underwriters purchased the ADSs from the Company at a price of $17.575 per ADS after commission, resulting in net proceeds to the Company of approximately $194.8 million, after deducting customary commissions and offering expenses.

On 1 February 2018, the Company completed a public offering of 19,178,082 ADSs, with each ADS representing one ordinary share of the Company. The Company also granted the underwriters a 30-day option to purchase an additional 2,876,712 ADSs, which was partially exercised on 5 March 2018 for issuance of 1,438,356 ADSs. The underwriters purchased the ADSs from the Company at a price of $3.41 per ADS after commission, resulting in net proceeds to the Company of approximately $70.0 million, after deducting customary commissions and offering expenses.

During the year ended 31 December 2019, the Group issued 10,090,761 ordinary shares (£0.50 par) through option exercises, restricted stock unit vestings, and the employee stock purchase plan, of which 5,997,919 were options exercised, 3,969,811 were restricted stock units vested, and 123,031 were employee stock plan purchases. The option exercises resulted in cash proceeds of $3.9 million (2018: $5.3 million) to share capital and $20.6 million (2018: $21,933 thousand) to share premium. In aggregate, this resulted in a total share capital increase of $6.5 million and share premium increase of $22.7 million, a decrease in retained deficit of $7.7 million and a transfer of $10.2 million from share-based payment reserves to share capital and share premium. The related tax-withholding on the restricted stock vesting was funded through the repurchase of $25.5

27. Equity (continued)

million (1,650,142 shares) recorded as treasury shares. Also refer to the Consolidated and Parent Company Statements of Changes in Equity.

Principal Rights and Restrictions

The Company has one class of ordinary shares at £0.50 each which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. Under its Articles of Association, the Company has authority to issue unlimited ordinary shares.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Main Board Terms of Reference, copies of which are available on request.

(b) Preference Shares

On 5 March 2015, the Company entered into a subscription agreement with four institutional investors (the "Purchasers"), including both existing and new investors, for the private placement of 352,150,790 restricted American Depositary Shares, each representing one (1) share of Amarin's Series A Convertible Preference Shares, par value £0.05 per share, in the capital of the Company ("Series A Preference Shares"), resulting in gross proceeds to the Company of $52.8 million. The closing of the private placement occurred on 30 March 2015.

For each restricted American Depositary Share, the Purchasers paid a negotiated price of $0.15 (equating to $1.50 on an as-if-converted-to-ordinary-shares basis), resulting in $52.8 million in aggregate gross proceeds to the Company, before deducting estimated offering expenses of approximately $0.7 million. The net proceeds are reflected as preference shares in the accompanying consolidated balance sheets.

Each ten (10) Series A Preference Shares may be consolidated and re-designated as one (1) ordinary share, par value £0.50 per share, in the capital of the Company, each ordinary share to be represented by American Depositary Shares ("ADSs"), provided that consolidation will be prohibited if, as a result, the holder of such Series A Preference Shares and its affiliates would beneficially own more than 4.99% of the total number of Amarin ordinary shares or ADSs outstanding following such re-designation (the "Beneficial Ownership Limitation"). By written notice to the Company, a holder may from time to time increase or decrease the Beneficial Ownership Limitation to any other percentage not in excess of 19.9% specified in such notice; provided that any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company. This consolidation and re-designation may be effected by a holder of Series A Preference Shares following the first to occur of the resale of the ADSs representing the ordinary shares being registered for resale under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to an effective registration statement, following any sale of the ADSs representing the ordinary shares pursuant to Rule 144 under the Securities Act, or if such ADSs representing the ordinary shares are eligible for sale under Rule 144, following the expiration of the one-year holding requirement under Rule 144.

Except as otherwise provided in the Series A Preference Share Terms or as required by applicable law, the Series A Preference Shares have no voting rights. However, as long as any Series A Preference Shares are outstanding, the Company cannot, without the approval of the holders of seventy-five percent (75%) of the then outstanding Series A Preference Shares, alter or change adversely the powers, preferences or rights attaching to the Series A Preference Shares or enter into any agreement with respect to the foregoing.

27. Equity (continued)

Holders of the Series A Preference Shares are entitled to receive, and the Company is required to pay, dividends (other than dividends in the form of ordinary shares) on the Series A Preference Shares equal (on an as-if-converted-to-ordinary-shares basis) to and in the same form as dividends (other than dividends in the form of ordinary shares) actually paid on ordinary shares when, as and if such dividends (other than dividends in the form of ordinary shares) are paid on the ordinary shares.

The restricted American Depositary Shares and Series A Preference Shares were sold in a transaction exempt from the registration requirements under the Securities Act. The Company filed a registration statement with the Securities and Exchange Commission ("SEC") covering the resale of the restricted American Depositary Shares and the ADSs representing ordinary shares created by the consolidation and re-designation of the Series A Preference Shares (the "Registrable Securities") on 9 April 2015, which was declared effective by the SEC on 1 May 2015. In addition, the Company agreed to use its commercially reasonable best efforts to keep the registration, and any qualification, exemption or compliance under state securities laws which the Company determines to obtain, continuously effective, and to keep the Registration Statement free of any material misstatements or omissions, until the earlier of (a) 11 March 2017 or (b) the date on which all Registrable Securities held by Purchasers may be sold or transferred in compliance with Rule 144 under the Securities Act, without any volume or manner of sale restrictions.

On 30 March 2015, in connection with the closing of the private placement, and pursuant to a pre-existing contractual right to participate in certain private placement transactions effected by the Company, the Company entered into a separate subscription agreement with an existing investor, Sofinnova Venture Partners VII L.P. (Sofinnova), for the purchase of an additional $5.8 million of restricted American Depositary Shares, each representing one (1) share of the Company's Series A Preference Shares, at the same price per share and otherwise on substantially the same terms as the initial private placement (the "Second Private Placement"). In accordance with applicable marketplace rules of the NASDAQ Stock Market, the consummation of the Second Private Placement was conditioned upon approval by the Company's shareholders at a future meeting of the Company's shareholders. Such approval was received at the Company's Annual General Meeting of Shareholders on 6 July 2015 and as a result, the closing of the Second Private Placement occurred on 10 July 2015. The Company issued 38,867,180 restricted ADSs, each representing one Series A Preference Share, which could be consolidated and re-designated from time to time up to a maximum of 3,886,718 ordinary shares, each ordinary share to be represented by one ADS. For each restricted ADS, Sofinnova paid a negotiated price of $0.15 (equating to $1.50 on an as-if-converted-to-ordinary-shares basis) resulting in gross proceeds to the Company of $5.8 million, before deducting estimated offering expenses of approximately $0.2 million.

The existence of this preferred stock purchase option was determined to be a derivative liability effective 5 March 2015, the date on which the private placement was initially subscribed. The fair value of this liability was calculated using a Black-Scholes model and was determined to be $0.9 million at inception and was charged to retained deficit as a deemed non-cash dividend to Sofinnova. The liability was then marked to fair value as of 30 March 2015, the date on which the Company executed a subscription agreement with Sofinnova, resulting in a charge of $868 thousand through change in fair value of derivatives. The liability of $1.8 million was reclassified to permanent equity (share premium) on such date.

During the years ended 31 December 2015 and 2018, the Company issued 6,283,333 and 3,886,718 ADSs, respectively, upon consolidation and redesignation of Series A Preference Shares at the request of the holders, such that a maximum of 28,931,746 ordinary shares remain issuable upon future consolidation and redesignation of the remaining Series A Preference Shares as of 31 December 2019, subject to certain adjustments for dilutive events.

During April 2020, at the request of certain holders, 237,713,680 Series A Preference Shares were consolidated and redesignated, resulting in the issuance of 23,771,368 ordinary shares. As a result, a maximum of 5,160,378 ordinary shares remain issuable upon future consolidation and redesignation of the remaining Series A Preference Shares, subject to certain adjustments for dilutive events.

28. Options Outstanding

Further explanations of the valuation of the share-based payments are provided in Note 29, below.

Options

Outstanding options to purchase ordinary shares at 31 December 2019 are as follows:

	Options outstanding			Options exercisable	
Year of grant	Number outstanding	Weighted average years remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
2010	1,222,037	0.86	3.40	1,222,037	3.40
2011	192,366	1.83	8.57	192,366	8.57
2012	223,000	2.40	11.65	223,000	11.65
2013	177,596	3.25	7.17	177,596	7.17
2014	893,476	4.08	1.99	893,476	1.99
2015	2,813,573	5.43	2.19	2,773,573	2.19
2016	2,115,108	6.16	1.55	1,958,270	1.52
2017	2,012,845	7.13	3.00	1,266,834	2.99
2018	3,405,711	8.38	8.68	1,340,928	7.47
2019	2,563,411	9.28	17.11	262,202	16.52
	15,619,123	**6.47**	**6.43**	**10,310,282**	**3.75**

Outstanding options to purchase ordinary shares at 31 December 2018 are as follows:

	Options outstanding			Options exercisable	
Year of grant	Number outstanding	Weighted average years remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
2009	35,000	0.97	1.35	35,000	1.35
2010	2,212,037	2.53	3.19	2,212,037	3.19
2011	1,108,542	2.88	7.72	1,108,542	7.72
2012	730,250	3.55	11.29	730,250	11.29
2013	320,375	4.33	7.21	320,375	7.21
2014	1,189,410	5.09	1.99	1,189,410	1.99
2015	4,053,314	6.45	2.21	3,250,492	2.17
2016	3,154,707	7.20	1.61	2,070,310	1.60
2017	2,528,484	8.14	3.00	1,075,724	2.99
2018	3,930,919	9.37	8.27	422,515	3.92
	19,263,038	**6.49**	**4.29**	**12,414,655**	**3.53**

29. Share-based Payments

2011 Stock Incentive Plan and Stock Option Plan

On 29 April 2011 the Board, upon the recommendation of the Remuneration Committee, adopted the 2011 Stock Incentive Plan ("2011 Plan"), which was approved by the Company's shareholders on 12 July 2011. The 2011 Plan replaced the Company's 2002 Stock Option Plan ("2002 Plan"), which expired on 1 January 2012. The maximum number of the Company's ordinary shares of £0.50 each or any ADSs, as to be issued under the 2011 Plan, as amended, shall not exceed the sum of (i) 51.5 million newly authorised Shares available for award and (ii) the number of Shares that remained available for grants under the Company's 2002 Plan and (iii) the number of Shares underlying then outstanding awards under the 2002 Plan that could be subsequently forfeited, cancelled, expire or are otherwise terminated. The award of stock options (both incentive and non-qualified options) and restricted stock units, and awards of unrestricted Shares to Directors are permitted. The 2011 Plan is administered by the Remuneration Committee of our Board of Directors and expires on 12 July 2021.

A summary of activity under the 2011 Stock Option Plan for the years ended 31 December 2019 and 2018 is as follows: Under the terms of the 2011 Plan, options are exercisable at various periods and expire as set forth in the grant document. In the case where an incentive stock option is granted, the maximum expiration date is not later than 10 years from the date of grant. The following table summarises all stock option activity for the years ended 31 December 2019 and 2018.

	2019 Number of options	2019 Weighted average exercise price	2018 Number of options	2018 Weighted average exercise price
	Number	$	Number	$
Outstanding at 1 January	**19,263,038**	4.29	**24,108,455**	**3.26**
Granted	2,648,121	17.07	4,363,111	7.82
Exercised	(5,997,919)	4.09	(8,138,305)	3.24
Forfeited	(294,117)	10.24	(1,070,223)	3.39
Outstanding at 31 December	**15,619,123**	**6.43**	**19,263,038**	**4.29**
Exercisable at 31 December	**10,310,282**	**3.75**	**12,414,655**	**3.53**

During the periods ended 31 December 2019 and 2018, all options were granted at the market price. Options outstanding and exercisable at the periods ended 31 December 2019 and 2018 had the following attributes:

	2019 Number of options	2019 Weighted average exercise price	2018 Number of options	2018 Weighted average exercise price
	Number	$	Number	$
Outstanding at 31 December				
Options granted at market price	15,619,123	6.43	19,263,038	4.29
Exercisable at 31 December				
Options granted at market price	10,310,282	3.75	12,414,655	3.53

The weighted average fair value of the stock options granted during the year ended 31 December 2019 and 2018 was $11.44 and $5.07, respectively.

For the year ended 31 December 2019, the Company received $24.5 million in cash from the exercise of options, and 294,117 options lapsed. For the year ended 31 December 2018, the Company received $26.4 million in cash from the exercise of options, and 1,070,223 options lapsed.

29. Share-based Payments (continued)

The following assumptions were used to estimate the fair values of options granted:

	Years ended 31 December	
	2019	**2018**
Risk-free interest	1.4% to 2.6%	2.6% to 3.0%
Volatility	87% to 88%	74% to 88%
Expected forfeiture	5%	5%
Dividend yield	—	—
Expected option life (in years)	5.00	5.00

The fair values relating to all options granted were estimated on the date of grant using the Binomial Lattice option pricing model. Expected volatilities are based on historical volatility of our stock and other factors, such as implied market volatility. This is based on analysis of daily price changes over the most recent five-year measurement and used historical exercise data based on the age at the grant of the option holder to estimate the option's expected term, which represents the period of time that the options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Estimated forfeitures are based on the Company's historical forfeiture activity. No dividend yield has been assumed as the Company does not currently pay dividends on its common stock and does not anticipate doing so in the foreseeable future. We recognise compensation expense for the fair values of those awards which have graded vesting on an accelerated recognition basis. Employee stock options granted prior to 30 June 2009 generally vested over a three-year service period. Employee stock options granted after 30 June 2009 generally vest over a four-year service period. All employee stock options are settled by the issuance of new ordinary shares. Compensation expense recognised for all option grants is net of estimated forfeitures and is recognised over the awards' respective requisite service periods. If the vesting of certain stock options is contingent upon the attainment of performance criteria, the probability that such criteria will be achieved is assessed by management each reporting period and compensation expense for such awards is only recorded to the extent that the attainment of the performance criteria is deemed to be probable.

Restricted Stock Units

The 2011 Plan also allows for granting of restricted stock unit awards under the terms of the Plan. The restricted stock units vest based upon a time-based service condition, a performance condition, or both. The probability that any performance criteria will be achieved is assessed by management each reporting period and compensation expense for such awards is only recorded to the extent that the attainment of the performance criteria is deemed to be probable. Restricted stock units are recorded as compensation expense based on fair value, representing the market value of the Company's common stock on the date of grant. The fair value of restricted stock units is amortised on an accelerated recognition basis over the service period until the shares have vested. The following table presents the restricted stock unit activity for the years ended 31 December 2019 and 2018.

	2019 Number of RSUs	**2019 Weighted average grant date fair value**	**2018 Number of RSUs**	**2018 Weighted average grant date fair value**
	Number	**$**	**Number**	**$**
Outstanding at 1 January	9,633,250	3.12	12,005,553	2.50
Granted	1,472,965	16.83	2,633,609	4.32
Vested	(3,969,811)	2.56	(4,610,943)	2.20
Forfeited	(215,333)	3.25	(394,969)	3.43
Outstanding at 31 December	**6,921,071**	**6.34**	**9,633,250**	**3.12**

29. Share-based Payments (continued)

The operating loss for the years ended 31 December 2019 and 2018 includes a non-cash charge for share-based compensation as follows:

	2019	2018
	($'000)	($'000)
R&D	5,479	3,706
G&A	34,820	18,685
Total	**40,299**	**22,391**

The increase in non-cash share-based compensation in 2019 compared to 2018 is due primarily to an increase in the number of employees receiving equity awards as a result of the growth of the Company's sales force as well as an increase in the underlying fair value of the equity awards granted in 2019 resulting from an overall higher Company stock price during the year.

30. Capital Commitments

Purchase obligations that have been contractually committed to but have not been provided for in the financial statements as of 31 December 2019 and 2018 amounted to $192,400,000 and $53,000,000, respectively. Purchase obligations relate primarily to manufacturing agreements with third parties for the production of our product. These agreements include annual purchase levels enabling Amarin to maintain supply exclusivity with each respective supplier, and to prevent potential termination of the agreements. The agreements also include a provision that any shortfall in the minimum purchase commitments is payable in cash. These minimum purchase levels do not contractually begin until the applicable sNDA for the supplier is approved by the FDA, if ever, and upon the achievement of manufacturing capacity expansion. Refer to Note 31b for further information.

Under the terms of the agreement with CPPIB, as successor in interest to BioPharma, the Company agreed to repay up to $150.0 million of future revenue and receivables. As of 31 December 2019, the net remaining amount to be repaid is $52.4 million. To date, revenues have been below the contractual threshold amount such that each payment made has reflected the calculated optional reduction amount as opposed to the contractual threshold payments for each quarterly period. As of 31 December 2019, there are no quarterly contractual threshold payments remaining, such that the maximum amount payable is subject only to the calculated threshold limitation based on quarterly Vascepa net revenues. In accordance with the agreement, quarterly differences between the calculated optional reduction amounts and the contractual threshold amounts were rescheduled for payment beginning in the second quarter of 2017 and any such deferred payments will remain subject to continued application of the quarterly ceiling in amounts due established by the calculated threshold based on quarterly Vascepa net revenues.

No additional interest expense or liability is incurred as a result of such deferred repayments and no cliff payment of the remaining balance is due except in the event of Company default or Company change of control. The agreement does not expire until $150.0 million in aggregate has been repaid. The Company can prepay an amount equal to $150.0 million less any previously repaid amount.

Under the 2004 share repurchase agreement with Laxdale Limited, or Laxdale, upon receipt of marketing approval in Europe for the first indication for Vascepa (or first indication of any product containing Amarin Neurosciences Limited intellectual property acquired from Laxdale in 2004), the Company must make an aggregate stock or cash payment to the former shareholders of Laxdale (at the sole option of each of the sellers) of £7.5 million (approximately $9.6 million as of 31 December 2019). Also under the Laxdale agreement, upon receipt of a marketing approval in Europe for a further indication of Vascepa (or further indication of any other product using Amarin Neurosciences Limited intellectual property), the Company must make an aggregate stock or cash payment (at the sole option of each of the sellers) of £5 million (approximately $6.4 million as of 31 December 2019) for the two potential market approvals. On 13 December 2019, in connection with approval by the FDA for a new indication of Vascepa, the Company was required to make an aggregate milestone payment of £5 million (in either stock or cash at the sole option of each of the sellers) to Laxdale's former shareholders. One of the shareholders elected to receive payment in stock, resulting in the issuance of 257,713 shares at a price of $24.12 per share. The Company recorded a liability of $2.2 million in Trade and other payables on the balance sheet as of 31 December 2019.

30. Capital Commitments (continued)

The Company has no provision, except as noted, for any of the obligations above since the amounts are either not probable or estimable at 31 December 2019.

31. Financial Commitments

(a) Operating Leases

The Group and Parent Company had future minimum payments under non-cancellable operating leases as follows:

	2019 Land and buildings		2018 Land and buildings	
	Group $'000	Parent Company $'000	Group $'000	Parent Company $'000
< 1 year	—	—	200	—
> 1 year and < 5 years	—	—	—	—
	—	—	**200**	—

(b) Royalty and Milestone Obligations

The Company is party to certain milestone and royalty obligations under several product development agreements, as follows:

The Company entered into long-term supply agreements with multiple FDA-approved API suppliers and encapsulators. Certain supply agreements require annual minimum volume commitments by the Company and certain volume shortfalls may require payments for such shortfalls. As of 31 December 2019, the Company has no royalty, milestone or shortfalls in the minimum purchase commitments related to these supply agreements.

These agreements included requirements for the suppliers to meet certain product specifications and qualify their materials and facilities with applicable regulatory authorities including the FDA. The Company has incurred certain costs associated with the qualification of product produced by these suppliers.

(c) Litigation

On 22 February 2019, a purported investor in our publicly traded securities filed a putative class action lawsuit against Amarin Corporation plc, our chief executive officer and chief scientific officer in the U.S. District Court for the District of New Jersey, *Debendra Sharma v. Amarin Corporation plc, John F. Thero and Steven Ketchum*, No. 2:19-cv-06601 (D.N.J. 22 Feb. 2019). On 12 March 2019, another purported investor filed a substantially similar lawsuit captioned *Richard Borghesi v. Amarin Corporation plc, John F. Thero and Steven Ketchum,* No. 3:19-cv-08423 (D.N.J. 12 March 2019). On 14 May 2019 the court consolidated the cases under the caption *In re Amarin Corporation PLC Securities Litigation*, No. 3:19-cv-06601 and appointed two other purported shareholders, Dan Kotecki and the Gaetano Cecchini Living Trust, as Co-Lead Plaintiffs.

Co-Lead Plaintiffs filed a consolidated amended complaint, or Amended Complaint, on 22 July 2019 that adds as defendants our current chief medical officer and our former chief executive officer, who is a current director. The Amended Complaint alleges that from 24 September 2018 to 9 November 2018 we misled investors by releasing topline results for the REDUCE-IT study without disclosing data on biomarker increases in the placebo group as compared with baseline measurement. The Amended Complaint alleges that these data suggest that the mineral oil placebo used in the REDUCE-IT study may have interfered with statin absorption in the placebo group, which they allege may have increased adverse outcomes in the placebo group. The Amended Complaint further allege that these purported misrepresentations and omissions inflated our share price. Based on these allegations, the suit asserts claims under the Securities Exchange Act of 1934 and seeks unspecified monetary damages and attorneys' fees and costs.

31. Financial Commitments (continued)

We believe that we have valid defenses and we will vigorously defend against the claims, but cannot predict the outcome. We are unable to reasonably estimate the loss exposure, if any, associated with these claims. We have insurance coverage that is anticipated to cover any significant loss exposure that may arise from this action after payment by us of the associated deductible obligation.

In September and October 2016, we received paragraph IV certification notices from four companies contending to varying degrees that certain of our patents are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale or offer for sale of a generic form of the 1-gram dose strength of Vascepa as described in those companies' ANDAs. These certifications were expected given the eligibility for submission of ANDAs under the NCE regulatory structure, after the expiration of four years from the July 2012 approval of Vascepa.

We filed patent infringement lawsuits against three of these four ANDA applicants. In October 2016, Amarin filed a lawsuit against Roxane Laboratories, Inc. and related parties, collectively, Roxane, in the U.S. District Court for the District of Nevada ("Nevada Court"). The case against Roxane was captioned Amarin Pharma, Inc. et al. v. Roxane Laboratories, Inc. et al., Civ. A. No. 2:16-cv-02525 (D. Nev.). According to a stipulation filed with the Nevada Court, in December 2016, Roxane transferred its ANDA to West-Ward Pharmaceuticals International Limited, which then designated West-Ward Pharmaceuticals Corp. (together with West-Ward Pharmaceuticals International Limited, "West-Ward," and now known as "Hikma") as its agent for FDA communications. In view of the ANDA transfer, in February 2017, West-Ward replaced Roxane and related parties as Defendants in the above-referenced case. The case against West-Ward was captioned Amarin Pharma, Inc. et al. v. West-Ward Pharmaceuticals Corp. et al., Civ. A. No. 2:16-cv-02525 (D. Nev.). In November 2016, Amarin filed a lawsuit against Dr. Reddy's Laboratories, Inc. and Dr. Reddy's Laboratories, Ltd., (collectively, "DRL" and, together with Hikma and their respective affiliates involved in the litigations, the "Defendants"), in the U.S. District Court for the District of Nevada Court. The case against DRL was captioned Amarin Pharma, Inc. et al. v. Dr. Reddy's Laboratories, Inc. et al., Civ. A. No. 2:16-cv-02562 (D. Nev.). In November 2016, Amarin filed a lawsuit against Teva Pharmaceuticals USA, Inc. and Teva Pharmaceuticals Industries Limited, or collectively, Teva, in the Nevada Court. The case against Teva was captioned Amarin Pharma, Inc. et al. v. Teva Pharmaceuticals USA, Inc. et al., Civ. A. No. 2:16-cv-02658. In all three lawsuits, we were seeking, among other remedies, an order enjoining each defendant from marketing generic versions of the 1-gram dose strength of Vascepa before the last to expire of the asserted patents in 2030. The three lawsuits were consolidated for pretrial proceedings.

The fourth ANDA applicant referenced above is Apotex Inc., or Apotex, which sent us a paragraph IV certification notice in September 2016. The notice reflected that Apotex made a paragraph IV notice as to some, but not all, of the patents listed in the Orange Book for Vascepa. Because Apotex did not make a paragraph IV certification as to all listed patents, Apotex cannot market a generic version of Vascepa before the last to expire of the patents for which Apotex did not make a paragraph IV certification, which is in 2030. At a later date, Apotex may elect to amend its ANDA in order to make a paragraph IV certification as to additional listed patents. If and when Apotex does make such an amendment, it would be required to send Amarin an additional paragraph IV certification notice, and Amarin would then have the ability to file a lawsuit against Apotex pursuant to the Hatch-Waxman Amendments.

In October 2016, we introduced to the market a 0.5-gram dose strength of Vascepa. In August 2017, as anticipated, we received a paragraph IV certification notice from Teva contending that certain of our patents are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale or offer for sale of a generic form of the 0.5-gram dose strength of Vascepa, as described in the Teva ANDA. This Teva ANDA was filed as an amendment to the 1-gram Teva ANDA and is related to patents already at issue in the 1-gram Vascepa patent litigation. This certification followed the related listing in the Orange Book of patents associated with the 0.5-gram product in June 2017. This June 2017 listing was within the five-year, post NDA-approval period during which the Hatch-Waxman Amendments require a paragraph IV certification of patent invalidity or non-infringement under the Hatch-Waxman, five-year, NCE regulatory scheme. Accordingly, in October 2017, we filed a patent infringement lawsuit against Teva in the Nevada Court. The case was captioned Amarin Pharma, Inc. et al. v. Teva Pharmaceuticals USA, Inc. et al., Civ. A. No. 2:17-cv-2641 (D. Nev.). In this lawsuit, we sought, among other remedies, an order enjoining Teva from marketing generic versions of the 0.5-gram dose strength of Vascepa before the last to expire of the asserted patents in 2030.

31. Financial Commitments (continued)

In July 2018, we received a paragraph IV certification notice from DRL contending that certain of our patents are invalid, unenforceable and/or will not be infringed by the manufacture, use, sale or offer for sale of a generic form of the 0.5-gram dose strength of Vascepa, as described in the DRL ANDA. This DRL ANDA was filed as an amendment to the 1-gram DRL ANDA and is related to patents already at issue in the 1-gram Vascepa patent litigation. This certification followed the related listing in the Orange Book of patents associated with the 0.5-gram product in June 2017. This June 2017 listing was within the five-year, post NDA-approval period during which the Hatch-Waxman Amendments require a paragraph IV certification of patent invalidity or non-infringement under the Hatch-Waxman, five-year, NCE regulatory scheme. Accordingly, in August 2018, we filed a patent infringement lawsuit against DRL in the Nevada Court. The case was captioned Amarin Pharma, Inc. et al. v. Dr. Reddy's Laboratories, Inc. et al., Civ. A. No. 2:18-cv-01596 (D. Nev.). In this lawsuit, we sought, among other remedies, an order enjoining DRL from marketing generic versions of the 0.5-gram dose strength of Vascepa before the last to expire of the asserted patents in 2030. In light of the overlap between the cases, DRL and Amarin have stipulated that the final judgment on the merits of the parties' contentions in the consolidated 1-gram action shall also be binding in the 0.5-gram case.

On May 24, 2018, we entered into a settlement agreement with Teva that resolves our ANDA patent litigation as it relates to Teva's as amended ANDA for both the 1-gram and 0.5-gram dose strengths of Vascepa. As part of this settlement agreement, Teva may first begin selling its generic version of Vascepa in the United States on 9 August 2029, or earlier under certain customary circumstances, including commercial launch by another generic manufacturer under certain circumstances.

On March 30, 2020, the Nevada Court issued its ruling in favor of the Defendants (DRL and Hikma). We are appealing the decision and may pursue additional remedies, including seeking a preliminary injunction against a generic product launch. We can make no guarantees as to the success, timing or efforts involved in connection with such appeal, or a preliminary injunction if we determine to pursue it. If the generic version of Vascepa proposed by either Defendant is approved by the FDA and the sponsor has qualified supply available and elects to launch at risk during the appeal process, such generic competition from one or both such companies in the near term could have a material and adverse impact on our revenues and our stock price. Such a launch before an appeal judgment would be at risk of damages such as lost profits to us should we prevail on appeal.

Teva could also launch a generic version of Vascepa under a May 2018 settlement agreement with us related to the Nevada Court litigation in light of the March 2020 ruling. Similarly, any launch by Teva would be subject to FDA approval of the Teva ANDA and procurement of adequate supply. Circumstances that could trigger a Teva launch under our settlement agreement include, but are not limited to the following: (1) If another generic company obtains FDA approval and launches at risk pending the current appeal of the March 2020 Nevada Court ruling, only if we do not obtain an injunction removing such product from the market within 60 days. In such case, Teva could also launch at risk but would be required to withdraw its product from the market if the other entities that launched at risk withdraw their products. (2) If we lose our appeal of the March 2020 district court decision.

We expect to face similar patent litigation related to the patents filed in the Orange Book related to the REDUCE-IT study. In addition, a three-year period of exclusivity under the Hatch-Waxman Amendments is generally granted for a drug product that contains an active moiety that has been previously approved, such as when the application contains reports of new clinical investigations (other than bioavailability studies) conducted by the sponsor that were essential to approval of the application. Accordingly, we received three-year exclusivity in connection the approval of our sNDA for REDUCE-IT study results. Such three-year exclusivity protection precludes the FDA from approving a marketing application for an ANDA, a product candidate that the FDA views as having the same conditions of approval as Vascepa (for example, the same indication and/or other conditions of use), or a 505(b)(2) NDA submitted to the FDA with Vascepa as the reference product until 13 December 2022, three years from the date of FDA approval of the REDUCE-IT sNDA. While this three-year exclusivity would prevent such an approval based on our REDUCE-IT indication during such time, it does not preclude tentative or final approval of an ANDA based on our MARINE indication. The FDA may accept and commence review of such REDUCE-IT- related applications during the three-year exclusivity period. Such three-year exclusivity grant does not prevent a company from challenging the validity of REDUCE-IT patents during such period. This three-year form of exclusivity may also not prevent the FDA from approving an NDA that relies only on its own data to support the change or innovation. Regulatory exclusivity is in addition to exclusivity afforded by issued patents related to Vascepa.

31. Financial Commitments (continued)

We may also face challenges to the validity of our patents through a procedure known as inter partes review. Inter partes review is a trial proceeding conducted through the Patent Trial and Appeal Board, of the U.S. Patent and Trademark Office. Such a proceeding could be introduced against us within the statutory one-year window triggered by service of a complaint for infringement related to an ANDA filing or at any time by an entity not served with a complaint. Such proceedings may review the patentability of one or more claims in a patent on specified substantive grounds such as allegations that a claim is obvious on the basis of certain prior art.

We intend to vigorously enforce our intellectual property rights relating to Vascepa, but we cannot predict the outcome of the pending lawsuits, any appeals, or any subsequently filed lawsuits or inter partes review.

In addition to the above, in the ordinary course of business, we are from time to time involved in lawsuits, claims, investigations, proceedings, and threats of litigation relating to intellectual property, commercial arrangements and other matters.

While the outcome of these proceedings and claims cannot be predicted with certainty, as of 31 December 2019, the Company was not party to any legal or arbitration proceedings that may have, or have had in the recent past, significant effects on the Company's financial position or profitability. No governmental proceedings are pending or, to our knowledge, contemplated against the Company. The Company is not a party to any material proceedings in which any Director, member of senior management or affiliate of ours is either a party adverse to the Company or its subsidiaries or has a material interest adverse to the Company or its subsidiaries.

32. Contingent Liabilities

Note 31 to the financial statements includes details of all commitments outstanding at the balance sheet date. The Group is not presently subject to any litigation where the potential risk of significant liability arising from such litigation is considered to be more than remote.

33. Related Party Transactions

All related party transactions are approved in accordance with our policy for related party transactions, which requires Audit Committee review and approval, followed by the approval of a majority of the Board of Directors who do not have a material interest in the transaction.

Transactions with Directors and Executive officers

The total compensation of our key management, defined as Directors and executive officers, was as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
	$'000	**$'000**
Short-term employee benefits	4,757	4,389
Share-based compensation	16,788	11,226
Total	**21,545**	**15,615**

The share-based compensation amount referenced in the above table represents the total fair value of share options and Restricted Stock Units granted to key Directors and executive officers, during the years ended 31 December 2019 and 2018.

34. Right-of-Use Lease Liabilities

On 5 February 2019, the Company entered into a lease agreement for new office space in Bridgewater, New Jersey, or the Lease. The Lease commenced on 15 August 2019, or the Commencement Date, for an 11 year period, with two five year renewal options. Subject to the terms of the Lease, Amarin will have a one-time option to terminate the agreement effective on the first day of the ninety-seventh month after the Commencement Date upon advance written notice and a termination payment specified in the Lease. Under the Lease, the Company pays monthly rent of approximately $0.1 million for the first year following the Commencement Date, and such rent will increase by a nominal percentage every year following the first anniversary of the Commencement Date. In addition, Amarin receives certain abatements subject to the limitations in the Lease.

The lease right-of-use asset is $8.3 million and the lease liability is $9.8 million as of 31 December 2019. The right-of-use lease asset depreciation charge was $0.7 million for the twelve months ended 31 December 2019. The lease interest charge, included in Finance costs (Note 12), was $1.0 million for the twelve months ended 31 December 2019.

The table below contains information on the right-of-use assets by class of asset. It also contains a maturity analysis of the Company's undiscounted payments for its lease liabilities and their reconciliation with the carrying amount of lease liability presented in the statement of financial position as of 31 December 2019:

Right-of-use assets **Carrying amount (CU)**	**Right-of-use Office Building**	**Total**
	$'000	**$'000**
At 1 January 2019	—	—
Additions	8,995	8,995
Depreciation	(717)	(717)
Impairment	—	—
At 31 December 2019	8,278	8,278

Lease liabilities	**Year ended 31 December 2019**	**Year ended 31 December 2018**
	$'000	**$'000**
Current (in Trade and other payables)	390	—
Non-current	9,443	—
Total	9,833	—
Maturity analysis - contractual undiscounted cash flows		
Less than one year	390	—
One to five years	6,924	—
More than five years	10,909	—
Total undiscounted lease liabilities	18,223	—
Discount Adjustments	(8,390)	—
Lease liabilities included in the statement of financial position	9,833	—

35. Events occurring after the reporting period

On 30 March 2020 the United States District Court for the District of Nevada's ruled in favor of the generic companies in the company's patent litigation against two filers of abbreviated new drug applications, or ANDAs, for Amarin's Vascepa capsule franchise. Amarin strongly disagrees with the ruling and plans to vigorously pursue appeal of the Court's decision.

Early 2020 has seen the continued worldwide spread of coronavirus (COVID-19) with associated volatility, uncertainty and economic disruption. We have taken appropriate action regarding staff health and safety, and restricted travel, whilst maintaining close contact with our customers. Vascepa shipments and prescription levels have continued to increase as compared to the same period last year. However, consistent with other drugs, new patient prescriptions appear to have slowed in recent weeks. We have plans to resume sales calls when such in-person interactions are deemed safe. In spite of COVID-19, we have continued to interact with managed care organizations and pharmacy benefit managers. Additionally, our insurance coverage for Vascepa showed improvement with certain carriers at the start of April. Our supply chain is diversified and operates in a manner that mitigates geographical risks that we believe is likely to lessen the risk of material supply interruptions. Vascepa is reported to be available in pharmacies throughout the United States and similarly available in other countries where it is approved for sale. The Company continues to increase its inventory purchases during 2020 and distribute to customers without significant interruption.

Management continues to assess the extent to which COVID-19 impacts our business, operations and financial results, including evaluating all of our spending commitments and priorities, and consider the emergence and spread of COVID-19 to be a non-adjusting post year end event. Given the inherent uncertainties, it is not practicable at this time to determine the full impact of COVID-19 on the Group or to provide a quantitative estimate of this impact.