Amarin Corporation plc

Annual Report and Accounts

For the year ended 31 December 2017

Registered number: 2353920

Amarin Corporation plc

REPORT AND FINANCIAL STATEMENTS 2017

Contents

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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 2017, 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 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 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 2 Pembroke House, Upper Pembroke Street 28-32, Dublin 2, Ireland. Our primary office in the United States is located at 1430 Route 206, Bedminster, NJ 07921.

Review of business

Our lead product, Vascepa ® (icosapent ethyl) capsules, is approved by the U.S. Food and Drug Administration, or FDA, for use as an adjunct to diet to reduce triglyceride levels in adult patients with severe (TG $\geq$ 500 mg/dL) hypertriglyceridemia. This FDA-approved indication for Vascepa, known as the MARINE indication, is based primarily on the successful results from the MARINE study of Vascepa in this approved patient population. In considering this approval, FDA also reviewed the successful results from our study of Vascepa in patients with high triglyceride levels (TG $\geq$ 200 mg/dL and <500 mg/dL) who are also on statin therapy for elevated low-density lipoprotein cholesterol, or LDL-C, levels which condition we refer to as mixed dyslipidemia or persistently high triglycerides. This study is known as the ANCHOR study. Safety data from both the MARINE and ANCHOR studies are reflected in FDA-approved labeling for Vascepa. In January 2013, we began selling and marketing Vascepa in the United States based on the FDA-approved MARINE indication. In August 2015, we began communicating promotional information beyond the MARINE indication to healthcare professionals in the United States based on the federal court declaration described below. In March 2016, we reached agreement with the FDA and U.S. government under which they agreed to be bound by the terms of the August 2015 judicial declaration. Vascepa is available in the United States by prescription only.

We are currently focused on completing the ongoing REDUCE-IT (Reduction of Cardiovascular Events with EPA—Intervention Trial) cardiovascular outcomes study of Vascepa, which we started in December 2011. REDUCE-IT, a multinational, prospective, randomised, double-blind, placebo-controlled study, is the first prospective cardiovascular outcomes study of any drug in a population of patients who, despite stable statin therapy, have elevated triglyceride levels. Based on the results of REDUCE-IT, we plan to seek additional indicated uses for Vascepa. In REDUCE-IT, cardiovascular event rates for patients on stable statin therapy plus 4 grams per day of Vascepa will be compared to cardiovascular event rates for patients on stable statin therapy plus placebo.

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. We market Vascepa in the United States through our direct sales force. In March 2014, we entered into a co-promotion agreement in the United States with Kowa Pharmaceuticals America, Inc. under which Kowa Pharmaceuticals America, Inc. began to co-promote Vascepa in conjunction with its promotion of its primary product, a branded statin for patients with high cholesterol, which commenced in May 2014 and is scheduled to end at the end of 2018. If we do not extend this co-promotion agreement, enter into a co-promotion agreement with an equally capable company or hire equally capable sales representatives, our sales may be negatively impacted. Our direct sales force has, for the past few years through late 2017, consisted of approximately 150 sales professionals, including sales representatives and their managers. During the fourth quarter of 2017, we added approximately 15 sales representatives, bringing our direct sales force in the United States to approximately 165 sales professionals. We anticipate increasing our direct sales force to approximately 400 to 500 sales professionals after REDUCE-IT results, assuming success. We also intend to expand medical education and market awareness initiatives, including, in advance of REDUCE-IT results being known, pilot testing of new promotional initiatives for potential broader applications following REDUCE-IT results.

STRATEGIC REPORT (continued)

In February 2015, we entered into an exclusive agreement with Eddingpharm (Asia) Macao Commercial Offshore Limited, or Eddingpharm, to develop and commercialise Vascepa capsules in Mainland China, Hong Kong, Macau and Taiwan, or the China Territory. In March 2016, we entered into an agreement with Biologix FZCo, or Biologix, to register and commercialise Vascepa in countries within the Middle East and North Africa. In September 2017, we entered into an agreement with HLS Therapeutics Inc., or HLS, to register, commercialise and distribute Vascepa in Canada. We continue to assess other partnership opportunities for licensing Vascepa to partners outside of the United States.

Triglycerides are the main constituent of body fat in humans. Hypertriglyceridemia refers to a condition in which patients have high levels of triglycerides in the bloodstream. It is estimated that approximately 70 million adults in the United States have elevated triglyceride levels (TG ≥ 150 mg/dL), approximately 40 million adults in the United States have high triglyceride levels (TG ≥ 200 mg/dL), and approximately 3 to 4 million adults in the United States have severely high triglyceride levels (TG ≥ 500 mg/dL), commonly known as very high triglyceride levels. Many patients with high triglyceride levels also have diabetes and other lipid level abnormalities such as high cholesterol. The patient condition of having more than one lipid level abnormality is referred to as mixed dyslipidemia. According to The American Heart Association Scientific Statement on Triglycerides and Cardiovascular Disease (2011), triglycerides provide important information as a marker associated with the risk for heart disease and stroke, especially when an individual also has low high-density lipoprotein cholesterol, or HDL-C (often referred to as "good" cholesterol), and elevated levels of LDL-C (often referred to as "bad" cholesterol). Guidelines for the management of very high triglyceride levels suggest that reducing triglyceride levels is the primary goal in patients to reduce the risk of acute pancreatitis. The effect of Vascepa on cardiovascular mortality and morbidity, or the risk for pancreatitis, in patients with hypertriglyceridemia has not been determined.

In 2016, we completed patient enrollment and randomization of 8,175 individual patients into the REDUCE-IT study, exceeding the 8,000 patients targeted for the trial. The REDUCE-IT study is designed to be completed after reaching 1,612 aggregate primary cardiovascular events. Based on projected event rates, we estimate the onset of the target aggregate number of primary cardiovascular events to be reached near the end of the first quarter of 2018 with study results then expected to be available and made public before the end of the third quarter of 2018, followed by publication of the results. Between reaching the estimated onset of the target 1,612 aggregate primary cardiovascular events and study data being unblinded and disclosed, vital data will be collected from all remaining living patients in the study and data in the study will be rolled-up for evaluation by the independent data monitoring committee, or DMC, and creation of a final study report. We have instructed clinical sites to schedule patients enrolled in the study for their final site visits commencing 1 March 2018.

The REDUCE-IT study, since its inception in 2011, has been conducted under a special protocol assessment, or SPA, agreement with the FDA. This SPA, as amended, provides for periodic safety reviews by the study's DMC. In addition, the SPA, as amended, provided for interim efficacy and safety analyses by the study's DMC at approximately 60% and at approximately 80% of the target aggregate number of primary cardiovascular events. The periodic safety reviews and interim efficacy and safety analyses were conducted confidentially by the study's DMC. We remain blinded to all data from the study. Until the study is completed or the study is halted due to a patient safety concern (not expected), Amarin personnel will remain blinded to the efficacy and safety data from the REDUCE-IT study. Since patient enrollment commenced in 2011, over 33,000 patient years of study experience have been accumulated in the REDUCE-IT study. Following each periodic review of safety data to date, which have occurred quarterly since 2013, and following each of two interim efficacy and safety analyses, the DMC has communicated to us that we should continue the study as planned. The p-value used to assess the primary endpoint in REDUCE-IT at completion, assuming 1,612 aggregate primary cardiovascular events, is $p<0.0436$. In January 2018, we announced that more than 90% of the 1,612 targeted aggregate number of primary cardiovascular events have been reported and documented.

In the successful Phase 3 MARINE and ANCHOR clinical trials, Vascepa was studied at a daily dose of 2 grams and 4 grams. We sought approval of Vascepa at the more efficacious 4-gram dose for use in each patient population. These trials demonstrated favorable results in their respective patient populations, particularly with the 4-gram dose of Vascepa, in reducing triglyceride levels without increasing LDL-C levels in the MARINE trial and with a statistically significant decrease in LDL-C levels in the ANCHOR trial, in each case, relative to placebo. These trials also showed favorable results, particularly with the 4-gram dose of Vascepa, in other important lipid and inflammation biomarkers, including apolipoprotein B (apo B), non-high-density lipoprotein cholesterol (non-HDL-C), total-cholesterol (TC), very low-density lipoprotein cholesterol (VLDL-C), lipoprotein-associated phospholipase A2 (Lp-PLA2), and high sensitivity C-reactive protein (hs-CRP). In these trials, the most commonly reported adverse reaction (incidence >2% and greater than placebo) in Vascepa-treated patients

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was arthralgia (joint pain) (2.3% for Vascepa vs. 1.0% for placebo).

In April 2015, we received a Complete Response Letter, or CRL, from the FDA in response to our supplemental new drug application, or sNDA, that sought approval of Vascepa for use in patients with mixed dyslipidemia, based on the successful ANCHOR study. The CRL followed an October 2013 rescission by the FDA of a special protocol assessment, or SPA, agreement and three failed attempts by us to appeal that rescission at FDA. The FDA has acknowledged the success of the ANCHOR study, which met all primary and secondary endpoints. However, FDA determined that there were insufficient data to conclude that drug-induced changes in serum triglycerides could be recognised by the FDA as a valid surrogate for reducing cardiovascular risk in the ANCHOR population for the purpose of regulatory approval of a drug targeted at a triglyceride-lowering indication in this population. The FDA has acknowledged that the standard of proof required by the FDA for approval of a new drug indication is higher than that generally used to inform patient treatment guidelines and that used by physicians in clinical practice. The FDA did not determine that the drug-induced effects of Vascepa, which go beyond triglyceride-lowering, would not actually reduce cardiovascular risk in this population and the FDA has encouraged us to complete the REDUCE-IT outcomes study. Based on our communications with the FDA, we expect that final positive results from the REDUCE-IT outcomes study will be required for label expansion for Vascepa.

In May 2015, we and a group of independent physicians filed a lawsuit in federal court to permit us to promote to healthcare professionals the use of Vascepa in patients with mixed dyslipidemia so long as the promotion is truthful and non-misleading. This use reflects recognised medical practice but is not covered by current FDA-approved labeling for the drug. Historically, FDA has considered promotion of drug uses not covered by FDA-approved labeling to be illegal off-label promotion, even if such promotion is truthful and non-misleading. In August 2015, we were granted preliminary relief in the form of a declaratory judgment in this lawsuit. The court declaration permits us to promote to healthcare professionals the FDA-reviewed and agreed effects of Vascepa demonstrated in the ANCHOR clinical trial and presentation of the current state of scientific research related to the potential of Vascepa to reduce the risk of cardiovascular disease including through use of peer-reviewed scientific publications of available data. 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 and in March 2016, the parties obtained court approval of negotiated settlement terms under which the FDA and the U.S. government agreed to be bound by the court's conclusions from the August 2015 declaration 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. 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.

Commercialisation – United States

We commenced the commercial launch of 1-gram size Vascepa capsules in the United States in January 2013. We commenced sales and shipments of Vascepa at that time to our network of U.S.-based wholesalers. We currently market Vascepa in the United States through our direct sales force of approximately 165 sales professionals, including sales representatives and their managers. We anticipate increasing our sales force to a total of approximately 400 to 500 sales professionals after REDUCE-IT results, assuming success. Commencing in May 2014, in addition to Vascepa promotion by our sales representatives, Kowa Pharmaceuticals America, Inc. began co-promoting Vascepa in conjunction with its promotion of its primary product, a branded statin for patients with high cholesterol. We also employ various medical affairs and marketing personnel to support our commercialisation of Vascepa. We intend to expand medical education and market awareness initiatives, including, in advance of REDUCE-IT results being known, pilot testing of new promotional initiatives for potential broader applications following REDUCE-IT results.

In October 2016, in addition to the original 1-gram capsule size for Vascepa, we introduced a smaller 0.5-gram capsule size, the first and only 0.5-gram prescription omega-3 alternative available on the market, for the subset of patients who prefer a smaller capsule. The FDA-approved dosing for Vascepa continues to be 4 grams per day and, as expected, the majority of new and existing patients taking Vascepa continue to be prescribed the 1-gram size Vascepa capsule.

Under our co-promotion agreement with Kowa Pharmaceuticals America, Inc., both parties have agreed to use commercially reasonable efforts to promote, detail and optimise sales of Vascepa in the United States and have agreed to

STRATEGIC REPORT (continued)

specific performance requirements detailed in the related agreement. The performance requirements include a negotiated minimum number of sales details to be delivered by each party in the first and second position, the use of a negotiated number of minimum sales representatives from each party, and the achievement of minimum levels of Vascepa revenue in 2015 and beyond. First position refers to when a sales representative's primary purpose in detailing is related to Vascepa, while second position refers to when a sales representative's primary purpose in detailing is to promote another product, but they also devote time in the same sales call to promote Vascepa. Kowa Pharmaceuticals America, Inc. has also agreed to bear the costs incurred for its sales force associated with the commercialisation of Vascepa and to pay for certain incremental costs associated with the use of its sales force, such as sample costs and costs for promotional and marketing materials. We will continue to recognise all revenue from sales of Vascepa. In exchange for Kowa Pharmaceuticals America, Inc.'s co-promotional services, Kowa Pharmaceuticals America, Inc. is entitled to a quarterly co-promotion fee based on a percentage of aggregate Vascepa gross margin that varies during the term. The percentage of aggregate Vascepa gross margin earned by Kowa Pharmaceuticals America, Inc. was, as amended, approximately eighteen percent (18%) in 2017, partially offset by certain other refinements.

During 2018, which is the last year of the agreement, as amended, we anticipate incurring expense for both the annual co-promotion fee, which in 2018 will again be calculated as a percentage of Vascepa gross margin at a modestly higher rate than in 2017, plus accrual for co-promotion tail payments. Assuming Kowa Pharmaceuticals America, Inc. fulfills its obligations in accordance with the terms of the agreement, as amended, after expiration of the agreement, Kowa Pharmaceuticals America, Inc. is eligible to receive up to three years of co-promotion tail payments equal to declining percentages of the co-promotion fee amount earned in the final year of the agreement with the sum of the three years of co-promotion tail payments totaling less than the co-promotion fee amount earned in the final year of the agreement.

Based on monthly compilations of data provided by a third party, Symphony Health, the estimated number of normalised total Vascepa prescriptions for the three months ended 31 December 2017 was approximately 394,000 compared to 374,000, 344,000, 305,000, and 286,000 in the three months ended 30 September 2017, 30 June 2017, 31 March 2017, and 31 December 2016, respectively. According to data from another third party, IQVIA (formerly QuintilesIMS), the estimated number of normalised total Vascepa prescriptions for the three months ended 31 December 2017 was approximately 406,000 compared to 372,000, 344,000, 307,000, and 289,000 in the three months ended 30 September 2017, 30 June 2017, 31 March 2017, and 31 December 2016, respectively. Normalised total prescriptions represent the estimated total number of Vascepa prescriptions dispensed to patients, calculated on a normalised basis (i.e., one month's supply, or total capsules dispensed multiplied by the number of grams per capsule divided by 120 grams). Inventory levels at wholesalers tend to fluctuate based on seasonal factors, prescription trends and other factors.

The data reported above is based on information made available to us from third-party resources and may be subject to adjustment and may overstate or understate actual prescriptions. Timing of shipments to wholesalers, as used for revenue recognition purposes, and timing of prescriptions as estimated by these third parties may differ from period to period. Although we believe these data are prepared on a period-to-period basis in a manner that is generally consistent and that such results can be generally indicative of current prescription trends, these data are based on estimates and should not be relied upon as definitive. While we expect to be able to grow Vascepa revenues over time, no guidance should be inferred from the operating metrics described above. We also anticipate that such sales growth will be inconsistent from period to period. We believe that investors should view the above-referenced operating metrics with caution, as data for this limited period may not be representative of a trend consistent with the results presented or otherwise predictive of future results. Seasonal fluctuations in pharmaceutical sales, for example, may affect future prescription trends of Vascepa, as could changes in prescriber sentiment, quarterly changes in Distributor purchases, and other factors. We believe investors should consider our results over several quarters, or longer, before making an assessment about potential future performance.

The commercialisation of pharmaceutical products is a complex undertaking, and our ability to effectively and profitably commercialise Vascepa will depend in part on our ability to generate market demand for Vascepa through education, marketing and sales activities, our ability to achieve market acceptance of Vascepa, our ability to generate product revenue and our ability to receive adequate levels of reimbursement from third-party payers. See "*Risk Factors—Risks Related to the Commercialisation and Development of Vascepa*."

In August 2015, we and our co-promotion partner began communicating promotional information beyond MARINE clinical trial data to targeted healthcare professionals. Such qualified communications are being made pursuant to the August 2015 federal district court declaration and related March 2016 settlement allowing truthful and non-misleading promotion of

STRATEGIC REPORT (continued)

the FDA-reviewed and agreed effects of Vascepa demonstrated in the ANCHOR clinical trial and presentation of the current state of scientific research related to the potential of Vascepa to reduce the risk of cardiovascular disease including through use of peer-reviewed scientific publications of available data.

Commercialisation – Outside the United States

In February 2015, we announced an exclusive agreement with Eddingpharm to develop and commercialise 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 commercialised and under development by us in the United States based on the MARINE, ANCHOR and ongoing REDUCE-IT clinical trials of Vascepa.

Under the agreement, Eddingpharm is responsible for development and commercialisation activities in the China Territory and associated expenses. We will provide development assistance and be responsible for supplying the product. Terms of the agreement include up-front and milestone payments to us of up to $169.0 million, including a non-refundable $15.0 million up-front payment received at closing, a non-refundable milestone payment of $1.0 million received upon successful submission of a clinical trial application, or CTA, with respect to the MARINE indication for Vascepa to the Chinese regulatory authority in March 2016. 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. We are also entitled to receive future regulatory and sales-based milestone payments of up to an additional $153.0 million. 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 license 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 $1.0 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. Eddingpharm will also pay us tiered double-digit percentage royalties on net sales of Vascepa in the China Territory escalating to the high teens. We will supply finished product to Eddingpharm under negotiated terms. In 2017, the Group re-examined the timelines surrounding approval for Vascepa in the Territory, resulting in a change in estimate on the amortisation of the $15.0 million upfront payment and $1.0 million milestone payment received. Refer to Note 2 for further discussion.

In March 2016, we entered into an agreement with Biologix FZCo, or Biologix, to register and commercialise 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. Upon closing of the agreement, we 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. We receive all payments based on total product sales and pay 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.

In September 2017, we entered into an agreement with HLS to register, commercialise and distribute Vascepa in Canada. Under the agreement, HLS will be responsible for regulatory and commercialisation activities and associated costs. We will be 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. Terms of the agreement include up-front and milestone payments to us of up to $65.0 million. These payments include a non-refundable $5.0 million up-front payment to be received in two equal installments, the first of which was received at closing with the second to be received upon the six-month anniversary of the closing. In addition to the non-refundable, up-front payment, we are entitled to receive certain regulatory and sales-based milestone payments of up to an additional $60.0 million, the timing and achievability of which cannot be determined at least until discussions with Canadian regulatory authorities have commenced, as well as tiered double-digit royalties on net sales of Vascepa in Canada.

We continue to assess other partnership opportunities for licensing Vascepa to partners outside of the United States.

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Financial review

The Group views cash management and revenues as two of its most significant key performance indicators. For the year ended 31 December 2017, the Group increased revenues to $183.0 million from $133.7 million in the year ended 31 December 2016. This increase in revenue was driven primarily by an increase in normalized total Vascepa prescriptions. Cash outflows from operations decreased from $55.0 million in the year ended 31 December 2016 to $19.4 million in the year ended 31 December 2017.

For the fiscal years ended 31 December 2017 and 2016, we reported loss before tax of $68.0 million and $109.5 million, respectively. This decrease in loss before tax for the year ended December 31, 2017, as compared to the prior year period, is primary due to an increase in revenues, decrease in finance costs, offset by an increase in operating expenses. Substantially all of our loss before tax resulted from costs incurred in connection with the commercialisation of Vascepa, our research and development programmes, finance charges and from general and administrative costs associated with our operations.

The loss before tax for the year ended 31 December 2017 includes a loss on the change in fair value and extinguishment of derivatives of $6.3 million. The loss before tax for the year ended 31 December 2016 includes a loss on the change in carrying value of debt of $1.6 million and a loss on the change in fair value and extinguishment of derivatives of $12.8 million.

Research and development expenses for the year ended 31 December 2017 totalled $47.2 million versus $49.7 million in the prior year. The share-based payment expense included within research and development totalled $2.2 million and $2.0 million for the years ended 31 December 2017 and 2016, respectively. Research and development expense, excluding non-cash charges for share-based compensation expense for the year ended 31 December 2017, decreased $2.7 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 2017 totalled $135.1 million versus $112.2 million in the prior year. General and administrative expenses include share-based payment expense of $12.4 million for the year ended 31 December 2017, versus $11.8 million in the prior year. General and administrative expense, excluding non-cash compensation charges for stock compensation, for the year ended 31 December 2017 increased by $22.4 million, primarily due to increased sales and marketing spend in support of expanded Vascepa promotion following the federal court declaration on 7 August 2015, allowing communication of truthful and non-misleading ANCHOR clinical trial data to be communicated to healthcare professionals. Additionally, co-promotion fees payable to Kowa Pharmaceuticals America, Inc. were $22.5 million and $18.0 million in the years ended 31 December 2017 and 2016, respectively, an increase of $4.5 million, or 25 %. Kowa Pharmaceuticals America, Inc. commenced its co-promotion efforts in May 2014.

The Group had cash and cash equivalents of $74.2 million as of 31 December 2017, representing a decrease of $24.7 million from the cash and cash equivalents as of 31 December 2016 of $98.9 million. The decrease in cash and cash equivalents is primarily due to increased sales and marketing spending in 2017 in support of expanded Vascepa promotion. 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 2017 of $30.3 million are sufficient to cover the Group's near-term supply requirements. Long-term debt as of 31 December 2017 of $114.0 million includes the carrying value of the Group's senior exchangeable notes issued in January 2017 of $34.7 million and long-term debt issued in December 2012 of $79.3 million.. For more details on long-term debt, please see Note 24. As of 31 December 2017, the Group had a retained deficit of $976.8 million.

Principal risks and uncertainties

Risks Related to the Commercialisation and Development of Vascepa

We are substantially dependent upon sales of Vascepa in the United States.

As a result of our reliance on a single product, Vascepa® (icosapent ethyl) capsules, and our primary focus on the U.S.

STRATEGIC REPORT (continued)

market in the near-term, much of our near-term results and value as a company depends on our ability to execute our commercial strategy for Vascepa in the United States. If commercialisation efforts for Vascepa are not successful, our business will be materially and adversely affected.

Even if we are able to successfully develop Vascepa outside the United States or develop additional products from our research and development efforts, the development time cycle for products typically takes several years. This restricts our ability to respond to adverse business conditions for Vascepa. If we are not successful with development, or if there is not adequate demand for Vascepa or the market for such product develops less rapidly than we anticipate, 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.

The uncertain effect of Vascepa on its ultimate targeted clinical benefits makes it more difficult to achieve a level of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary 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. Approximately 3 to 4 million adults in the United States have severely high triglyceride levels (TG ≥500 mg/dL), commonly known as very high triglyceride levels. 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 cardiovascular mortality and morbidity, or the risk for pancreatitis, in patients with hypertriglyceridemia has not been determined and our FDA-approved labeling and promotional efforts state these facts.

In August 2015, based on a federal court order, we began communicating promotional information beyond the MARINE indication to healthcare professionals in the United States for the treatment of patients with high (TG ≥200 mg/dL and <500 mg/dL) triglyceride levels who are also on statin therapy for elevated low-density lipoprotein cholesterol, or LDL-C, levels, based on results from the ANCHOR study of Vascepa. It is estimated that approximately 40 million adults in the United States have high triglyceride levels (TG ≥200 mg/dL), and many patients with high triglycerides also have other lipid level abnormalities such as high cholesterol and are on statin therapy. FDA did not approve Vascepa for use in this population due to the uncertain effect of pharmaceutically induced triglyceride reduction in this patient population on cardiovascular risk reduction, the ultimate targeted clinical benefits. Our promotional efforts disclose this fact and what we view as truthful and non-misleading information on the current state of research on both triglyceride reduction and the active pharmaceutical ingredient, or API, in Vascepa, EPA, as each relate to the potential of Vascepa to reduce cardiovascular risk.

The uncertainties around the ultimate targeted clinical benefits of Vascepa make it more difficult for Vascepa to gain market acceptance by physicians, patients, healthcare payors and others in the medical community. If Vascepa does not achieve an adequate level of acceptance, we may not generate product revenues sufficient to become profitable. The degree of market acceptance of Vascepa for the MARINE indication and in ANCHOR patients and in any future approved indications and uses will depend on a number of factors, including:

- the perceived efficacy, safety and potential advantages of Vascepa, as compared to alternative treatments;
- 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 outside of FDA-approved labeling and the related perception thereof;

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- sufficient third-party coverage or reimbursement for on-label use, and for permitted off-label use, the third-party coverage or reimbursement for which was not addressed in the scope of the August 2015 court declaration or related settlement;
- natural disasters that can 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 efficacy of the product and the prevalence and severity of any side effects, including any limitations or warnings contained in Vascepa's approved labeling.

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

Our sales team consists of approximately 165 sales professionals, including sales representatives and their managers. This sales team promotes Vascepa to a limited group of physicians and other healthcare professionals in select geographies in the United States. This sales team is not large enough to call upon all physicians. In January 2013, when we initially began selling Vascepa in the United States through our own then newly established sales and marketing teams and through a newly established third-party commercial distribution infrastructure, our sales team was larger.

In May 2014 we began co-promoting Vascepa in the United States with Kowa Pharmaceuticals America, Inc. under a co-promotion agreement we entered into in March 2014, which we amended in July 2017. Under the agreement Kowa Pharmaceuticals America, Inc. co-promotes Vascepa in conjunction with its promotion of its primary product, a branded statin for patients with high cholesterol, along with our sales professionals based on a plan designed to focus on select sales territories that we believe have demonstrated the greatest potential for Vascepa sales growth, increasing both the number of sales targets reached and the frequency of sales calls on existing sales targets. However, the commercialisation of pharmaceutical products is a complex undertaking, and we have very limited experience as a company operating in this area and co-promoting a pharmaceutical product with a partner.

If the results of the REDUCE-IT outcomes study are successful, we plan to expand our promotion of Vascepa, including increasing the size of our team. We anticipate increasing our sales force to a total of approximately 400 to 500 sales professionals after REDUCE-IT results, assuming success. If REDUCE-IT is successful, we will again need to overcome challenges associated with rapidly hiring and training personnel and managing larger teams of people. Furthermore, our agreement with Kowa Pharmaceuticals America, Inc. is designed such that its co-promotion of Vascepa ceases at the end of 2018. If we do not extend this co-promotion agreement, enter into a co-promotion agreement with an equally capable company or hire equally capable sales representatives, our sales may be negatively impacted.

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

- our inability to attract and retain adequate numbers of effective sales and marketing personnel;
- our inability to adequately train our sales and marketing personnel, in particular as it relates to various healthcare regulatory requirements applicable to the marketing and sale of pharmaceutical products and the court declaration that we believe enables us to expand marketing efforts for Vascepa, and our inability to adequately monitor compliance with these requirements;
- the inability of our new sales personnel, working for us as a new market entrant, to obtain access to or persuade adequate numbers of physicians to prescribe Vascepa;
- 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 organisation.

STRATEGIC REPORT (continued)

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.

We expect final positive results from the REDUCE-IT outcomes study will be required for FDA-approved label expansion for Vascepa.

Since January 2013, we have marketed Vascepa for use in the FDA-approved MARINE indication in the United States. In April 2015, we received a Complete Response Letter, or CRL, from the FDA on our supplemental new drug application, or sNDA, that sought approval for the use of Vascepa in patients with high triglyceride levels (TG ≥200 mg/dL and <500 mg/dL) who are also on statin therapy, which we refer to as the ANCHOR indication. In regulatory communications, the FDA acknowledged that the results of the ANCHOR trial as we presented them to FDA were valid and truthful in that, for example, Vascepa reduced triglyceride levels compared to placebo in patients treated in the ANCHOR study. The clinical rationale for reducing serum triglycerides with Vascepa and modifying other lipid/lipoprotein parameters shown in ANCHOR among statin-treated patients with triglycerides 200-499 mg/dL is to reduce cardiovascular risk. In not approving our ANCHOR sNDA, the FDA concluded that, for regulatory approval purposes, there were insufficient data to support a drug-induced change in serum triglycerides as a surrogate for reducing cardiovascular risk in the ANCHOR population. The FDA did not determine that the drug-induced effects of Vascepa, which go beyond triglyceride-lowering, would not actually reduce cardiovascular risk in this population.

In August 2015, based on a federal court order, we began communicating promotional information beyond the MARINE indication to healthcare professionals in the United States through use of a set of qualified statements that we believe reflect the state of research related to the use of Vascepa in the ANCHOR population and the supportive but not conclusive research on the use of Vascepa to reduce cardiovascular risk in this population. In March 2016, we settled the litigation related to this court order 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. An FDA-approved indication for this patient population has not been granted. If new clinical information is demonstrated that changes what we understand to be truthful and non-misleading, our promotion of Vascepa will need to be modified to ensure that our promotion remains truthful and non-misleading. Our ability to reach full potential in the commercialisation of Vascepa in the United States is dependent upon marketing claims associated with Vascepa that are granted with the approval of an indication statement by the FDA.

Based on our communications with the FDA, we expect that final positive results from the REDUCE-IT outcomes study will be required for FDA approval of a new indication or other label expansion for Vascepa. Any delay in obtaining, or an inability to obtain, further expansion of our marketing approval rights with an FDA approval could prevent us from growing revenue at all or greater than our current pace and could therefore have a material adverse effect on our operations and financial condition, including our ability to reach profitability. Even if we obtain additional regulatory approvals for Vascepa, the timing or scope of any approvals may prohibit or reduce our ability to commercialise the product successfully. For example, if the approval process for any expanded indication takes too long, we may miss market opportunities and give other companies the ability to develop competing products or establish market dominance. If the FDA does not approve any expanded indication at all, it could have a material impact on our future results of operations and financial condition. Additionally, the terms of any approvals beyond the approval received from the FDA in July 2012 for the MARINE indication may prove to not have the scope or breadth needed for us to successfully commercialise Vascepa or become profitable.

Our 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 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.

STRATEGIC REPORT (continued)

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 reflects recognised 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 is 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 is already in FDA-approved labeling of Vascepa) or the peer-reviewed research related to Vascepa and the potential for cardiovascular risk reduction.

In connection with this litigation, the FDA sent a detailed letter to us on 5 June 2015 that confirmed the validity of the ANCHOR trial results. The letter also sought to clarify how, in the FDA's view, applicable law and FDA policies apply to the communications proposed in our complaint. The FDA stated in this letter that it did not have concerns with much of the information we proposed to communicate and provided us with guidance on the FDA's view of lawful, but limited paths for the dissemination and communication to healthcare professionals of the effects of Vascepa demonstrated in the ANCHOR clinical trial and use of peer-reviewed scientific publications in the context of appropriate disclaimers.

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.

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. Based on our communications with the FDA, we expect that final positive results from the REDUCE-IT outcomes study will be required for label expansion for Vascepa.

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. Data arising from studies of drug products are complex, such as the many studies that we believe show supportive but not conclusive research on the potential connection between the effects of EPA, the active ingredient in Vascepa, and cardiovascular risk reduction (e.g., the JELIS trial of a highly-pure EPA product in Japan and the ongoing REDUCE-IT study of Vascepa). We, the FDA, our competitors and other interested parties may not agree on the truthfulness and non-misleading nature of our promotional materials with respect to the outcome of these trials or other direct or indirect claims we make about Vascepa. 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 organisations 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. 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 specialised 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 use and in off-label uses, such as to beneficially affect lipid levels in patients with persistent high triglyceride levels after statin therapy with the aim of potentially lowering cardiovascular risk beyond 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 (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. Each of these competitors, other than potentially Trygg, has greater resources than we do, including financial, product development, marketing, personnel and other resources.

Results of pending low dose omega-3 and other cardiovascular outcomes studies may negatively affect sales of Vascepa. For example, in 2018, results of both VITamin D and OmegA-3 TriaL (VITAL) and A Study of Cardiovascular Events iN Diabetes (ASCEND) trials are expected to be released. VITAL is an NIH funded randomised 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 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. ASCEND is a British Heart Foundation funded 2x2 factorial design, randomised study to assess whether aspirin 100 mg daily versus placebo and separately, omega-3 fatty acids 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. Positive results due to the omega-3 component from one or both trials may influence greater utilization of 1 gram daily of dietary supplements or Lovaza in a broad low cardiovascular risk population and in patients with diabetes and may potentially cause an update of AHA recommendation for 1 gram per day of EPA and DHA based on trial results. Negative results from such studies could create misleading impressions about the use of omega-3s generally, including Vascepa, despite the highly-pure EPA active ingredient in Vascepa and its higher dose regimine. Also, AstraZeneca is currently 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 randomised, 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 randomised 1:1 to either corn oil plus statin or Epanova plus statin, once daily, for approximately 3-5 years as determined when the number of major adverse cardiovascular event outcomes is reached. The STRENGTH study estimated completion date is in November 2019, but it could be stopped earlier if, for example, it generates an overwhelming efficacy result. In addition, Kowa Research Institute (a subsidiary of the Japanese company Kowa Co., Ltd) announced in March 2017 that it is initiating a phase III cardiovascular outcomes trial titled PROMINENT 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.

We are also aware of other pharmaceutical companies that are developing products that, if successfully developed, approved and marketed, would compete with Vascepa. 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®, 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. Acasti initiated a Phase 3 clinical program to assess the safety and efficacy of CaPre in patients with very high (≥500 mg/dL) triglycerides in the fourth quarter of 2017 and expects to begin dosing patients in the first quarter of 2018. Study completion is expected in 2019. We believe Sancilio & Company, or Sancilio, is also developing potential treatments for hypertriglyceridemia based on omega-3 fatty acids. To our knowledge, 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. 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. Matinas BioPharma, Inc. is developing an omega-3-based therapeutic (MAT9001) for the treatment of severe hypertriglyceridemia and mixed dyslipidemia. In the fourth quarter of 2014, Matinas BioPharma, Inc. filed an IND with the FDA to conduct a human study in the treatment of severe hypertriglyceridemia and, in June 2015, the company announced top-line results for its head-to-head comparative pharmacokinetic and pharmacodynamic study of MAT9001 versus Vascepa. In September 2017, Matinas announced that it will be seeking a partner company to develop and commercialise MAT9001. Akcea Therapeutics/Ionis Pharmaceuticals (formerly Isis Pharmaceuticals), or Akcea/Ionis, in August 2017 announced the submission of an NDA to the FDA for volanesorsen (formerly ISIS-APOCIIIRx), a drug candidate administered through weekly subcutaneous injections, for the treatment of familial chylomicronemia syndrome (FCS). The NDA submission was based on positive Phase 3 results from the APPROACH trial in patients with FCS and from the COMPASS trial in patients with severe hypertriglyceridemia. A Phase 3 trial is currently ongoing studying volanesorsen in patients with familial partial lipodystrophy (FPL) (BROADEN trial). Akcea/Ionis expects to file an NDA for FPL in 2019. In January 2017, Akcea/Ionis announced a strategic collaboration and option agreement with Novartis whereby Novartis will help develop (including funding cardiovascular outcomes studies) and commercialise products emerging from this collaboration, including volanesorsen. Gemphire Therapeutics has announced plans to advance gemcabene into Phase 3 trials in 2018. Gemcabene is an oral, once-daily pill, for a number of hypercholesterolemic populations and severe hypertriglyceridemia. Gemphire announced a Phase 2b trial (INDIGO-1) in patients with severe hypertriglyceridemia is ongoing with top-line data expected in the second quarter of 2018. Zydus Cadila is conducting a Phase 2 trial of its lead program, Saroglitazar, in severe hypertriglyceridemia in the United States. The product is approved in India under the name Lipaglyn® for the treatment of hypertriglyceridemia and diabetic dyslipidemia.

Generic company competitors are seeking FDA approval of generic versions of Vascepa. We are now engaged in related patent litigation and could face other challenges to our exclusivity.

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.

STRATEGIC REPORT (continued)

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 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 the first half of 2014, we received six paragraph IV notices notifying us of accepted ANDAs to the Vascepa 1-gram dose strength under the Hatch-Waxman Amendments. These ANDAs were submitted and accepted by FDA under the regulatory scheme adopted under the Hatch-Waxman Amendments based on the FDA's determination that we were entitled to three, and not five-year exclusivity. As a result, from the first half of 2014 until June 2015, we were engaged in costly litigation with the ANDA applicants to protect our patent rights.

STRATEGIC REPORT (continued)

Based on the 28 May 2015, District of Columbia court order granting our motion for summary judgment in the new chemical entity, or NCE, litigation, on 26 June 2015, the parties to the related Vascepa patent litigation that followed acceptance by FDA of ANDAs to Vascepa based on a three-year regulatory exclusivity determination, agreed to a full stay of proceeding in that patent litigation.

Following the 28 May 2015 District of Columbia court order setting aside FDA's denial of NCE exclusivity for Vascepa, FDA notified the ANDA filers that FDA had changed the status of their ANDAs to submitted, but no longer accepted, and notified ANDA filers that FDA had ceased review of the pending ANDAs. In rescinding acceptance of the ANDAs, the statutory basis for the patent litigation (accepted ANDAs) no longer existed. Thus, in July 2015, we moved to dismiss the pending patent infringement lawsuits against each of the Vascepa ANDA applicants in the U.S. District Court for the District of New Jersey.

On 22 January 2016, the U.S. District Court for the District of New Jersey granted our motion to dismiss all patent infringement litigation related to the 2014 acceptance by the FDA of ANDAs to Vascepa. An appeal of the court's dismissal was filed by one ANDA filer and, after FDA's May 2016 grant of Vascepa NCE exclusivity, that appeal was withdrawn by the ANDA filer. This dismissal and terminated appeal ended this patent litigation related to Vascepa.

On 31 May 2016, in a reversal that FDA and we view as consistent with the court's 28 May 2015 summary judgment motion, FDA determined that Vascepa is eligible for five-year, NCE marketing exclusivity. This determination provides Vascepa with the benefits of NCE exclusivity afforded by statute. NCE exclusivity for Vascepa ran from its date of FDA approval on 26 July 2012 and extended until 26 July 2017. We believe the statutory NCE-related 30-month stay triggered by the 1-gram dose patent litigation following generic application submissions permitted on 26 July 2016 is scheduled to continue until 26 January 2020, seven-and-a-half years from FDA approval, unless such patent litigation is resolved against us sooner.

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. The case against Roxane is 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, West-Ward) 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 is now 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, in the U.S. District Court for the District of Nevada. The case against DRL is 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 U.S. District Court for the District of Nevada. The case against Teva is 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 are 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 have been 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

STRATEGIC REPORT (continued)

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 U.S. District Court for the District of Nevada. The case is 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 are seeking, 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. This new lawsuit against Teva has been consolidated with the pending lawsuits against Teva, West-Ward, and DRL referenced above based on the 1-gram dose strength, and all four lawsuits will proceed on the same schedule.

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, or PTAB, of the US 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 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 or any subsequently filed lawsuits or *inter partes* review.

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. 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 any exclusivity protections, such as a 30-month stay, have expired. As a result of the statutory stays associated with the filing of these lawsuits under the Hatch-Waxman Amendments, we believe the FDA cannot grant final approval to West-Ward, DRL, or Teva's respective ANDAs for the 1-gram strength of Vascepa before 26 January 2020, unless there is an earlier court decision holding that the subject patents are not infringed and/or are invalid.

In addition, we believe the FDA cannot grant final approval to Teva's ANDA for the 0.5-gram strength Vascepa before the beginning of March 2020, unless there is an earlier court decision holding that the subject patents are not infringed and/or are invalid. If final approval is granted and an ANDA filer is able to supply the product in significant commercial quantities, the generic company could introduce a generic version of Vascepa. Any such introduction of a generic version of Vascepa would also be subject to current patent infringement claims including those being litigated in the above-detailed patent litigations, and any court order we may seek and be granted to prevent any such launch based on our patent claims prior to any adverse court judgment or PTAB finding against us.

Any 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.

STRATEGIC REPORT (continued)

Vascepa's five-year, NCE and related exclusivity benefits could be challenged by companies seeking to introduce generic versions of Vascepa.

The timelines and conditions under the ANDA process that permit the start of patent litigation and allow the FDA to approve generic versions of brand name drugs like Vascepa differ based on whether a drug receives three-year, or five-year, NCE marketing exclusivity. In May 2016, after significant litigation, FDA determined that Vascepa is eligible for NCE marketing exclusivity. Accordingly, we believe a related 30-month stay is currently in place with respect to our 1-gram dose strength of Vascepa that is scheduled to continue until 26 January 2020, seven-and-a-half years from FDA approval of Vascepa, unless related patent litigation is resolved against us sooner. We believe we are entitled to a separate 30-month stay with respect to our 0.5-gram dose product and the related Teva paragraph IV certification that would expire at the beginning of March 2020, 30 months after the related 29 August 2017 paragraph IV notice was received by us.

The FDA typically makes a determination on marketing exclusivity in connection with an NDA approval of a drug for a new indication. FDA marketing exclusivity is separate from, and in addition to, patent protection, trade secrets and manufacturing barriers to entry which could also help protect Vascepa against generic competition.

We applied to the FDA for five-year, NCE marketing exclusivity for Vascepa in connection with the NDA for our MARINE indication, which NDA was approved by the FDA on 26 July 2012. On 21 February 2014, in connection with the 26 July 2012 approval of the MARINE indication, the FDA denied a grant of five-year NCE marketing exclusivity to Vascepa and granted three-year marketing exclusivity. Under applicable regulations, such three-year exclusivity would have extended through 25 July 2015 and would have been supplemented by a 30-month stay triggered by patent litigation that would have extended into September 2016, unless such patent litigation was resolved against us sooner.

NCE marketing exclusivity precludes approval during the five-year exclusivity period of certain 505(b)(2) applications and ANDAs submitted by another company for another version of the drug. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. In such case, the pioneer drug company is afforded the benefit of a 30-month stay against the launch of such a competitive product that extends from the end of the five-year exclusivity period. A pioneer company could also be afforded extensions to the stay under applicable regulations, including a six-month pediatric exclusivity extension or a judicial extension if applicable requirements are met. A drug sponsor could also gain a form of marketing exclusivity under the Hatch-Waxman Amendments if such company can, under certain circumstances, complete a human clinical trial process and obtain regulatory approval of its product.

In contrast, 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 expect to receive three-year exclusivity in connection with any future regulatory approvals of Vascepa, such as an approval sought based on positive REDUCE-IT outcomes 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, for a period of three years from the date of FDA approval. The FDA may accept and commence review of such applications during the three-year exclusivity period. Such three-year exclusivity grant does not prevent a company from challenging the validity of patents at any time, subject to any prior four-year period pending from a grant of five-year exclusivity. 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.

On 27 February 2014, we sued the FDA in the U.S. District Court for the District of Columbia to challenge the agency's denial of five-year NCE exclusivity for Vascepa, based on our reading of the relevant statute, our view of FDA's inconsistency with its past actions in this area and the retroactive effect of what we believe is a new policy at FDA as it relates to our situation. On 28 May 2015, the court granted our motion for summary judgment. The decision vacated the FDA's denial of our claim for such exclusivity and remanded to the FDA for proceedings consistent with the decision. On 22 July 2015, Watson Laboratories Inc., the purported first Vascepa ANDA filer, sought to intervene and appeal the court's decision. We and FDA opposed this intervention effort. The applicable courts denied Watson the relief sought and appeal periods have expired.

STRATEGIC REPORT (continued)

On 31 May 2016, in a reversal that FDA and we view as consistent with the court's 28 May 2015 summary judgment motion, FDA determined that Vascepa is eligible for five-year, NCE marketing exclusivity. We believe this determination provides Vascepa with the benefits of NCE exclusivity afforded by statute. NCE exclusivity for Vascepa ran from its date of FDA approval on 26 July 2012 and extended until 26 July 2017. We believe the statutory NCE-related 30-month stay triggered by the 1-gram dose patent litigation following generic application submissions permitted on 26 July 2016 is scheduled to continue until 26 January 2020, seven-and-a-half years from FDA approval, unless such patent litigation is resolved against us sooner. We also believe we are entitled to a separate 30-month stay with respect to our 0.5-gram dose product and the related Teva paragraph IV certification that would expire at the beginning of March 2020, 30 months after the related 29 August 2017 paragraph IV notice was received by us.

It is possible that FDA's NCE determination and related 30-month stays could be challenged by interested parties. If challenged, we plan to vigorously defend exclusivity for Vascepa. Any such challenge could have a negative impact on our company and create uncertainty around the continued benefits associated with exclusivity that we believe are applicable to us under the Hatch-Waxman Amendments.

Regulatory exclusivity is in addition to exclusivity afforded by issued patents related to Vascepa.

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 tested 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.

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. As a result of our First Amendment litigation and settlement, we may now make this claim to healthcare professionals subject to certain qualifications.

These factors enable dietary supplements to effectively compete with Vascepa. 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 30 August 2017, Amarin Pharma, Inc. and Amarin Pharmaceuticals Ireland Limited, each wholly-owned subsidiaries of Amarin Corporation plc, 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. On 27 October 2017, the ITC determined to not institute our requested investigation. We are currently appealing this determination in federal court and plan to pursue it vigorously. 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

STRATEGIC REPORT (continued)

operations by limiting how we price our product and limiting the revenue we receive from the sale of Vascepa due to reduced market acceptance.

We may not be successful in our Vascepa co-promotion effort with Kowa Pharmaceuticals America, Inc. or in replacing this co-promotion effort after it expires at the end of 2018.

In March 2014, we entered into a co-promotion agreement with Kowa Pharmaceuticals America, Inc. to co-promote Vascepa in the United States under which Kowa Pharmaceuticals America, Inc. co-promotes Vascepa in conjunction with its promotion of its primary product, a branded statin for patients with high cholesterol. Co-promotion under the agreement commenced in May 2014 based on a plan designed to substantially increase both the number of sales targets reached and the frequency of sales calls on existing sales targets. While our agreement provides for minimum performance criteria, we have little control over Kowa Pharmaceuticals America, Inc., and it may fail to devote the necessary resources and attention to promote Vascepa effectively. If that were to occur for an extended period of time, depending on Vascepa revenues, we may have to increase our planned expenditures and undertake additional development or commercialisation activities at our own expense. Or, we may seek to terminate the agreement and search for another commercialisation partner. If we elect to increase our expenditures to fund development or commercialisation activities on our own, depending on Vascepa's revenues, we may need to obtain additional capital, which may not be available to us on acceptable terms, or at all, or which may not be possible due to our other financing arrangements. If we do not generate sufficient funds from the sale of Vascepa or, to the extent needed to supplement funds generated from product revenue, cannot raise sufficient funds, we may not be able to devote resources sufficient to market and sell Vascepa on our own in a manner required to realize the full market potential of Vascepa.

Furthermore, our agreement with Kowa Pharmaceuticals America, Inc. is designed such that its co-promotion of Vascepa ceases at the end of 2018. If we do not extend this co-promotion agreement, enter into a co-promotion agreement with an equally capable company or hire equally capable sales representatives, our sales may be negatively impacted.

The commercial value to us of current and sought marketing rights may be smaller than we anticipate.

There can be no assurance as to the adequacy for commercial success of the scope and breadth of the marketing rights we currently have or, if approved, an indication based on a successful outcome of the REDUCE-IT study. Even if we obtain marketing approval for additional indications, the FDA 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. Also, the number of actual patients with conditions within the scope of our marketing efforts may be smaller than we anticipate. If any such marketing right or approved indication is narrower than we anticipate, the market potential for our product would suffer.

Our special protocol assessment, or SPA, agreement for ANCHOR was rescinded and our SPA agreement for REDUCE-IT is not a guarantee of FDA approval of Vascepa for the proposed REDUCE-IT indication.

A SPA is an evaluation by the FDA of a protocol with the goal of reaching an agreement that the Phase 3 trial protocol design, clinical endpoints, and statistical analyses are acceptable to support regulatory approval of the drug product candidate with respect to effectiveness for the indication studied. The MARINE and ANCHOR trials were, and the REDUCE-IT trial is, being conducted under a SPA agreement with the FDA. In each case, the FDA agreed that, based on the information we submitted to the agency, the design and planned analysis of the trial is adequate to support use of the conducted study as the primary basis for approval with respect to effectiveness. A SPA agreement is not a guarantee of approval. A SPA agreement is generally binding upon the FDA except in limited circumstances, such as if the FDA identifies a substantial scientific issue essential to determining safety or efficacy after the study begins, or if the study sponsor fails to follow the protocol that was agreed upon with the FDA. The FDA reserves the right of final determinations for approval based on its review of the entire data presented in a marketing application.

In October 2013, 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 April 2015, we received a CRL from the FDA stating that the FDA determined not to approve label expansion reflecting the ANCHOR clinical trial efficacy data at this time.

STRATEGIC REPORT (continued)

Thus, even though we have received regulatory approval of Vascepa for the MARINE indication under a SPA agreement, our ANCHOR SPA agreement was rescinded. There is no assurance that the FDA will not rescind our REDUCE-IT SPA agreement.

In August 2016, we announced an amendment to our REDUCE-IT SPA agreement with FDA that reaffirmed FDA concurrence on key elements of the study, defined details of the statistical analysis plan for the study, expanded to greater than 30 the pre-specified secondary and tertiary endpoints in the study, and added a second interim efficacy and safety analysis by the independent data monitoring committee (DMC) at approximately 80% of the target aggregate number of primary cardiovascular events. In this amended REDUCE-IT SPA agreement, FDA agreed that, based on the information submitted to the agency, the critical elements of the revised REDUCE-IT protocol and analysis plans adequately address the objectives necessary to support a regulatory submission. However, secondary and/or tertiary endpoints, their ordering in the statistical hierarchy, their clinical significance, or whether any would yield results appropriate for labeling are considered review issues and are not intended to be a binding component of the REDUCE-IT SPA agreement. Further, matters such as endpoint adjudication procedures (including potential endpoint ascertainment, adjudication process, and detailed definitions) were specified by FDA as issues to be reviewed by the agency as part of a drug approval application. Consistent with the May 2016 FDA SPA draft guidance, FDA stated that the SPA agreement does not necessarily indicate the agency's agreement with every detail of a protocol; instead, such an agreement indicates FDA's concurrence with the elements critical to ensuring that the trial conducted under the protocol would have the potential to form the primary basis of an efficacy claim in a marketing application.

The inability to obtain marketing approval in the ANCHOR or REDUCE-IT indications has prevented, and would continue to prevent, us from growing revenue more significantly, and it has had, and could continue to have, a material adverse effect on our operations and financial condition, including our ability to reach profitability.

The REDUCE-IT cardiovascular outcomes trial may fail to show that Vascepa can reduce major cardiovascular events in an at-risk patient population on statin therapy, and the long-term clinical results of Vascepa may not be consistent with the clinical results we observed in our Phase 3 clinical trials, in which case our sales of Vascepa may then suffer.

In accordance with the SPA agreements for our MARINE and ANCHOR trials, efficacy was evaluated in these trials compared to placebo at twelve weeks. No placebo-controlled studies have been conducted regarding the long-term effect of Vascepa on lipids, and no outcomes study has been conducted evaluating Vascepa. The REDUCE-IT study, which commenced in 2011 and completed patient enrollment and randomization of 8,175 individual patients in 2016, is designed to evaluate the efficacy of Vascepa in reducing major cardiovascular events in an at-risk patient population with high triglyceride levels despite being on statin therapy. Based on projected event rates, we estimate the onset of the target aggregate number of primary cardiovascular events to be reached near the end of the first quarter of 2018 with study results then expected to be available and made public before the end of the third quarter of 2018, followed by publication of the results. We have instructed clinical sites to schedule patients enrolled in the study for their final site visits commencing 1 March 2018. In January 2018, we announced that more than 90% of the targeted events have been reported and documented.

Outcomes studies of certain other lipid-modifying therapies have failed to achieve the endpoints of such studies, even though they reduced triglyceride levels and showed other favorable effects on parameters relevant to cardiovascular health in studied patients, such as inflammation. For example, in 2010, the results of the ACCORD-Lipid trial were published. This trial studied the effect of adding fenofibrate onto open-label simvastatin therapy on cardiovascular outcomes. The addition of fenofibrate did not show any treatment benefit on cardiovascular outcomes over simvastatin monotherapy in this study. In 2011, the results of the AIM-HIGH trial were published. This trial studied the effect of adding a second lipid-altering agent, extended-release niacin, to simvastatin therapy on cardiovascular outcomes in people at high risk for cardiovascular events. Niacin, for example, has also been shown to have favorable effects on inflammation parameters. No significant incremental treatment benefit with extended-release niacin was observed.

Outcomes studies of certain other lipid-modifying therapies included results which, after review of information not fully available to the sponsors during the conduct of the trials, modified initial reports of the trial results. Two examples are the AIM-HIGH trial and the IMPROVE-IT trial. When the AIM-HIGH trial was stopped, there were initial reports of certain safety concerns which, upon further and more detailed subsequent review, were concluded to not be associated with the study therapy. After the IMPROVE-IT trial was completed, initial reports on the effect of adding ezetimibe to statin therapy in

STRATEGIC REPORT (continued)

subjects with acute coronary syndrome suggested greater benefit on cardiovascular outcomes than was considered to be the case after later reassessment and further evaluation of study data. In 2015, the results of the IMPROVE-IT trial were published. Based on the published results, the addition of ezetimibe showed incremental lowering of LDL-C levels and improved cardiovascular outcomes. This result was statistically significant but less than ten percent. Further evaluation of the IMPROVE-IT results suggested that the outcomes benefit may have been lower after factoring in and making certain assumptions regarding complicating factors such as a high number of patients who discontinued the study drug, withdrew consent, or were lost to follow-up. FDA approval of a new indication for ezetimibe based on the IMPROVE-IT results was denied after a negative FDA advisory committee recommendation that followed examination of the study results.

In addition, in September 2012, researchers published in the *Journal of the American Medical Association,* or *JAMA,* the results of a retrospective meta-analysis of twenty previously conducted studies regarding the use of omega-3 supplements across various patient populations. This meta-analysis suggested that the use of such supplements was not associated with a

lower risk of all-cause death, cardiac death, sudden death, heart attack, or stroke. In January 2018, *JAMA Cardiology* published an update to prior meta-analyses and again concluded no benefit for low dose omega-3 supplements (all but one trial included both EPA and DHA) to prevent fatal coronary heart disease or any cardiovascular disease in people who have or are at high risk of developing cardiovascular disease. Previous meta-analyses of trials of omega-3 supplementation appeared to suggest a significant beneficial association of omega-3s with fatal coronary heart disease but not nonfatal coronary heart disease. However, the previous meta-analyses were limited as they included trials of dietary advice to eat fish or excluded trials that did not include a placebo-controlled arm. The *JAMA Cardiology* analysis does not support the recent AHA recommendation that 1 gram of an omega-3 dietary supplementation may be useful in patients with a history of coronary heart disease. These facts illustrate categories of challenges faced in demonstrating favorable results in complex clinical studies like REDUCE-IT and, assuming positive results of the REDUCE-IT study, in seeking to apply those results in support of regulatory approvals.

Data from clinical trials are invariably complex. It is also not typically possible to reliably extrapolate results from one trial to predict results from another as many factors differ between trials. For instance, unlike REDUCE-IT, the outcomes studies for fenofibrates and niacin were conducted in patient populations in which the majority of patients studied had triglycerides below 200 mg/dL and fenofibrates and niacin are believed to work differently than Vascepa in the body and do not have as favorable a side-effect profile. Of all the studies included in both the *JAMA* and *JAMA Cardiology* meta-analyses, all but one trial involved the use of omega-3 supplements containing a mixture of EPA and DHA or EPA and another omega fatty acid, and most were evaluated at relatively lower doses. Vascepa is comprised of highly-pure ethyl-EPA, and has been approved by the FDA for use in adult patients with severe hypertriglyceridemia at a higher dose of 4 grams per day and is being studied in REDUCE-IT at that 4 grams per day dose.

The only other outcomes study involving the use of a highly-pure formulation of ethyl-EPA, called the Japan EPA Lipid Intervention Study (JELIS), suggested that use of a highly-pure formulation of ethyl-EPA in Japan, when used in conjunction with statins, reduced cardiovascular events by 19% compared to the use of statins alone. However, there are several limitations to comparing the JELIS study to REDUCE-IT. First, the patient population was exclusively Japanese, the majority of the participants were women, and at baseline patients had much higher LDL-C levels, limiting its generalizability to the intended target population. Also, a low dose of statins was used. It is unknown whether the positive treatment effects would have persisted if these patients had been optimally treated with statins using contemporary LDL-C targets in the United States. In addition, JELIS was an open-label trial, which could influence patient and physician behavior and reporting of symptoms, decisions regarding hospitalization, and referral of events for adjudication. This may be particularly relevant since hospitalization for unstable angina was a primary contributor of the overall positive result, and is considered a softer endpoint than fatal cardiovascular events.

Further, FDA determined that JELIS results could not be used as support for or against the use of triglyceride levels as a surrogate for cardiovascular risk reduction. Patients treated with EPA and statin in JELIS achieved triglyceride levels that were only 5% lower, on average, than those achieved among patients treated with statin alone; however, the reduction in cardiovascular risk in the primary endpoint analysis was 19%. Likewise, within the primary and secondary prevention sub-analyses, triglyceride levels were lowered only 5% on average in the EPA plus statin group compared with the statin alone group; however, the relative risk reduction was 53% in the primary prevention population with elevated triglyceride (≥150 mg/dL) and low HDL-C (≤40 mg/dL) levels and 23% in the secondary prevention population with established coronary artery disease. These large differences in magnitude between triglyceride reduction and risk reduction in JELIS suggest that the

effects of EPA on triglyceride levels alone may not be responsible for, or predict, the observed differences in cardiovascular events between treatment groups in JELIS. JELIS was not designed to evaluate primary and secondary prevention populations. It is possible that the putative cardioprotective effects of EPA observed in JELIS are due not to a single mode of action, such as triglyceride lowering, but rather to multiple mechanisms working together, such as purported beneficial effects on multiple atherosclerosis processes, including endothelial function, oxidative stress, foam cell formation, inflammation/cytokines, plaque formation/progression, platelet aggregation, thrombus formation, and plaque rupture. The REDUCE-IT study is needed to determine the clinical benefit, if any, of EPA therapy in statin-treated patients with elevated triglyceride levels.

In addition, the independent data monitoring committee for REDUCE-IT, or the DMC, has multiple times per year assessed safety data generated in the ongoing study and has thus far recommended to continue the study as planned. Thus, multiple safety reviews to date have not warranted study stoppage. Nevertheless, the study may be stopped at any time based on recommendations of the DMC due to safety concerns identified by the DMC during its ongoing and regularly scheduled safety data assessments.

There can be no assurance that the REDUCE-IT study will be completed successfully, that the endpoints of the REDUCE-IT cardiovascular outcomes study will be achieved, that, like the IMPROVE-IT trial, patients who discontinue the study drug, withdrew consent, or were lost to follow-up will not negatively affect REDUCE-IT results, that the results will support regulatory approvals, or that the lipid-modifying effects of Vascepa in REDUCE-IT or any other study of Vascepa will not be subject to variation beyond twelve weeks. If the REDUCE-IT trial is not successful or if the results of this long-term study are not consistent with the 12-week clinical results, it could prevent us from expanding the labeled approval of Vascepa or even call into question the currently understood efficacy and safety profile of Vascepa. In any such case, the market potential for Vascepa would suffer and our business would be materially affected.

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

We have expanded our Vascepa commercialisation 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 commercialisation outside of the United States through similar arrangements.

In February 2015, we entered into a Development, Commercialisation and Supply Agreement, or the DCS Agreement, with Eddingpharm (Asia) Macao Commercial Offshore Limited, or Eddingpharm, related to the development and commercialisation of Vascepa in Mainland China, Hong Kong, Macau and Taiwan, or the China Territory. Under the DCS Agreement, Eddingpharm is responsible for development and commercialisation 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. Significant commercialisation of Vascepa in the China Territory is several years away, if at all. If Eddingpharm is not able to effectively develop and commercialise 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 commercialise 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. Commercialisation across the Middle East and North Africa is several years away, if at all, in the most commercially significant territories and 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, commercialise and distribute Vascepa in Canada. Under the agreement, HLS is responsible for regulatory and commercialisation 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. Significant commercialisation of Vascepa in Canada is several years away, if at all. If HLS Therapeutics is not able to

effectively register and commercialise Vascepa in Canada, we may not be able to generate revenue from the agreement as a result of the sale of Vascepa in Canada.

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.

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 and Eddingpharm obtain marketing approval in countries within 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. Also, there is a degree of unpredictability with regard to the eventual pricing and reimbursement levels of medications in markets outside the United States. 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. 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 such approved indication is narrower than we anticipate, the market potential in these countries 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 including direct-to-healthcare provider and direct-to-consumer advertising and promotional activities involving the internet, 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 new federal transparency requirements under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the PPACA, 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. If 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, we will be 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. For example, in September 2014, we participated in a routine inspection from the FDA in which the FDA made observations on perceived deficiencies related to our processes for collection and processing of

adverse events. We have responded to FDA with respect to these observations and continue to work with FDA to show that we have improved related systems and, given we received communication from the FDA that it considers this matter to be closed, we believe that we have demonstrated to FDA that we have adequately responded to these observations. 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 these 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 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. 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, we will need to rely on third parties, such as Eddingpharm in China, 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 commercialise 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 organisations 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 proposals to change the healthcare system in ways that could affect our ability to sell our products profitably. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the PPACA, enacted in March 2010, substantially changes the way healthcare is financed by both governmental and private insurers. Among other cost-containment measures, PPACA 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;
- a new formula that increases the rebates a manufacturer must pay under the Medicaid Drug Rebate Program; and
- new policies or laws affecting Vascepa sales, such as state and federal efforts to affect drug pricing and provide healthcare coverage that includes reimbursement for prescription drugs.

We expect further federal and state proposals and healthcare reforms to continue to be proposed by legislators, which could limit the prices that can be charged for the products we develop and may limit our commercial opportunity. It appears likely that the Affordable Care Act will continue the pressure on pharmaceutical pricing, especially under the Medicare and Medicaid programs, and may also increase our regulatory burdens and operating costs. Legislative changes to the Affordable Care Act remain possible under the Trump Administration.

The continuing efforts of government and other third-party payors to further contain or reduce the costs of healthcare through various means may limit our commercial opportunity. For example, the State of California recently 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. These and other measures at the federal and state levels, to the extent applicable to us, could negatively affect our revenue and results from operations.

STRATEGIC REPORT (continued)

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 PPACA 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, 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.

In some foreign countries, including major markets in the European Union and Japan, 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.

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 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 co-promotion partner, Kowa Pharmaceuticals America, Inc., or our commercialisation 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.

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.

STRATEGIC REPORT (continued)

We may not be successful in developing or marketing future products if we cannot meet the extensive regulatory requirements of the FDA and other regulatory agencies for quality, safety and efficacy.

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;
- government or regulatory delays or "clinical holds" requiring suspension or termination of a trial; and
- political instability affecting our clinical trial sites, such as the potential for political unrest affecting our REDUCE-IT clinical trial sites in the Ukraine and Russia.

Even if we obtain positive results from early stage preclinical studies or clinical trials, we may not achieve the same success in future trials. 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, the efficacy results of our Vascepa Phase 3 clinical trials for the treatment of Huntington's disease were negative. As a result, we stopped development of that product candidate, revised our clinical strategy and shifted our focus to develop Vascepa for use in the treatment of cardiovascular disease. Questions can also arise on the quality of study data or its reliability. For example, during the public advisory committee meeting held by FDA as part of its review of our ANCHOR sNDA, a discussion regarding observed, nominally statistically significant changes from baseline in an adverse direction, while on background statin therapy, in certain lipid parameters, including triglycerides, in the placebo group, raised questions about the possibility that the mineral oil placebo used in the ANCHOR trial (and 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 in the ANCHOR trial. Ultimately, 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. The FDA, early on in the course of the REDUCE-IT trial, directed the DMC for REDUCE-IT to periodically review unblinded lipid data to monitor for signals that the placebo might not be inert. After each such quarterly unblinded safety analysis and review meeting to date, the DMC has recommended to continue the REDUCE-IT study as planned. Each of these ongoing DMC recommendations has been shared with FDA. Amarin and FDA remain blinded to such study data. Despite the currently positive disposition of this matter, it illustrates that concerns such as this may arise in the future that could affect our product development, regulatory review or the public perception of our products and our future prospects.

STRATEGIC REPORT (continued)

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 past or 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. We have a relatively small sales organisation consisting of approximately 165 sales professionals, including sales representatives and their managers. We anticipate increasing our sales force to a total of approximately 400 to 500 sales professionals after REDUCE-IT results, assuming success. 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 commercialise 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 key 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 any manufacturer 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.

Any manufacturing problem, natural disaster affecting manufacturing facilities, 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 commercialise Vascepa.

We initially purchased all of our supply of the bulk compound (ethyl-EPA), or Vascepa API, from a single supplier, Nisshin Pharma, Inc., or Nisshin, located in Japan. Nisshin was approved by the FDA as a Vascepa API supplier as part of our FDA NDA for the MARINE indication in July 2012. In April 2013, we announced the approval by the FDA of an NDA supplement for Chemport, Inc. and BASF (formerly Equateq Limited) as additional Vascepa API suppliers. We terminated our agreement with BASF due to its inability to meet the agreement requirements, may enter into a new development and supply agreement with BASF, and may purchase API from BASF as it remains an NDA-approved supplier. In 2014, we obtained sNDA approval for a fourth supplier of API, which includes the manufacturing facility of Finorga SAS (Novasep).

STRATEGIC REPORT (continued)

We currently purchase and use commercial supply from Novasep, Chemport, and Nisshin. Each of the API manufacturers obtains supply of the key raw material to manufacture API from other qualified third-parties.

While we have contractual freedom to source the API for Vascepa and have entered into supply agreements with multiple suppliers who also rely on other third-party suppliers to manufacture the API for Vascepa, Novasep, Nisshin and Chemport currently supply all of our API for Vascepa. Our strategy in adding API 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. For example, Chemport, which was approved as one of our API suppliers in April 2013, is a privately-held company and their commitment to Vascepa supply has required them to seek additional resources. 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 qualification of our API 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.

We currently have encapsulation agreements with three commercial API encapsulators for the encapsulation of Vascepa: Patheon, Inc. (formerly Banner Pharmacaps, now part of Thermo Fisher Scientific), Catalent Pharma Solutions, and Capsugel Plöermel SAS (now a Lonza company). These companies have qualified and validated their manufacturing processes and are capable of manufacturing Vascepa. There can be no guarantee that additional other suppliers with which we have contracted to encapsulate API will be qualified to manufacture the product to our specifications or that these and any future suppliers will have the manufacturing capacity to meeting anticipated demand for Vascepa.

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.

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 commercialisation 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 pharmaceutical 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 and International Council for Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use, or ICH, regulations who 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, 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.

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 which could significantly and adversely affect our business.

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 assure 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 commercialise 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. 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.

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 62 patent applications in the United

STRATEGIC REPORT (continued)

States that have been either issued or allowed and more than 30 additional patent applications are pending in the United States. Such 62 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;
- 45 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;
- 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;
- 1 additional patent 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 a formulation of EPA/DHA and uses thereof with a term that expires in 2030;
- 1 additional patent related to the use of Vascepa to treat obesity with a term that expires in 2030;
- 2 additional patents covering a pharmaceutical composition comprised of EPA and a hydroxyl compound with a term that expires in 2034; and
- 3 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 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. 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 utilising such technology or commercializing our current and future products.

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 expected launch of Epanova, a product that is expected to compete with Vascepa in the United States. The patent covers methods of lowering triglycerides by administering a pharmaceutical composition that includes amounts of EPA as free acid, and no more than about 30% DHA. In November 2014, based on a representation from AstraZeneca Pharmaceuticals LP 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. We intend to pursue this litigation vigorously and aggressively protect its intellectual property rights. However, 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.

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 and ANCHOR trials. If granted, many of the resulting granted patents would expire in 2030 or beyond. However, no assurance can be given that these additional MARINE and ANCHOR patents or any of our pending patent applications intended to cover an indication based on future 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 2018, we issued financial and business guidance, including expected fiscal year 2018 total net revenue and expectations regarding improved cash flow from commercial operations and timing of the REDUCE-IT outcomes trial. All such guidance is 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, for any reason, we are unable to realize our currently projected 2018 revenue, we may not realize our publicly announced financial guidance. If we fail to realize or if we change or update any element of our publicly disclosed financial guidance or other expectations about our business, our stock price could decline in value.

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

We are engaged in the biopharmaceutical 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.

We are subject to potential product liability.

Following the commercial launch of Vascepa, we will be 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.

We may become subject to liability in connection with the wind-down of our EN101 program.

In 2007, we purchased Ester Neurosciences Limited, or Ester, an Israeli pharmaceutical company, and its lead product candidate, EN101, an AChE-R mRNA inhibitor for the treatment of myasthenia gravis, or MG, a debilitating neuromuscular disease. In connection with the acquisition, we assumed a license to certain intellectual property assets related to EN101 from the Yissum Research Development Company of The Hebrew University of Jerusalem, or Yissum. In keeping with our 2009 decision to re-focus our efforts on developing improved treatments for cardiovascular disease and cease development of all product candidates outside of our cardiovascular disease focus, we amended the terms of our acquisition agreement with the original shareholders of Ester.

STRATEGIC REPORT (continued)

Following our decision to cease development of EN101, Yissum terminated its license agreement with us. In June 2011, Yissum announced that it had entered into a license agreement with BiolineRX Ltd for the development of EN101 in a different indication, inflammatory bowel disease. In 2011 and early 2012, but not after, we received several communications on behalf of the former shareholders of Ester asserting that we are in breach of our agreement with them as it relates to alleged rights to share in the value of EN101 due to the fact that Yissum terminated its license. We do not believe the circumstances presented constitute a breach of the agreement. If the dispute arises again, we plan to defend our position vigorously, but there can be no assurance as to the outcome of this dispute.

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

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. Where a company is 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 Convention between the UK and Ireland provides that such enterprise shall be treated as resident only in the jurisdiction in which its place of effective management is situated. We have sought to conduct our affairs in such a way so as to be resident only in Ireland for tax purposes by virtue of having our place of effective management situated in Ireland. Trading income of an Irish company is generally taxable at the Irish corporation tax rate of 12.5%. Non-trading income of an Irish company (e.g., interest income, rental income or other passive income) is taxable at a rate of 25%.

However, we cannot assure you that we are or will continue to be resident only 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. Our and our subsidiaries' income tax returns are periodically examined by various tax authorities. We are currently undergoing federal and state tax audits, including audit by the United States Internal Revenue Service (IRS) for the years 2013 to 2014. Although the outcome of tax audits is always uncertain and could result in significant cash tax payments, we do not believe the outcome of these audits will have a material adverse effect on our consolidated financial position or results of operations. The ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. Should we cease to be an Irish tax resident, we may be subject to a charge to Irish capital gains tax on our assets. Similarly, if the tax residency of any of our subsidiaries were to change from their current jurisdiction for any of the reasons listed above, we may be subject to a charge to local capital gains tax charge on the assets.

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 specialised 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 33%, 28%, and 27%, respectively, of gross product sales for the year ended 31 December 2017 and represented 21%, 41%, and 27%, respectively, of the gross accounts receivable balance as of 31 December 2017. Customers A, B, and C accounted for 37%, 30%, and 28%, respectively, of gross product sales for the year ended 31 December 2016 and represented 33%, 16%, and 47%, respectively, of the gross

STRATEGIC REPORT (continued)

accounts receivable balance as of 31 December 2016. 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.

Risks Related to our Financial Position and Capital Requirements

We have a history of operating losses and anticipate that we will incur continued losses for an indefinite period of time.

We have not yet reached profitability. For the fiscal years ended 31 December 2017, 2016, we reported losses of approximately $68.0 million, $118.7 million, respectively, and we had an accumulated deficit as of 31 December 2017 of $973.1 million. Substantially all of our operating losses resulted from costs incurred in connection with our research and development programs, from general and administrative costs associated with our operations, and costs related to the commercialisation of Vascepa. Additionally, as a result of our significant expenses relating to research and development and to commercialisation, we expect to continue to incur significant operating losses for an indefinite period. Because of the numerous risks and uncertainties associated with developing and commercializing pharmaceutical products, we are unable to predict the magnitude of these future losses. Our historic losses, combined with expected future losses, have had and will continue to have an adverse effect on our cash resources, shareholders' deficit and working capital.

Although we began generating revenue from Vascepa in January 2013, we may never be profitable.

Our ability to become profitable depends upon our ability to generate revenue. We have been generating product revenue from sales of Vascepa since January 2013, but we may not be able to generate sufficient revenue to attain profitability. Our ability to generate profits on sales of Vascepa is subject to the market acceptance and commercial success of Vascepa and our ability to manufacture commercial quantities of Vascepa through third parties at acceptable cost levels, and may also depend upon our ability to effectively market and sell Vascepa through our strategic collaborations.

Even though Vascepa has been approved by the FDA for marketing in the United States in the MARINE indication, it may not gain market acceptance or achieve commercial success and it may never be approved for the ANCHOR indication or any other indication. In addition, we anticipate continuing to incur significant costs associated with commercializing Vascepa. We may not achieve profitability in the near term due to high costs associated with our REDUCE-IT study and commercialisation efforts, for example. If we are unable to continue to generate robust product revenues, we will not become profitable in the near term, if ever, and may be unable to continue operations without continued funding.

Our historical financial results do not form an accurate basis for assessing our current business.

As a consequence of the many years developing Vascepa for commercialisation and the commercial launch of Vascepa in 2013 in the United States, our historical financial results do not form an accurate basis upon which investors should base their assessment of our business and prospects. In addition, we expect that our costs will increase substantially as we continue to commercialise Vascepa in the MARINE indication and with ANCHOR data and seek to obtain additional regulatory approval of Vascepa from continuation of the REDUCE-IT cardiovascular outcomes study. Accordingly, our historical financial results reflect a substantially different business from that currently being conducted and from that expected in the future. In addition, we have a limited history of obtaining regulatory approval for, and no demonstrated ability to successfully commercialise, a product candidate. Consequently, any predictions about our future performance may not be as accurate as they could be if we had a history of successfully developing and commercializing pharmaceutical products.

Our operating results are unpredictable and may fluctuate. If our operating results are below the expectations of securities analysts or investors, the trading price of our stock could decline.

Our operating results are difficult to predict and will likely fluctuate from quarter to quarter and year to year, and Vascepa prescription figures will likely fluctuate from month to month. Vascepa sales are difficult to predict from period to period and as a result, you should not rely on Vascepa sales results in any period as being indicative of future performance, and sales of Vascepa may be below the expectation of securities analysts or investors in the future. We believe that our quarterly and annual results of operations may be affected by a variety of factors, including:

STRATEGIC REPORT (continued)

- the level of demand for Vascepa, due to changes in prescriber sentiment, quarterly changes in Distributor purchases, and other factors;
- the extent to which coverage and reimbursement for Vascepa is available from government and health administration authorities, private health insurers, managed care programs and other third-party payers;
- the timing, cost and level of investment in our sales and marketing efforts to support Vascepa sales and the resulting effectiveness of those efforts with our co-promotion partner, Kowa Pharmaceuticals America, Inc.;
- the timing and ability of commercialisation partners outside the United States, to develop, register and commercialise Vascepa in the China Territory, several Middle Eastern and North African countries, and Canada, for example, including obtaining necessary regulatory approvals and establishing marketing channels;
- additional developments regarding our intellectual property portfolio and regulatory exclusivity protections, if any;
- the timing and nature of results of the REDUCE-IT study or post-approval studies for Vascepa;
- outcomes of litigation and other legal proceedings; and
- our regulatory dialogue on the REDUCE-IT study.

We may require substantial additional resources to fund our operations. If we cannot find additional capital resources, we will have difficulty in operating as a going concern and growing our business.

We currently operate with limited resources. In February 2018, we received approximately $65.0 million of net proceeds from a registered offering of our ADSs. We believe that our cash and cash equivalents balance of $74.2 million as of 31 December 2017, together with the approximately $65.0 million received in February 2018, will be sufficient to fund our projected operations through the results of the REDUCE-IT study, which we anticipate will be available before the end of the third quarter of 2018 and, assuming positive results of the REDUCE-IT study, through subsequent public presentation of such results at a medical congress before the end of 2018. Depending on the level of cash generated from operations, additional capital may be required to expand promotion of Vascepa as contemplated following anticipated successful results of the REDUCE-IT study. If additional capital is required and we are unable to obtain additional capital, we may be forced to delay, limit or eliminate all or a portion of the expanded promotional activities planned following successful results of the REDUCE-IT study. We anticipate that quarterly net cash outflows in future periods will be variable.

In order to fully realize the market potential of Vascepa, we may need to enter into a new strategic collaboration or raise additional capital. We may also need additional capital to fully complete our REDUCE-IT cardiovascular outcomes trial.

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

- the timing, amount and consistency of revenue generated from the commercial sale of Vascepa;
- the costs associated with commercializing Vascepa in the United States, including expenditures such as potential direct-to-consumer advertising and increased sales force sizing, and for additional indications in the United States and in jurisdictions in which we receive regulatory approval, if any, including the cost of sales and marketing capabilities with our co-promotion partner, Kowa Pharmaceuticals America, Inc., and the cost and timing of securing commercial supply of Vascepa and the timing of entering into any new strategic collaboration with others relating to the commercialisation of Vascepa, if at all, and the terms of any such collaboration;
- the continued cost associated with our REDUCE-IT cardiovascular outcomes study and subsequent publication of REDUCE-IT results;
- continued costs associated with litigation and other legal proceedings;
- the time and costs involved in obtaining additional regulatory approvals for Vascepa after REDUCE-IT results;
- the extent to which we continue to develop internally, acquire or in-license new products, technologies or businesses; and
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

If we require additional funds and adequate funds are not available to us in amounts or on terms acceptable to us or on a timely basis, or at all, our commercialisation efforts for Vascepa may suffer materially, and we may need to delay the advancement of the REDUCE-IT cardiovascular outcomes trial.

STRATEGIC REPORT (continued)

The potential future benefit of our substantial net operating loss carryforwards could be lost and our prospects for profitability could be materially diminished if tax regulations or rates change or if we are deemed to not have active operations in Ireland.

Tax law and policies in the United States and Ireland are subject to change based on adjustments in political perspectives. In the United States and internationally, how to tax entities with international operations, like Amarin, has been subject to significant re-evaluation. We developed Vascepa in and from Ireland. In recent years, particularly since 2013 when commercial sale of Vascepa commenced in the United States, the majority of our consolidated operations have been in the United States. Ownership to Vascepa continues to reside with our wholly-owned Ireland-based subsidiary, Amarin Pharmaceuticals Ireland Ltd., and oversight and operations of that entity are structured to be maintained in Ireland. In order to effectively utilize our accumulated net operating loss carryforwards for tax purposes in Ireland, our operations, particularly for this subsidiary, need to be active in Ireland. In addition, utilization of these accumulated net operating loss carryforwards assumes that tax treaties between Ireland and other countries, particularly the United States, do not change in a manner which limit our future ability to offset earnings with these operating loss carryforwards for tax purposes.

Similarly, a change in our Irish tax residence could materially affect our ability to obtain profitability, if at all. Changes in tax law and tax rates, particularly in the United States and Ireland, could also impact our assessment of deferred taxes. Any change in our assessment of the realizability or the timing for realizing deferred taxes could have a negative impact our future profitability.

Continued negative economic conditions would likely have a negative effect on our ability to obtain financing on acceptable terms.

While we may seek additional funding through public or private financings, we may not be able to obtain financing on acceptable terms, or at all. There can be no assurance that we will be able to access equity or credit markets in order to finance our current operations or expand development programs for Vascepa, or that there will not be a further deterioration in financial markets and confidence in economies. We may also have to scale back or further restructure our operations. If we are unable to obtain additional funding on a timely basis, we may be required to curtail or terminate some or all of our research or development programs or our commercialisation strategies.

Raising additional capital may cause dilution to our existing shareholders, restrict our operations or require us to relinquish rights.

To the extent we are permitted under our December 2012 Purchase and Sale Agreement with CPPIB Credit Europe S.à r.l., or CPPIB, as successor in interest to BioPharma Secured Debt Fund II Holdings Cayman LP, we may seek additional capital through a combination of private and public equity offerings, debt financings and collaboration, strategic and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a shareholder.

In January 2012, Corsicanto DAC (in liquidation) (formerly Corsicanto Limited), or Corsicanto, issued $150.0 million in aggregate principal amount of 3.5% exchangeable senior notes due 2032, or the 2012 Notes. In May 2014, we entered into separate, privately negotiated exchange agreements with certain holders of the 2012 Notes pursuant to which Corsicanto exchanged $118.7 million in aggregate principal amount of the existing 2012 Notes for $118.7 million in aggregate principal amount of new 3.5% May 2014 exchangeable senior notes due 2032, or the 2014 Notes. In November 2015, we issued $31.3 million in aggregate principal amount of 3.5% exchangeable senior notes due 2032, or the 2015 Notes, and used $16.2 million of the proceeds to repay a portion of the 2012 Notes, such that $15.1 million of 2012 Notes remained outstanding. In September 2016, we mandatorily exchanged the entirety of the 2014 Notes and 2015 Notes, in accordance with their respective terms, into 60,311,188 ADSs. In January 2017, approximately $15.0 million of the 2012 Notes were put to us and, in March 2017, we redeemed the entirety of the remaining $0.1 million of outstanding principal amount of 2012 Notes plus accrued but unpaid interest, such that no 2012 Notes remain outstanding. A liquidator was appointed to Corsicanto on 7 September 2017 pursuant to a resolution of Amarin Corporation plc as sole shareholder.

STRATEGIC REPORT (continued)

In January 2017, Corsicanto II DAC, or Corsicanto II, issued $30.0 million in aggregate principal amount of 3.5% exchangeable senior notes due 2047, or the 2017 Notes. In the event of physical settlement, the 2017 Notes would be exchangeable into a total of 7,716,048 ADSs.

Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaboration, strategic alliance and licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, Vascepa or product candidates beyond the rights we have already relinquished, or grant licenses on terms that are not favorable to us.

Potential business combinations or other strategic transactions may disrupt our business or divert management's attention.

On a regular basis, we explore potential business combination transactions, including an acquisition of us by a third party, exclusive licenses of Vascepa or other strategic transactions or collaborations with third parties. For example, in March 2014, we entered into a co-promotion agreement with Kowa Pharmaceuticals America, Inc. related to the commercialisation of Vascepa in the United States. The consummation and performance of any such future transactions or collaborations will involve risks, such as:

- diversion of managerial resources from day-to-day operations;
- exposure to litigation from the counterparties to any such transaction, other third parties or our shareholders;
- misjudgment with respect to the value;
- higher than expected transaction costs; or
- an inability to successfully consummate any such transaction or collaboration.

As a result of these risks, we may not be able to achieve the expected benefits of any such transaction or collaboration or deliver the value thereof to our shareholders. If we are unsuccessful in consummating any such transaction or collaboration, we may be required to reevaluate our business only after we have incurred substantial expenses and devoted significant management time and resources.

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 company 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 2017, the Group had 241 employees including our 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.

STRATEGIC REPORT (continued)

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 2017 is as follows:

Position	Male	Female	Total
Executive[(1)]	5	—	5
VP/Directors	22	21	43
Managers	24	13	37
Associates	3	6	9
Sales Professionals	55	92	147
Total Employees	109	132	241

(1) Includes our 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.

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	**2017**	**2017**	**2016**	**2016**
	(tCO_2e)	(tCO_2e/$m)	(tCO_2e)	(tCO_2e/$m)
Scope 1	-	-	-	-
Scope 2	1,756	9.8	1,581	12.3

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2017.

Directors

The Directors of the Company at 31 December 2017, 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 2017 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/warrants to acquire ordinary shares	
	2017	**2016**	**2017**	**2016**
Mr. J. Thero	1,156,771	741,917	8,415,341	8,205,841
Dr. L. Ekman	40,000	40,000	464,075	420,256
Mr. P. O'Sullivan	—	—	334,249	298,397
Ms. K. Peterson	—	—	409,249	373,397
Mr. D. Stack	—	—	304,249	268,397
Mr. J. van Heek	25,203	25,203	394,249	358,397
Mr. J. Zakrzewski	226,047	226,047	2,340,916	2,305,064

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

DIRECTORS' REPORT (continued)

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*.

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. The Group's focus is on the commercialisation of Vascepa and completion of the ongoing REDUCE-IT cardiovascular study, which with a successful outcome, (expected in the third quarter of 2018), could lead to further commercialisation under the additional indications.

At 31 December 2017, the Group had cash balances of approximately $74.2 million. In February 2018, the Group completed a public offering of 19,178,082 American Depositary Shares ("ADSs") and, in March 2018, the underwriter exercised its option to purchase 1,438,356 additional ADSs, resulting in net proceeds of approximately $69.9 million after deducting commissions and estimated offering expenses payable by the Group. The Group started making sales in 2013 and this will necessitate further expenditure by the Group to continue to commercialise the product and develop the market. Additionally, the Group has expenditures related to completion of the ongoing REDUCE-IT study and possibly expanded promotion of Vascepa as contemplated following anticipated successful results of the REDUCE-IT study. Management has considered various scenarios reflecting differing market conditions, and 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 2017 include cash and cash equivalents of $74.2 million. Subsequent to year end, we raised approximately $69.9 million from a public offering as discussed in the Going Concern section above. Our projected uses of cash include expansion of medical education and market awareness initiatives, including, in advance of REDUCE-IT results being known, pilot testing of new promotional initiatives for potential broader application following REDUCE-IT results, increasing inventory balances for incremental inventory build prior to REDUCE-IT results, 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.

We believe that our cash balance at 31 December 2017, together with the approximately $69.9 million received from the public offering, will be sufficient to fund our projected operations for at least the next 12 months, through the results of the REDUCE-IT study which we anticipate will be available before the end of the third quarter of 2018 and, assuming positive results of the REDUCE-IT study, through subsequent public presentation of such results at a medical congress before the end of 2018.

DIRECTORS' REPORT (continued)

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.

Future developments

The Directors aim to increase revenues and cash flows through the continued commercialisation of Vascepa under the currently approved MARINE indication. We will also put significant efforts behind the efficient progression of the REDUCE-IT cardiovascular outcomes study, which with a successful outcome, could lead to further commercialisation under the additional indications.

Post balance sheet events

See review of the business above and Note 34 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 2017. 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 112% of the Company's pre-defined corporate goals for 2017 plus a discretionary 5% in recognition of notable 2017 achievements beyond the pre-defined goals. The Strategic Report gives full details of the Company's performance in 2017, including:

- Reported $183.0 million in total revenue in 2017, representing an increase of 37% over 2016 total revenue of $133.7 million, including $179.8 million in Vascepa product revenue;
- Advanced the Company's long-term cardiovascular outcomes study, REDUCE-IT, closer to completion with clinical sites in the study instructed to begin having all living patients in the study visit their clinical site for final data collection;
- Added a commercial partner to seek regulatory approval of, and commercialize Vascepa in, Canada and supported the Company's partner in China in commencing a clinical trial for Vascepa in China as part of a clinical and regulatory strategy to get Vascepa approved and commercialized in China.

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.

DIRECTORS' REMUNERATION REPORT (continued)

Equity compensation

In considering annual equity awards for our executive officers in 2017, 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 2017 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 over three years commencing after anticipated REDUCE-IT results upon the achievement of certain regulatory and sales performance conditions associated with the REDUCE-IT clinical trial and subsequent revenue growth). Equity awards in 2017 were granted with a view towards both retaining and incentivizing our executives in future periods. Non-executive directors were issued equity awards in 2017 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 51 of this report.

Changes to director remuneration in 2017 and 2018

Effective 1 February 2017, the base salary of Mr. John Thero, President and Chief Executive Officer of the Company and its sole executive director, increased to $611,800 (2016: $580,300). Effective 1 February 2018, the base salary of Mr. Thero increased to $664,800. Base salary is targeted near the 50th percentile for CEOs within our peer group.

No changes were made to the non-executive director compensation program for 2017. Effective 30 January 2018, 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 52 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 at the Company's website at www.amarincorp.com.

The members of the Remuneration Committee at 1 January 2017 and again effective 1 January 2018 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 Option 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. Share options granted to new employees typically vest 25% upon the one-year anniversary of the date of hire and then vest rateably over the subsequent 36-month 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 2017, an increase to Mr. Thero's salary to $611,800 was approved (2016: $580,300). Effective 1 February 2018, an increase to Mr. Thero's salary to $664,800 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 2017 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 2018 will be 75% 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 2017 corporate goals below. 2018 corporate goals relate primarily to commercial (40%) and clinical (30%) performance measures, with the remaining 30% relating to supply/financial performance measures, with percentages reflecting the relative weighting of the bonus to the performance measures.

DIRECTORS' REMUNERATION REPORT (continued)

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.	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.	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.

DIRECTORS' REMUNERATION REPORT (continued)

2017 Corporate Goals: The following represent the Company's 2017 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.

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

- Revenues: Achieve net revenue target of $170.0 million
- Compliance: Favourable outside audit report regarding compliance program and no lost claim due to untruthful or misleading statements to healthcare professionals
- Post-REDUCE-IT Readiness: Complete sales territory and targets analysis plan; complete market research regarding MARINE indication

REDUCE-IT (40%): These goals established target performance for the Company regarding the REDUCE-IT cardiovascular outcomes trial. The specific goals were as follows:

- Interim Analysis Plan: Perform all required procedures anticipating adjudication of targeted number of primary events by target date
- Patient Study Drug Compliance: Maintain target compliance rates of protocol-specified capsule consumption
- Patient Retention in Study: Achieve target patient retention rates in study and achieve target reduction in number of patients with no visit or vita status confirmation
- KOL Education/Support: Form an advisory board and national / regional KOL groups, create engagement plans for each KOL, create relationship management tools, and conduct periodic review with emphasis on measurable progress

Quality and Supply (10%): These goals established target performance for the Company regarding the commercial supply. The specific goals were as follows:

- Quality: Ensure uninterrupted supply of commercial material based on supply chain schedule
- Supply: Purchase inventory needed for operating plan (plus safety stock) at an average price consistent with operating plan

Financial and Public Relations / Investor Relations (10%): These goals established target performance for the Company regarding the operational finance performance and with respect to public and investor relations matters. The specific goals were as follows:

- Cash Outflow from Operations: Ensure gross cash outflow is not greater than operating plan
- Cash Flow Positive from Operations (excluding R&D, interest and royalty costs): Achieve for full-year 2017
- Stock Price: Exceed peer group performance

Pre-Specified "Stretch" Goals: The specific goals were as follows:

- Exceed net revenue target per 2017 Operating Plan ($170 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
- REDUCE-IT stopped early for overwhelming success

DIRECTORS' REMUNERATION REPORT (continued)

Approach to recruitment remuneration – executive directors

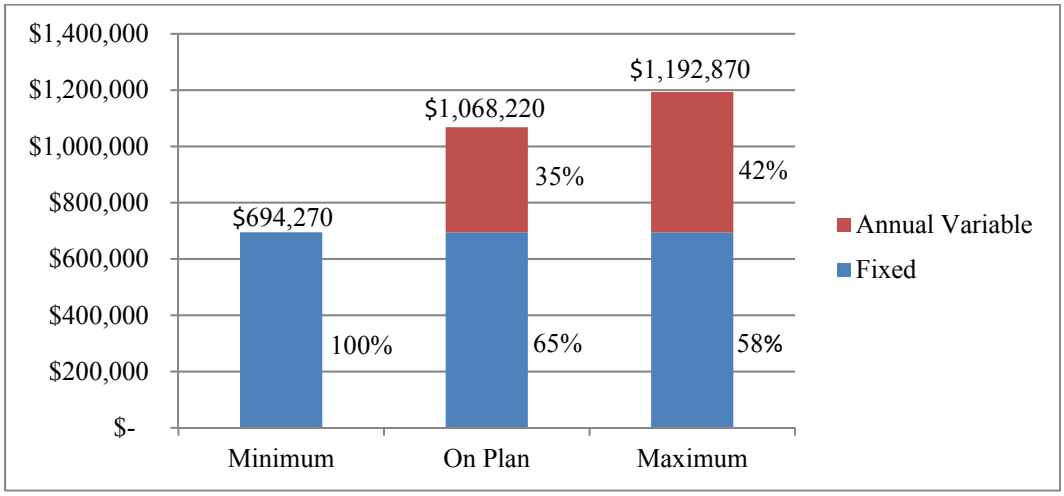
The ongoing remuneration package for a newly recruited executive director is determined by the Remuneration Committee using the policy set out above. To facilitate recruitment, the Remuneration Committee may also make one-off awards to a newly recruited external executive director in the form of a sign-on 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 2017, 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 on all outstanding equity incentive 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 2017, 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 on 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 54.

On Plan: Fixed elements of remuneration are as for the minimum scenario. The annual variable element pays out at 75% 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 Mr. O'Sullivan and Mr. Thero for re-election as directors at the Company's 2018 Annual General Meeting.

Non-executive director compensation

The levels of fees payable in 2017 and 2018 are as follows:

	Retainer and Meeting Fees
Annual Board Retainer Fee:	
Non-Executive Chairman	$ 95,000
All other non-executive directors	$ 55,000
Annual Chairman Retainer Fees:	
Audit Committee Chairman	$ 20,000
Remuneration Committee Chairman	$ 15,000
Nominating and Corporate Governance Committee Chairman	$ 10,000
Annual Committee Member Retainer Fees:	
Audit Committee	$ 10,000
Remuneration Committee	$ 7,500
Nominating and Corporate Governance Committee	$ 5,000

DIRECTORS' REMUNERATION REPORT (continued)

Upon recommendation of the Remuneration Committee, the Board approved an amended non-executive director compensation program effective 1 January 2014. 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 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 $135,000 based on a consistently-applied, Black Scholes methodology, split equally in value between option awards and DSUs. Effective 30 January 2018, the Remuneration Committee authorised this amount to be increased to $300,000. 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 $90,000 based on a consistently-applied, Black Scholes methodology, split equally in value between option awards and DSUs. Effective 30 January 2018, the Remuneration Committee authorised this amount to be increased to $200,000. 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, Black Scholes 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 15 May 2017, the Company awarded options representing the right to purchase 21,146 Ordinary Shares and 14,706 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 $36,794 and $45,000, respectively, based on a closing price of $3.06 on NASDAQ of the ADSs representing the Company's Ordinary Shares on the date of grant.

In addition, on 15 May 2017, the Company awarded 25,845 options and 17,974 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 $44,970 and $55,000, respectively, based on a closing price of $3.06 on NASDAQ of the ADSs representing the Company's Ordinary Shares on the date of grant.

DIRECTORS' REMUNERATION REPORT (continued)

AUDITED INFORMATION

Annual report on remuneration

Single total figure of remuneration table

2017

	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	609,175	24,070	540,000	4,194,227	5,400	5,372,872
Non-executive directors						
Dr. L. Ekman	100,000	—	—	131,692	—	231,692
Mr. P. O'Sullivan	75,000	—	—	115,968	—	190,968
Ms. K. Peterson	72,500	—	—	115,968	—	188,468
Mr. D. Stack	70,000	—	—	115,968	—	185,968
Mr. J. van Heek	82,500	—	—	115,968	—	198,468
Mr. J. Zakrzewski	60,000	—	—	115,968	—	175,968
Subtotal	460,000	—	—	711,532	—	1,171,532
Total	1,069,175	24,070	540,000	4,905,759	5,400	6,544,404

2016

	Basic salary and fees	All taxable benefits	Annual performance-related remuneration (1)	Long-term performance-related remuneration (2)(5)	Pension-related benefits (4)	Total
Executive directors						
Mr. J. Thero	575,275	23,359	530,974	1,803,967	5,300	2,938,875
Non-executive directors						
Dr. L. Ekman	100,000	—	—	98,870	—	198,870
Mr. P. O'Sullivan	75,000	—	—	86,940	—	161,940
Ms. K. Peterson	70,000	—	—	86,940	—	156,940
Mr. D. Stack	62,500	—	—	86,940	—	149,440
Mr. J. van Heek	82,500	—	—	86,940	—	169,440
Mr. J. Zakrzewski	55,000	—	—	80,370	—	135,370
Dr. J. Healy (6)	67,717	—	—	86,940	—	154,657
Subtotal	512,717	—	—	613,940	—	1,126,657
Total	1,087,992	23,359	530,974	2,417,907	5,300	4,065,532

(1) In 2017 and 2016, 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 2017 and 2016 corporate goals.

(2) In 2017 and 2016, the long-term performance-related remuneration represents stock options and restricted stock units that vested during the respective years valued based on the market price of the company's stock on the vesting date.

(3) For Mr. Thero, includes 250,002 share options granted in 2015 which vested upon achievement of the 2017 Sales Milestone described on page 56, valued as described in (2) above.

(4) Effective 1 January 2016, the pension-related benefits represent the company's match obligations related to the defined contribution plan.

(5) For Mr. Thero, includes 150,002 share options granted in 2015 which vested upon achievement of the 2016 Sales Milestone described on page 56, valued as described in (2) above.

(6) Dr. Healy resigned from the Board and all committees on which he served effective 20 December 2016.

Analysis of taxable benefits received

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

The Company makes available a defined contribution retirement plan for its U.S. employees including executive directors. The Company made $5,400 in contributions in 2017 to its executive director (2016: $5,300).

Variable performance-related awards made in 2017

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* Conditional award of 75% of base salary for Mr. Thero. The bonus is payable on a sliding scale from 0% to 75% at the discretion of the Remuneration Committee based on achievement of corporate goals with pre-defined criteria for exceeding target on stretch corporate 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 page 49 the Remuneration Committee determined: (i) that the commercial revenues goal was achieved at the 100% level, the commercial compliance goal was achieved at 100% level, and the post-REDUCE-IT readiness goal was achieved at the 100% level, resulting in a weighted score of 40% for this component of the corporate goals; (ii) that the interim analysis goal was achieved at the 100% level, the patient compliance goal was achieved at the 100% level, the patient retention goal was achieved at the 100% level, and the KOL education/support goal was achieved at the 100% level, resulting in a combined weighted score of 40% for this component of the corporate goals; (iii) that the quality supply chain goal was achieved at the 100% level and the supply average price goal was achieved at the 100% level, resulting in a combined weighted score of 10% for this component of the corporate goals; (iv) that the cash outflow goal was achieved at the 100% level, the cash flow positive goal was achieved at the 100% level, and the stock price 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 12% was added in conjunction with the achievement of the pre-specified stretch goal of exceeding the net revenue target per 2017 Operating Plan. In total, the Remuneration Committee determined that these pre-defined corporate goals were achieved at the 112% level for 2017 which approximated between the 50th and 75th percentile award for performance per data from Radford. An additional 5% was added at the discretion of the Remuneration Committee in recognition of notable 2017 achievements beyond the pre-defined goals. The cash bonus award for Mr. Thero was based entirely on the Company's achievement of the 2017 corporate goals. For the purpose of determining incentive compensation for Mr. Thero, and based on advice from Radford, the Committee's compensation advisor, regarding methods for making cash bonus determinations, the Remuneration Committee determined that such corporate goals were achieved at the 117% level as described above. As a result, he received a cash bonus in the amount of 117.7% of his target bonus amount (small difference due to rounding).	31 December 2017	$540,000 Actual outcome – 88.3% of base salary (117.7% of target award based on pre-defined criteria, calculation for exceeding corporate stretch goals, and discretion for notable achievements)

DIRECTORS' REMUNERATION REPORT (continued)

Share Options		
Type of interest Share options *Basis of award* The options vest rateably over 48 months subject to achievement of the below described performance measure. *Performance measures and targets* The performance measures and targets were established in 2015 when these stock options were awarded following revenue in 2014 of $54,202,000. Achievement of the performance measure required that the Company's top-line product revenues (determined in accordance with U.S. GAAP consistently applied) must equal or exceed $139,000,000 for the year ended 31 December 2017 (by reference to the Company's Annual Report on Form 10-K for such period) (the "2017 Sales Milestone"). The vesting terms, notwithstanding the above, were that the options would not vest unless and until the 2017 Sales Milestone was achieved. Once the 2017 Sales Milestone was achieved, the options would vest to the extent they would have vested but for the lack of the achievement of the performance measure. The Company reported U.S. GAAP revenues of $180,000,000 for the year ended 31 December 2017, which exceeds the $139,000,000 performance measure. As such, the performance measure was deemed achieved as of 31 December 2017 (no discretion was exercised) and all options that had been accruing monthly through such date became vested on such date. The award will continue to vest rateably monthly over the remaining period until fully vested, subject to continued service.	31 December 2017	250,002 accrued options vested on 31 December 2017, with the remaining 149,998 options to vest ratably monthly thereafter until fully vested. Actual outcome – 100.0%

DIRECTORS' REMUNERATION REPORT (continued)

Directors' interest in shares

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 2017 Ordinary Shares	At 31 December 2016 Ordinary Shares
Mr. J. van Heek	25,203	25,203
Dr. L. Ekman	40,000	40,000
Ms. K. Peterson	—	—
Mr. P. O'Sullivan	—	—
Mr. D. Stack	—	—
Mr. J. Zakrzewski	226,047	226,047
Mr. J. Thero (executive director) (1)	1,156,771	741,917

(1) During the period from the end of the financial year to 15 April 2018, Mr. Thero acquired a beneficial interest in 324,897 ordinary shares in the Company, increasing his total beneficial holding to 1,481,668 ordinary shares.

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

Share options and restricted/deferred stock units granted

Share options and restricted/deferred stock units granted to directors in 2017 were as follows:

	Share Options	Restricted/Deferred Stock Units
Mr. J. van Heek	21,146	14,706
Dr. L. Ekman	25,845	17,974
Ms. K. Peterson	21,146	14,706
Mr. P. O'Sullivan	21,146	14,706
Mr. D. Stack	21,146	14,706
Mr. J. Zakrzewski	21,146	14,706
Mr. J. Thero (executive director)	550,000	359,000
Total	**681,575**	**450,504**

For each non-executive director with the exception of Dr. Ekman, 21,146 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 14,706 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, 25,845 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 17,974 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, 550,000 options vest monthly over four years commencing on the last day of the month of grant, and 359,000 RSUs vest in equal annual instalments over three years commencing 31 January 2018.

DIRECTORS' REMUNERATION REPORT (continued)

Interests in share options and restricted stock unit awards

Share schemes

Details of share options and warrants held by directors (or entities which they represent if disclosed in the notes below) as at 31 December 2017, and those who served as directors during 2017, are set out below:

Date of grant	Earliest exercise date	Expiry date	Exercise price (US$)	No. at 1 January 2017 (£0.50 shares)	Options/RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2017 (£0.50 shares)	Vested but unexercised at 31 December 2017 (£0.50 shares)
Mr. J. Zakrzewski (1)									
21/12/2009 (options)	21/06/2010	21/12/2019	1.35	35,000	-	-	-	35,000	35,000
11/11/2010 (options)	11/11/2010	11/11/2020	3.40	1,550,000	-	-	-	1,550,000	1,550,000
20/10/2011 (options)	1/11/2011	20/10/2021	9.00	338,542	-	-	-	338,542	338,542
01/02/2012 (options)	29/02/2012	1/2/2022	8.86	143,750	-	-	-	143,750	143,750
2/1/2013 (options)	31/01/2013	2/1/2023	8.10	36,875	-	-	-	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	2.50	40,502	-	-	-	40,502	34,716
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	45,000
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	6,850
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	-
				2,305,064	**35,852**	**-**	**-**	**2,340,916**	**2,272,080**

(1) The share options were issued to Mr. Zakrzewski as a director in 2009, 2014, 2015, 2016, and 2017. The additional share options 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 2017 (£0.50 shares)	Options/RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2017 (£0.50 shares)	Vested but unexercised at 31 December 2017 (£0.50 shares)
Mr. J. van Heek (2)									
10/02/2010 (options)	10/8/2010	10/2/2020	1.03	90,000	-	-	-	90,000	90,000
10/07/2012 (options)	10/7/2013	10/7/2022	14.40	45,000	-	-	-	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	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	2.50	40,502	-	-	-	40,502	34,716
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	45,000
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	6,850
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	-
				358,397	**35,852**	**-**	**-**	**394,249**	**325,413**

(2) These share options 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 2017 (£0.50 shares)	Options/RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2017 (£0.50 shares)	Vested but unexercised at 31 December 2017 (£0.50 shares)
Dr. L. Ekman (2)									
10/02/2010 (options)	10/8/2010	10/2/2020	1.03	120,000	-	-	-	120,000	120,000
10/07/2012 (options)	10/7/2013	10/7/2022	14.40	45,000	-	-	-	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)	1/1/2015	11/3/2024	1.87	6,390	-	-	-	6,390	6,390
11/3/2014 (options)	11/3/2015	11/3/2024	1.87	28,500	-	-	-	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	2.50	45,645	-	-	-	45,645	39,859
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	62,500	-	-	-	62,500	49,000
11/7/2016 (options)	11/7/2017	11/7/2026	2.19	35,258	-	-	-	35,258	35,258
11/7/2016 (DSUs)	11/7/2017	11/7/2026	N/A	25,115	-	-	-	25,115	8,372
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	-
				420,256	**43,819**	**-**	**-**	**464,075**	**384,227**

(2) These share options 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 2017 (£0.50 shares)	Options/RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2017 (£0.50 shares)	Vested but unexercised at 31 December 2017 (£0.50 shares)
Ms. K. Peterson (2)									
17/11/2010 (options)	17/11/2011	17/11/2020	3.67	120,000	-	-	-	120,000	120,000
10/07/2012 (options)	10/7/2013	10/7/2022	14.40	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	2.50	40,502	-	-	-	40,502	34,716
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	45,000
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	6,850
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	-
				373,397	**35,852**	**-**	**-**	**409,249**	**340,413**

(2) These share options 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 2017 (£0.50 shares)	Options/RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2017 (£0.50 shares)	Vested but unexercised at 31 December 2017 (£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
10/07/2012 (options)	10/7/2013	10/7/2022	14.40	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	2.50	40,502	-	-	-	40,502	34,716
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	45,000
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	6,850
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	-
				298,397	**35,852**	**-**	**-**	**334,249**	**265,413**

(2) These share options 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 2017 (£0.50 shares)	Options/RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2017 (£0.50 shares)	Vested but unexercised at 31 December 2017 (£0.50 shares)
Mr. D. Stack (2)									
10/12/2012 (options)	10/12/2013	10/12/2022	9.34	45,000	-	-	-	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	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	2.50	40,502	-	-	-	40,502	34,716
6/7/2015 (DSUs)	6/7/2016	6/7/2025	N/A	58,500	-	-	-	58,500	45,000
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	6,850
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	-
				268,397	**35,852**	**-**	**-**	**304,249**	**235,413**

(2) These share options 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 2017 (£0.50 shares)	Options/RSUs/DSUs granted in year	Exercised in year	Lapsed in year	No. at 31 December 2017 (£0.50 shares)	Vested but unexercised at 31 December 2017 (£0.50 shares)
Mr. J. Thero (3)									
21/12/2009 (options)	21/12/2010	21/12/2019	1.35	407,611	-	-	-	407,611	407,611
10/11/2010 (options)	11/11/2010	10/11/2020	3.40	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	8.10	52,500	-	-	-	52,500	52,500
8/1/2014 (options)	31/01/2014	8/1/2024	2.04	607,500	-	-	-	607,500	607,500
8/1/2014 (RSUs)	31/01/2015	8/1/2024	N/A	169,500	-	169,500	-	-	-
2/2/2015 (options)	28/02/2015	2/2/2025	1.02	400,000	-	-	-	400,000	291,667
2/2/2015 (RSUs)	31/01/2016	2/2/2025	N/A	520,000	-	260,000	-	260,000	-
2/2/2015 (RSUs)(4)	2/2/2015	2/2/2025	N/A	1,265,250	-	-	-	1,265,250	-
6/7/2015 (options)	31/07/2015	6/7/2025	2.50	600,000	-	-	-	600,000	374,999
6/7/2015 (options)(4)	31/07/2015	6/7/2025	2.50	800,000	-	-	-	800,000	500,004
6/7/2015 (RSUs)	30/09/2015	6/7/2025	N/A	375,000	-	150,000	-	225,000	-
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	1.40	550,000	-	-	-	550,000	263,542
1/2/2016 (RSUs)	31/1/2017	1/2/2026	N/A	360,000	-	120,000	-	240,000	-
1/2/2017 (options)	28/2/2017	1/2/2027	2.95	-	550,000	-	-	550,000	126,042
1/2/2017 (RSUs)	31/1/2018	1/2/2027	N/A	-	359,000	-	-	359,000	-
				8,205,841	**909,000**	**699,500**	**-**	**8,415,341**	**3,457,095**

(3) The share options 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, 2015, 2016, and 2017.

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

During the year ended 31 December 2017, no other directors have been granted share options in the shares in the Company or other group entities.

The market price of the Company's shares at the end of the financial year was US$4.01 and the range of the market prices during the year was between US$2.81 and US$4.47.

DIRECTORS' REMUNERATION REPORT (continued)

Long-term incentive scheme

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.

	2017 ($000)	*2016 ($000)*	*Change ($000)*
Employee remuneration	$61,046	$55,395	$5,651

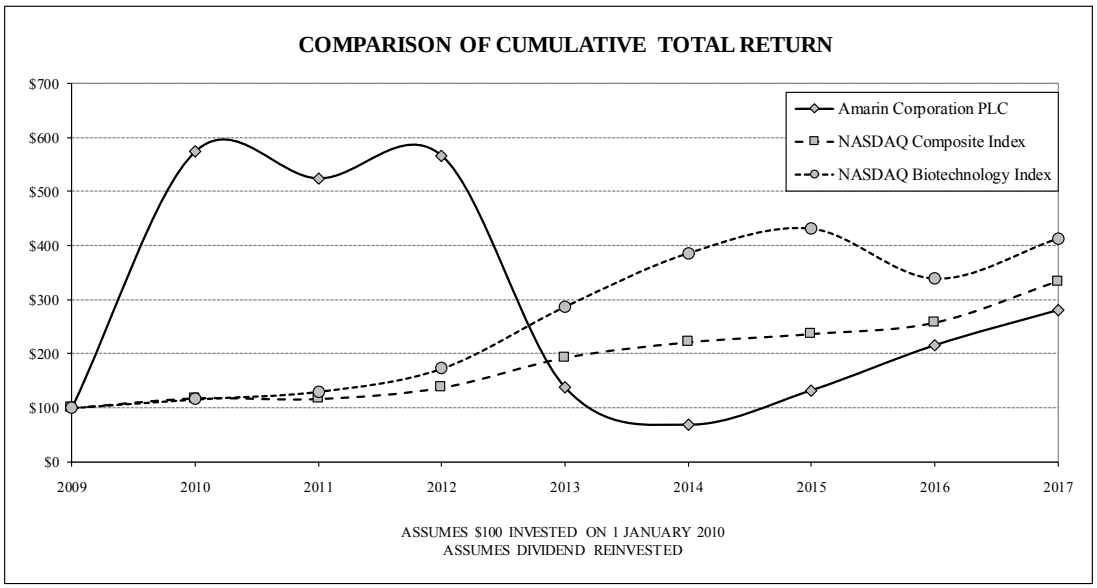
Employee remuneration includes total staff costs as shown in Note 8 to the group financial statements. The increase in 2017 was primarily the result of increased headcount, post-retirement benefits, and larger bonus pay-outs.

Total Shareholder Return Performance Graph

The following graph compares the cumulative eight-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 2017.

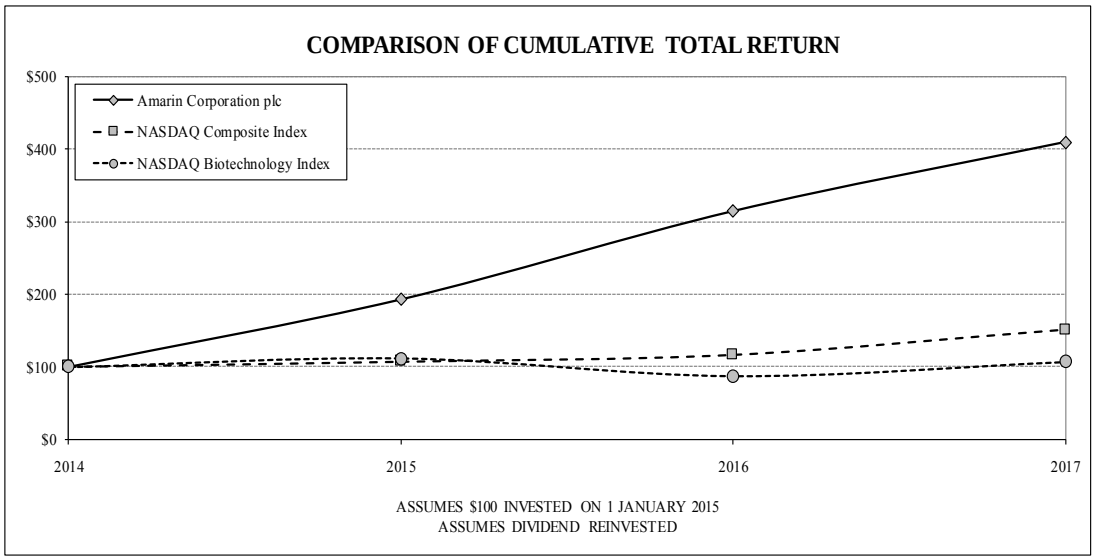
Included in this eight-year time period is the substantial negative impact on the price of Amarin's ADSs in 2013 when the FDA notified us that it rescinded the ANCHOR study SPA agreement because the FDA determined that a substantial scientific issue essential to determining the effectiveness of Vascepa 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, over the 3-year time period through 31 December 2017, cumulative total return for Amarin's ADSs exceeded both the NASDAQ Composite Index and NASDAQ Biotechnology Index. In particular, the total return for Amarin's ADSs well exceeded the cumulative returns for the NASDAQ Composite Index and NASDAQ Biotechnology Index in each of the past two calendar years.

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
Amarin Corporation PLC	$573.43	$523.78	$565.73	$137.76	$68.53	$132.17	$215.38	280.42
NASDAQ Composite Index	$118.02	$117.04	$137.47	$192.62	$221.02	$236.41	$257.37	333.65
NASDAQ Biotechnology Index	$116.06	$130.08	$172.67	$286.67	$385.29	$430.64	$338.70	412.07

The following graph compares the cumulative 3-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 2017.



Company/Market/Peer Company	31/12/2015	31/12/2016	31/12/2017
Amarin Corporation PLC	$192.86	$314.29	$409.18
NASDAQ Composite Index	$106.96	$116.45	$150.96
NASDAQ Biotechnology Index	$111.77	$87.91	$106.95

DIRECTORS' REMUNERATION REPORT (continued)

Chief Executive Officer remuneration – Eight-year comparison

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 eight 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)
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%)

Notes to CEO remuneration table:

(1) The single total figure of remuneration, annual variable element and long-term incentive amounts for 2017 and 2016 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 54. 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.

DIRECTORS' REMUNERATION REPORT (continued)

Comparison of CEO remuneration to employee remuneration

	CEO remuneration (1)			Employee remuneration (2)
	2017 $	**2016 $**	**2017 % increase/(decrease)**	**2017 % increase**
Salaries and fees	609,175	575,275	5.9%	6.3%
Taxable benefits (3)	24,070	23,359	3.0%	1.8%
Annual variable performance-related remuneration	540,000	530,974	1.7%	5.4%
Total	**1,173,245**	**1,129,608**	**3.9%**	
Single total figure of remuneration (4)	**5,372,872**	**2,938,875**	**82.8%**	

Notes to Comparison of CEO remuneration to employee remuneration table:

(1) CEO remuneration is from the single total figure of remuneration table on page 54.
(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 $27,833,000 (2016: $24,810,000), analysed into the three components in the table, and the average number of employees of 227 (2016: 215), both as detailed in Note 8 to the group financial statements. 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 54.

The CEO's total remuneration (attributable to salary, taxable benefits and annual variable performance-related remuneration) in 2017 increased marginally by 3.9%, primarily reflecting an increase in salary and related annual incentive bonus, while the total remuneration increased by 82.8%, reflecting the vesting of share options upon achievement of the 2017 Sales Milestone in addition to increased normal monthly and quarterly vestings, coupled with higher share prices used to value the vested options and RSUs in 2017 compared to 2016. Total average employee remuneration was $198,817 and $188,245 in 2017 and 2016, respectively, on a full-time equivalent basis.

Remuneration Committee

Role and responsibilities of the Remuneration Committee

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 judgment 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 judgment in the assessment process to respond to and adjust for the evolving business environment.

DIRECTORS' REMUNERATION REPORT (continued)

Members of the Remuneration Committee

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 2017.

Effective 1 January 2018, the members of the Remuneration Committee are:

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

Remuneration advisors to the Remuneration Committee

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 $54,000. 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

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 2017 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 18 publicly-traded peer companies for use in determining compensation actions in the 2017 fiscal year:

AMAG Pharmaceuticals*	Exelixis, Inc.*	Repligen Corporation*
Amicus Therapeutics	Halozyme Therapeutics	SciClone Pharmaceuticals
Arena Pharmaceuticals*	ImmunoGen, Inc.*	Spectrum Pharmaceuticals*
Ariad Pharmaceuticals	Lexicon Pharmaceuticals	Sucampo Pharmaceuticals
Corcept Therapeutics	Merrimack Pharmaceuticals	Supernus Pharmaceuticals
Depomed, Inc.	Pacira Pharmaceuticals	Vanda Pharmaceuticals

*Included in prior-year peer group.

DIRECTORS' REMUNERATION REPORT (continued)

In addition to the peer group above, the Remuneration Committee also reviews competitive compensation data from the Radford Global Survey Suite. For 2017 compensation decisions, the Radford survey group included publicly traded biotechnology and pharmaceutical companies with between 70 and 600 employees, 14 of which were companies in our current peer group. Radford assessed Amarin's 2017 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.

Summary of the principal activity of the Remuneration Committee during 2017

The summary below provides a description of the Remuneration Committee's activities during 2017:

- Review of the 2016 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 2016;
- 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 2018

During 2018, 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

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 2018

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 2017 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 2017	Balance Sheet as at 31 December 2017
Consolidated Income Statement for the year then ended	Statement of Changes in Equity for the year then ended
Consolidated Statement of Changes in Equity for the year then ended	Cash Flow Statement for the year then ended
Consolidated Cash Flow Statement for the year then ended	Related notes 1 to 34 to the financial statements, including a summary of significant accounting policies
Related notes 1 to 34 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.

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.

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.

Overview of our audit approach

Key audit matters	• Gross-to-net revenue adjustments particularly in relation to the rebates and estimated product return accruals. • Initial recognition and subsequent measurement and valuation of the 2017 exchangeable senior notes.
Audit scope	• We work as an integrated primary team with EY US and performed an audit of the Group at a consolidated level. • We also performed an audit of the complete financial information of the standalone Parent Company.
Materiality	• Overall Group materiality of $3.8M which represents 2.1% 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. ($177.5M, PY comparative $104.1M) *Refer to the Accounting policies (page 97); and the significant judgements and estimates made in respect of recognising revenue on page 100 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 97) and estimated product return accruals (see page 97). 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.	To address the areas of identified higher risk, we have completed procedures as follows: <u>Rebates procedures</u> • We updated our understanding of the rebates program 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. • We performed substantive audit procedures, which included testing of the key assumptions used in the calculation and accrual of rebates due to Medicare and Managed Care Organisations, obtained an understanding and tested inputs to the Group's rebate pricing calculations, 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, 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, and performed analytical procedures over accrued rebate balances. <u>Product returns procedures</u> • We updated our understanding of the product returns process, performed a walkthrough of the product returns estimation process, evaluated the design of controls and tested the operating effectiveness of key controls in this audit area. • We tested the historical return rate and verified the completeness and accuracy of sales and return data used in the return reserve calculation to supporting documentation. • We compared inventory levels to the limits prescribed in the relevant contract to validate the contractual limits were not exceeded. We tested a sample of new or amended distribution service agreements to validate the changes in relation to the product return policies and levels of inventory in the channel. • We analysed channel inventory data by quarter and at year-end, including days of channel inventory on hand, to determine if any unusual increases existed. We further enquired and corroborated any identified unusual increases through obtaining an understanding of other market conditions that could have an effect on product returns (generic entry, label changes, launch of a competing product). Finally we analysed weekly sales data and returns data in order to identify any unusual trends, 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 2017.

	• We evaluated the appropriateness of the financial statement presentation and disclosure.	
Initial recognition and subsequent measurement and valuation of the 2017 exchangeable senior notes ($27.8M) *Refer to the Accounting policies (page 92); and Note 24 of the Consolidated Financial Statements (page 100)* We have identified a risk in relation to the identification of the components included in the notes issuance with specific focus on the identification of embedded derivatives and subsequent valuation in terms of IAS 32 – Financial Instruments Presentation and IAS 39 Financial Instruments Recognition and Measurement. The identification of the embedded components in line with IAS 39 as included within the note issuance is complex in nature. The identified components require further analysis as to whether the components meet the requirements of bifurcation in terms of IAS 39. Key assumptions used in the valuation analysis include the probability of fundamental change, projected revenue forecast, discount rate and volatility. The valuation technique involves the exercise of judgement and the use of assumptions and estimates which are sensitive to	To address the areas of identified higher risk, we have completed procedures as follows: • We updated our understanding of the exchangeable notes process, performed a walkthrough of this process and evaluated the design, including the precision of review controls, in this area. • We reviewed the Group's accounting memorandum, related to the evaluation of the debt transactions, identification of the embedded instruments and bifurcation in accordance with the relevant accounting literature to understand management's view of the application of the relevant accounting standards to the transaction. • We analysed the underlying agreements to validate that the memorandum fairly represent the contractual terms. • We validated, with the assistance of an EY internal valuation expert, the methodologies and assumptions in the valuation analysis of the embedded derivative as completed by management's specialist. • We evaluated the appropriateness of the financial statement presentation and disclosure.	Based on the procedures performed, we did not identify any evidence of material misstatement in the initial identification, and subsequent valuation, and presentation of the exchangeable notes at 31 December 2017.

judgements applied thus there is a risk that the related financial liabilities identified are misstated.		

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 Bedminster, 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.

Integrated team structure

The Group is required to prepare consolidated financial statements in both the UK and the US as they are a UK registered Company and are traded on the NASDAQ, respectively, with Group management predominately residing in the US.

As a result of these reporting requirements in both the UK and the US, we have determined that the most effective audit approach is to have an integrated UK and US primary audit team. The overall audit strategy is discussed between the UK and US team and ultimately determined by the UK team. Members of the UK team spend time in the US, alongside members of the US team, when performing the key areas of the audit.

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 $3.8 million (2016: $3.2 million), which is 2.1% (2016: 2%) of operating expenses. We believe that operating expenses provides us with an appropriate basis for materiality as the Group continues to be loss making as it continues to focus on the completion of the REDUCE-IT study. Operating expenses, of which the majority is in relation to research and development, is seen as the key indicator of activity levels in the Group. Other earnings based measures such as EBITDA and EBIT are in loss positions.

We determined materiality for the Parent Company to be $4.3 million (2016: $4.4 million), which is 1% (2016: 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 50% (2016: 75%) of our planning materiality, namely £1.9m (2016: $2.4m). We have set performance materiality at this percentage due to the rate of change in the business during the current year as the REDUCE-IT study nears completion and the Group prepares for further commercialisation activity.

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 $190k (2016: $161k), 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, 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 71, 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.

David Hales (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
19 April 2018

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

Continuing operations	**Note**	**31 December 2017**	**31 December 2016**
Product revenue		179,825	128,966
Licensing Revenue	5	3,143	4,695
Cost of goods sold		(44,952)	(34,363)
Gross margin		138,016	99,298
Expenses			
Research and development	6	(47,236)	(49,728)
General and administrative	6	(135,131)	(112,165)
Total operating expenses		**(182,367)**	**(161,893)**
Operating loss	13	**(44,351)**	**(62,595)**
Finance income	11	553	234
Finance costs	12	(17,873)	(34,325)
Change in fair value & extinguishment of derivatives	24	(6,289)	(12,830)
Loss before tax		**(67,960)**	**(109,516)**
Income tax (change)/benefit	14	(3,704)	(9,194)
Loss after tax for the financial year		**(71,664)**	**(118,710)**
Loss attributable to owners of the Parent		**(71,664)**	**(118,710)**
Basic and diluted loss per ordinary share	15	**(0.26)**	**(0.56)**
Shares used in calculation of basic and diluted loss per share attributable to owners of the Parent		**270,652**	**211,874**

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)

ASSETS	Note	31 December 2017	31 December 2016
Non-current assets			
Intangible assets	16	8,127	8,805
Property, plant and equipment	17	27	45
Other long-term assets	18	174	179
Deferred tax assets	14	1,216	2,951
Total non-current assets		**9,544**	**11,980**
Current assets			
Other taxation and social security		5	3
Trade receivables	19	46,298	19,985
Other current assets	21	6,366	7,543
Inventory	22	30,260	20,507
Cash and cash equivalents		74,237	98,851
Total current assets		**157,166**	**146,889**
Total assets		**166,710**	**158,869**
LIABILITIES			
Current liabilities			
Trade and other payables	23	88,284	43,787
Exchangeable senior notes, net	24	—	15,040
Deferred revenue	5	5,221	4,749
Provisions	25	49	136
Total current liabilities		**93,554**	**63,712**
Net current assets		**63,612**	**83,177**
Non-current liabilities			
Exchangeable senior notes, net	24	19,240	—
Exchangeable senior notes – derivative liability	24	15,500	—
Long-term debt, net	24	79,281	78,663
Provisions	25	1,015	569
Deferred revenue	5	5,193	3,808
Total non-current liabilities		**120,229**	**83,040**
Total liabilities		**213,783**	**146,752**
Net (liabilities)/ assets		**(47,073)**	**12,117**
EQUITY			
Share capital	27	208,479	206,877
Preference shares	27	24,364	24,364
Share premium account		547,837	547,428
Share-based payment reserve		128,210	117,136
Capital redemption reserve		27,633	27,633
Treasury shares		(4,230)	(1,499)
Foreign currency translation adjustment		(2,572)	(2,572)
Retained deficit		(976,794)	(907,250)
Total shareholders' (deficit) / equity		**(47,073)**	**12,117**

The financial statements of Amarin Corporation plc (registered number 2353920) were approved by the Board of Directors and authorised for issue on 18 April 2018.

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 2017	31 December 2016
ASSETS			
Non-current assets			
Investment in subsidiaries and long term receivable	20	383,961	404,938
Total non-current assets		**383,961**	**404,938**
Current assets			
Other current assets	21	44	43
Cash and cash equivalents		22,776	37,504
Total current assets		**22,820**	**37,547**
Total assets		**406,781**	**442,485**
LIABILITIES			
Current liabilities			
Trade payables and other payables	23	115	126
Total current liabilities		**115**	**126**
Net current assets		**22,705**	**37,421**
Long-term payable to subsidiaries	20	5,954	44,391
Exchangeable senior notes – derivative liability	24	15,500	—
Total non-current liabilities		**21,454**	**44,391**
Total liabilities		**21,569**	**44,517**
Net assets		**385,212**	**397,968**
EQUITY			
Capital and reserves attributable to owners of the Parent Company			
Share capital	27	208,479	206,877
Preference shares	27	24,364	24,364
Share premium account		547,837	547,428
Share-based payment reserve		111,251	100,177
Capital redemption reserve		27,633	27,633
Treasury shares		(4,230)	(1,499)
Foreign currency translation adjustment		832	832
Retained deficit		(530,954)	(507,844)
Total shareholders' equity		**385,212**	**397,968**

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 $25.2 million (2016: loss of $63.7 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 18 April 2018.

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	Preference shares	Share premium	Share-based payment reserve	Capital redemp-tion reserve	Treasury shares	Foreign currency transla-tion reserve	Retained deficit	Total
At 1 January 2016	149,689	24,364	388,420	106,513	27,633	(411)	(2,572)	(816,924)	(123,288)
Comprehensive loss:									
Loss for the period	—	—	—	—	—	—	—	(118,710)	(118,710)
Total comprehensive loss	—	—	—	—	—	—	—	(118,710)	(118,710)
Transactions with owners:									
Deferred tax on share-based payment transactions	—	—	—	(74)	—	—	—	—	(74)
Exchange of senior exchangeable notes, net of transaction costs	40,062	—	109,939	—	—	—	—	26,533	176,534
Issuance of common stock, net of transaction costs	15,712	—	48,901	—	—	—	—	—	64,613
Share issuances	1,414	—	168	(3,155)	—	(1,088)	—	1,851	(810)
Share-based payments	—	—	—	13,852	—	—	—	—	13,852
Total transactions with owners	57,188	—	159,008	10,623	—	(1,088)	—	28,384	254,115
At 31 December 2016	206,877	24,364	547,428	117,136	27,633	(1,499)	(2,572)	(907,250)	12,117
Comprehensive loss:									
Loss for the period	—	—	—	—	—	—	—	(71,664)	(71,664)
Total comprehensive loss	—	—	—	—	—	—	—	(71,664)	(71,664)
Transactions with owners:									
Deferred tax on share-based payment transactions	—	—	—	—	—	—	—	—	—
Share issuances	1,602	—	409	(3,529)	—	(2,731)	—	2,120	(2,129)
Share-based payments	—	—	—	14,603	—	—	—	—	14,603
Total transactions with owners	1,602	—	409	11,074	—	(2,731)	—	2,120	12,474
At 31 December 2017	208,479	24,364	547,837	128,210	27,633	(4,230)	(2,572)	(976,794)	(47,073)

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	Preference shares	Share premium	Share-based payment reserve	Capital redemp-tion reserve	Treasury shares	Foreign currency transla-tion reserve	Retained deficit	Total
At 1 January 2016	149,689	24,364	388,420	89,480	27,633	(411)	832	(472,527)	207,480
Comprehensive income:									
Loss for the period	—	—	—	—	—	—	—	(63,701)	(63,701)
Transactions with owners:									
Exchange of senior exchangeable notes, net of transaction costs	40,062	—	109,939	—	—	—	—	26,533	176,534
Issuance of common stock, net of transaction costs	15,712	—	48,901	—	—	—	—	—	64,613
Share-based payments	—	—	—	13,852	—	—	—	—	13,852
Share issuances	1,414	—	168	(3,155)	—	(1,088)	—	1,851	(810)
Total transactions with owners	57,188	—	159,008	10,697	—	(1,088)	—	28,384	254,189
At 31 December 2016	206,877	24,364	547,428	100,177	27,633	(1,499)	832	(507,844)	397,968
Comprehensive income:									
Loss for the period	—	—	—	—	—	—	—	(25,230)	(25,230)
Transactions with owners:									
Share-based payments	—	—	—	14,603	—	—	—	—	14,603
Share issuances	1,602	—	409	(3,529)	—	(2,731)	—	2,120	(2,129)
Total transactions with owners	1,602	—	409	11,074	—	(2,731)	—	2,120	12,474
At 31 December 2017	208,479	24,364	547,837	111,251	27,633	(4,230)	832	(530,954)	385,212

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 2017	31 December 2016
Net cash outflow from operating activities	9	(19,353)	(54,952)
Cash flows from investing activities			
Interest received	11	429	234
Purchase of property, plant and equipment	17	(13)	(33)
Net cash inflow from investing activities		416	201
Cash flows from financing activities			
Proceeds from issue of share capital		638	287
Expenses on issue of share capital		(35)	(7)
Financing costs on the issuance of convertible debt, net	24	(1,207)	—
Repayments of long-term debt	24	(16,475)	(11,697)
Proceeds from the issue of convertible debt, net of issue costs	24	30,000	—
Repayment of convertible debt, net of financing costs	24	(15,107)	—
Transaction costs related to exchange of exchangeable senior notes		—	(680)
Proceeds from the issuance of common stock, net of transaction costs		—	64,613
Acquisition of treasury stock		(2,731)	(1,088)
Interest paid		(760)	(5,387)
Net cash (outflow)/ inflow from financing activities		(5,677)	46,041
Net decrease in cash and cash equivalents		(24,614)	(8,710)
Cash and cash equivalents at the beginning of the year		98,851	107,561
Cash and cash equivalents at the end of the year		74,237	98,851

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 2017	31 December 2016
Net cash outflow from operating activities	10	(12,599)	(63,123)
Cash flows from investing activities			
Interest received		—	166
Net cash inflow from investing activities		—	166
Cash flows from financing activities			
Proceeds from issue of share capital	27	638	287
Interest paid		—	(702)
Transaction costs related to exchange of exchangeable senior notes		—	(680)
Proceeds from the issuance of common stock, net of transaction costs		—	64,613
Acquisition of treasury stock		(2,731)	(1,088)
Expenses on issue of share capital	27	(36)	(7)
Net cash (outflow)/ inflow from financing activities		(2,129)	62,423
Net decrease in cash and cash equivalents		(14,728)	(534)
Cash and cash equivalents at the beginning of the year		37,504	38,038
Cash and cash equivalents at the end of the year		22,776	37,504

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. The Group's focus is on the commercialisation of Vascepa.

At 31 December 2017, the Group had cash balances of approximately $74.2 million. In February 2018, the Group completed a public offering of 19,178,082 American Depositary Shares ("ADSs") and, in March 2018, the underwriter exercised its option to purchase 1,438,356 additional ADSs, resulting in net proceeds of approximately $69.9 million after deducting commissions and estimated offering expenses payable by the Group. The Group started making sales in 2013 and this will continue to necessitate further expenditure by the company to continue to commercialise the product and develop the market. Management has considered various scenarios reflecting differing market conditions, and 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. The principal accounting policies adopted are set out below.

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 9 Financial instruments – Classification and Measurement
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- Classification and Measurement of Share-based Payment Transactions (Amendment to IFRS 2)
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Annual Improvements to IFRSs 2014–2016
- IFRIC 23 Uncertainty over Income Tax Treatments

The Directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future periods, except as follows. IFRS 9 will impact both the measures and disclosures of Financial Instruments. The Company is currently evaluating the accounting, transition and disclosure requirements of and IFRS 16 and amendments to IFRS 2, and cannot currently estimate the financial statement impact of adoption.

In 2016, the IASB issued IFRS 15, *Revenue from Contracts with Customers*, which will replace IAS 18. This guidance provides a five-step model to be applied to all contracts with customers, with an underlying principle that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This guidance is effective for annual reporting periods beginning on or after 1 January 2018 and interim periods therein. An entity can elect to apply the guidance under one of the following two methods: (i) retrospectively to each prior reporting period presented, referred to as the full retrospective method, or (ii) retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application in retained earnings, referred to as the modified retrospective method. The Company will adopt the new standard effective January 1, 2018 and will apply the modified retrospective method.

2. Basis of Preparation (continued)

Basis of Accounting (continued)

The Company has completed its assessment of adopting IFRS 15 for net product revenues and contract revenues generated by its license agreements. The assessment consisted of a review of a representative sample of contracts, discussions with key stakeholders, and a cataloging of potential impacts on its internal statements, accounting policies, financial control, and operations.

The Company does not expect significant changes in the amounts or timing of revenue recognition for net product revenues which is its primary revenue stream. For contract revenues generated by its license agreements, the Company expects to recognize an immaterial cumulative-effect adjustment to its accumulated deficit. The Company is also evaluating the new disclosures required by the standard to determine what additional information will need to be disclosed.

The Company believes that the impact of other 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, or do not apply to the Company's operations.

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.

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

2. Basis of Preparation (continued)

Accounting Policies (continued)

(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.

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.

2. Basis of Preparation (continued)

Accounting Policies (continued)

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.

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 18 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.

Allocation of CRO costs to accounting periods

Clinical trial costs are a significant component of research and development expenses and include costs associated with third-party contractors. We outsource a substantial portion of our clinical trial activities, utilising external entities such as contract research organisations, independent clinical investigators, and other third-party service providers to assist us with the execution of our clinical studies. For each clinical trial that we conduct, certain clinical trial costs are expensed as incurred, while others are expensed over time based on the expected total number of patients in the trial, the rate at which patients enter the trial, and the period over which clinical investigators or contract research organisations are expected to provide services.

Clinical activities which relate principally to clinical sites and other administrative functions to manage our clinical trials are performed primarily by contract research organisations (CROs). CROs typically perform most of the start-up activities for our trials, including document preparation, site identification, screening and preparation, pre-study visits, training, and programme management. These start-up costs usually occur within a few months after the contract has been executed and are event driven in nature. The remaining activities and related costs, such as patient monitoring and administration, generally occur rateably throughout the life of the individual contract or study.

For clinical studies, where payments are made periodically on a milestone achievement basis, we accrue expense on a straight-line basis over the estimated life of the trial. The amount of clinical study expense recognised should be broadly consistent over the life of the trial. During the course of a trial, we monitor the progress of the trial to determine if actual results differ from our estimates. Our estimates and assumptions for clinical expense recognition could differ significantly from our actual results, which could cause material increases or decreases in research and development expenses in future periods when the actual results become known. No material adjustments to our past clinical trial accrual estimates were made during the two years ended 31 December 2017 and 2016.

(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.

2. Basis of Preparation (continued)

Accounting Policies (continued)

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.

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 nature of these liabilities.

2. Basis of Preparation (continued)

Accounting Policies (continued)

(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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Financial liabilities

Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'.

Financial liabilities are classified as FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

2. Basis of Preparation (continued)

Accounting Policies (continued)

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities, or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the income statement. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(j) Derivative financial liabilities

Derivative financial liabilities

Derivative financial liabilities on initial recognition are recorded at fair value, being the fair value of consideration received. They are subsequently held at fair value, with gains and losses arising from changes in fair value recognised in the income statement at each period-end. The Group derecognises the derivative financial liability, and recognises a gain in the income statement when its contractual obligations are cancelled or expired. If the Group issues shares to discharge the liability, the derivative financial liability is derecognised and share premium and share capital are recognised on the issuance of those shares.

Where options and warrants give rise to obligations to issue ordinary shares, other than on the exchange of a fixed amount of cash or another financial asset for a fixed number of shares, they are classified as financial liabilities on the balance sheet. Where these instruments meet the definition of derivatives they are included at fair value on the balance sheet at each reporting year-end, with the resulting unrealised gains or losses being recorded in the income statement.

If the terms of options or warrants initially classified as derivative financial liabilities lapse, such that the obligation becomes an exchange of a fixed amount of cash or another financial asset for a fixed number of shares, the derivative financial liability is reclassified out of financial liabilities into equity at its fair value on that date.

At settlement date, if the instruments are settled in shares the carrying value of the options and warrants are derecognised and transferred to equity at their fair value at that date. The cash proceeds received from shareholders for additional shares are recorded in the share capital and share premium account.

Borrowings

Debt instruments are initially recorded at fair value, with coupon interest and amortisation of debt issuance discounts recognised in the statement of operations as interest expense at each period end while such instruments are outstanding.

2. Basis of Preparation (continued)

Accounting Policies (continued)

If the Company issues shares to discharge the liability, the debt obligation is derecognised and common stock and additional paid-in capital are recognised on the issuance of those shares.

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The fair value of the liability portion of a compound financial instrument is recognised initially using a market interest rate for an equivalent liability that does not have an equity conversion option. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion, redemption or maturity. The remainder of the proceeds are allocated to the conversion option. Where the conversion option results in the issuance of a fixed number of shares for a fixed price, the fair value of the conversion option is recognised in equity. Where the conversion option gives rise to obligations to issue ordinary shares, other than on the exchange of a fixed amount of cash or another financial asset for a fixed number of shares, they are considered embedded derivatives and are classified as derivative financial liabilities.

Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

On exercise of the conversion option, the liability component and the derivative financial liability, where applicable, are derecognised with the liability component being transferred to equity at its carrying value and the derivative financial liability being transferred at its fair value at the date of conversion.

The Company's December 2017 debt financing agreement contains an embedded derivative relating to the conversion option. The fair value of the derivative was recorded as a reduction to the fair value of the note payable. The fair value of this derivative liability is re-measured at each reporting period, with changes in fair value recognised in the statement of operations. The discount recorded to the note payable is being amortised to interest expense over the term of the note payable.

Debt issuance costs are initially allocated between the financial instrument and the derivative financial liability based on their respective recognition values. Debt issuance costs related to financial instruments are capitalised as a deferred cost and amortised to interest expense using the effective interest method over the expected term of the related debt. Unamortised debt issuance costs related to extinguishment of debt are expensed at the time the debt is extinguished and recorded in other income (expenses), net in the consolidated statements of operations. Debt issuance costs allocated to the derivative financial liability are recognised immediately in the statement of operations.

(k) 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

2. Basis of Preparation (continued)

Accounting Policies (continued)

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.

(l) Employee benefits

Retirement benefit costs

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.

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.

(m) 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.

2. Basis of Preparation (continued)

Accounting Policies (continued)

(n) 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.

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.

(o) 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.

(p) 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.

(q) 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.

(r) Capital redemption reserve

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

2. Basis of Preparation (continued)

Accounting Policies (continued)

(s) 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.

(t) Inventory

Inventory is stated at the lower of cost or net realisable value. 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. The Company received FDA approval for the MARINE indication on 26 July 2012. At that time, the Company began capitalising inventory purchases of saleable product from approved suppliers. In addition, all inventory of saleable product from approved suppliers that was purchased prior to 26 July 2012 has also been capitalised.

(u) 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 GAAP, the Company's revenue recognition policy requires that: (i) there is persuasive evidence that an arrangement exists between the Company and the Distributor, (ii) delivery has occurred, (iii) collectability is reasonably assured and (iv) the price is fixed or determinable.

The Company commenced its commercial launch in the United States in January 2013. Prior to 2013, the Company recognised no revenue from Vascepa sales. In accordance with GAAP, until the Company had the ability to reliably estimate returns of Vascepa from its Distributors, revenue was recognised based on the resale of Vascepa for the purposes

of filling patient prescriptions, and not based on sales from the Company to such Distributors. During the three months ended 31 March 2014, the Company concluded that it had developed sufficient history such that it can reliably estimate returns and as a result, began to recognise revenue based on sales to its Distributors. The change in revenue recognition methodology resulted in the recognition of previously deferred revenue. This change in revenue recognition methodology resulted in the recognition of such deferred revenues in the three months ended 31 March 2014.

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 conclude that the price is fixed or determinable, 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 judgment 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

2. Basis of Preparation (continued)

Accounting Policies (continued)

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 2017, 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 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.

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 license 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 the stage of development of the license 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 license 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 license over the Company's contractual or estimated performance period. Any unrecognised portion of license revenue is classified within deferred revenue in the accompanying consolidated balance sheets. When management believes the license to its intellectual property has stand-alone value, the Company recognises revenue attributed to the license upon delivery. The

2. Basis of Preparation (continued)

Accounting Policies (continued)

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.

(v) 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.

(w) Accounts Receivable, net

Accounts receivable, net, comprised of trade receivables, are generally due within 30 days and are stated at amounts due from customers. The Company does not currently maintain an allowance for doubtful accounts and has not historically experienced any credit losses.

(x) 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.

(y) Concentration of Suppliers

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 detailed below.

The Company entered into its initial Vascepa API supply agreement with Nisshin Pharma, Inc., or Nisshin, in 2010. In 2011, the Company entered into agreements with two additional suppliers, Chemport, Inc., or Chemport, and BASF (formerly Equateq Limited) for the supply of API. In 2012, the Company agreed to terms with a fourth API supplier, a consortium of companies led by Slanmhor Pharmaceutical, Inc. (Slanmhor). The API supply agreement with BASF terminated in February 2014. In July 2014, the Company terminated the supply agreement with Slanmhor and subsequently, in July 2015, entered into a new supply agreement with Finorga SAS (Novasep), a French company. 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 as described below.

2. Basis of Preparation (continued)

Accounting Policies (continued)

Nisshin, Chemport and Novasep are currently the three manufacturers from which the Company purchases API. As of 31 December 2017, the Company has no royalty, milestone or minimum purchase commitments with Nisshin.

Chemport was approved by the FDA to manufacture API for commercial sale in April 2013 and the Company began purchasing commercial supply from Chemport in 2013. The agreement with Chemport contains a provision requiring the Company to pay Chemport in cash for any shortfall in the minimum purchase obligations.

The Company began purchasing commercial supply from Novasep in 2015. API manufactured by Novasep was previously approved by the FDA in July 2014. The 2015 supply agreement with Novasep includes commitments for the Company to fund API purchases and contains a provision requiring the Company to pay Novasep a cash remedy for any shortfall in the minimum purchase obligations.

(z) Equity Reserves

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

Warrant/Share-based payment Reserves: This item includes reserves related to the issuance of shares related to the exercise of warrants or 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.

(aa) 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.

(ab) 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.

(ac) 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 International Financial Reporting Standards. 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.

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 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 Company'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 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 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 judgment.

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 $56,975,079, $50,717,395, & $49,374,890 (2016: $45,870,000, $38,899,000, & $36,514,000). A significant portion of the Company's sales are to wholesalers in the pharmaceutical industry. All revenues are generated from operations within the United States of America.

5. Development, Commercialisation and Supply Agreement

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) license with right to sublicense 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 ongoing REDUCE-IT clinical trials of Vascepa.

Under the DCS Agreement, Eddingpharm will be solely responsible for development and commercialisation activities in the China Territory and associated expenses. The Company will provide development assistance and be responsible for supplying finished and later bulk drug product at defined prices under negotiated terms. The Company will retain all Vascepa manufacturing rights. Eddingpharm has agreed to certain restrictions regarding the commercialisation of competitive products globally and the Company has 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 will be paid by Eddingpharm to the extent such costs are incurred in connection with the negotiated development plan or otherwise incurred by Eddingpharm. Eddingpharm will be 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 licensed 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.

Upon closing of the DCS Agreement, the Company received a non-refundable $15.0 million up-front payment, which it will recognise as revenue over the estimated period in which the Company is required to provide initial and on-going regulatory and development support and clinical supply for obtaining regulatory approvals in the China Territory and through the estimated period in which the Company is required to provide commercial supply, which is currently estimated to be a period of approximately 16 years. 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 which it will recognise as revenue over the estimated period in which the Company is required to provide on-going development support needed to support

5. Development, Commercialisation and Supply Agreement (continued)

Eddingpharm (Asia) Macao Commercial Offshore Limited (continued)

the successful approval for a new drug application, which is currently estimated to be a period of approximately four years. 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 license 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 $1.0 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 recognises contingent consideration from activities that is earned upon the achievement of a substantive milestone in the period in which the milestone is achieved.

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 license 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.

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.

Upon closing of the agreement, the Company received one-half of a non-refundable $5.0 million up-front payment, with the remaining half to be received upon the six-month anniversary of the closing. The up-front payment will be recognised as revenue over the estimated period in which the Company is required to provide initial and on-going regulatory support for obtaining regulatory approvals in Canada and through the estimated period in which the Company is required to provide commercial supply, which is currently estimated to be a period of approximately 12.5 years. 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 $60.0 million, the timing and achievability of which cannot be determined at least until discussions with Canadian regulatory authorities have commenced, as well as tiered double-digit royalties on net sales of Vascepa in Canada.

Licensing and Deferred Revenues

Licensing and deferred revenues 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 2017 and 2016, the Company recognised $3.1 million and $4.7 million of up-front and milestone payments as licensing revenue in connection with the Eddingpharm DCS Agreement, respectively, and recorded $10.4 million and $8.5 million as deferred revenue as of 31 December 2017 and 2016, respectively.

6. Operating Expenses – Consolidated

	Note	2017	2016
		$'000	$'000
General and administrative expenses			
General and administrative expenses		117,523	95,494
Employee benefit expenses		4,711	4,276
Depreciation of property, plant and equipment		23	29
Amortisation of software		24	85
Operating lease expenses		442	435
Share-based payments	29	12,408	11,846
Total general and administrative expenses		135,131	112,165
Research and development expenses			
General research and development expenses		43,820	47,182
Employee benefit expenses		440	380
Depreciation of property, plant and equipment		7	9
Amortisation of software		8	27
Amortisation of technology rights		646	—
Operating lease expenses		120	124
Share-based payments	29	2,195	2,006
Total research and development expenses		47,236	49,728
Total operating expenses		**182,367**	**161,893**

7. Directors' Emoluments

	2017	2016
	$'000	$'000
Salary, fees, and bonus	1,609	1,619
Share-based compensation	2,618	1,607
Gain on exercise of options	2,185	1,075
Aggregate emoluments	**6,412**	**4,301**

The Company made contributions of $0.4 million to its defined contribution plan in 2017 (2016: $0.5 million).

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

Highest paid Director	2017	2016
	$'000	$'000
Salary, fees, and bonus	1,149	1,106
Share-based compensation	2,109	1,015
Gain on exercise of options	2,185	958
Aggregate emoluments	**5,443**	**3,079**

8. Employee Information

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

	2017 Number	2016 Number
Marketing and administration	210	199
Research and development	17	15
	227	214

	$'000	$'000
Staff costs (for the above persons):		
Wages and salaries	45,935	40,948
Post-retirement benefits	448	453
Termination payments	60	155
IFRS 2 share-based payment	14,603	13,852
	61,046	55,408

9. Consolidated Group Cash Flow Statement

	2017 $'000	2016 $'000
Cash flows from operating activities		
Loss after tax for the year	(71,664)	(118,710)
Adjustments for:		
Depreciation of property, plant and equipment	30	38
Amortisation of technology rights	646	645
Amortisation of software	32	112
Allowance for doubtful accounts	—	12
Decrease in CV of long-term debt	1,989	1,635
Increase in FV of convertible debt derivative	4,300	18,330
Increase in FV of long-term debt derivative	—	(5,500)
Loss on disposal of property, plant and equipment	—	48
Share-based payment expense	14,603	13,852
Income tax expense	1,735	8,016
Operating cash flows before movements in working capital	(48,329)	(81,522)
Increase/ (Decrease) in other liabilities	1,831	(2,566)
Increase in trade receivables	(26,313)	(6,171)
Increase/ (Decrease) in other current assets (Other taxation and social securities)	1,175	(4,394)
Decrease/ (Increase) in other non-current assets	5	(5)
Increase in inventory	(9,753)	(1,214)
Increase in current liabilities	42,871	7,490
Cash expended by operations	(38,513)	(88,382)
Income tax paid	1,753	1,457
Interest received	(429)	(234)
Interest expense	17,836	32,207
Cash expended on operating activities	**(19,353)**	**(54,952)**

10. Parent Company Cash Flow Statements

	2017	2016
Cash flows from operating activities	**$'000**	**$'000**
Loss after tax for the year:	(25,230)	(63,701)
Adjustments for:		
Investment in subsidiaries	25,041	(54,949)
Gain on extinguishment of intercompany loan	—	(6,660)
Decrease in long term payables to subsidiaries	(38,479)	—
Increase in derivative liability	15,500	37,130
Operating cash flows before movements in working capital	(23,168)	(88,180)
(Increase)/ Decrease in other current assets	(1)	2
Decrease in current liabilities	(11)	(113)
Cash expended by operations	(23,180)	(88,291)
Interest received	(4,064)	(4,222)
Interest expense	42	15,538
Share based payments	14,603	13,852
Cash expended on operating activities	**(12,599)**	**(63,123)**

11. Finance Income

	2017	2016
	$'000	**$'000**
Interest income on short-term bank deposits	429	234
Foreign exchange gain	124	—
Total finance income	**553**	**234**

12. Finance Costs

	2017	2016
	$'000	**$'000**
Other finance costs	37	38
Foreign exchange loss	—	397
Change in carrying value of debt	—	1,635
Interest expense	17,836	32,207
Loss on sale of assets	—	48
Total finance costs	**17,873**	**34,325**

Foreign exchange losses and bank charges

Foreign exchange losses incurred during the years ended 31 December 2017 and 2016 resulted from changes in foreign currency exchange rates on accounts payables. For more details on the loss on extinguishment of debt, please see Note 24.

13. Loss for the Year

	2017	2016
	$'000	$'000
Loss for the year is stated after charging:		
Depreciation charge for the period:		
Owned property, plant and equipment	10	18
Property, plant and equipment held under finance leases	20	20
Amortisation	678	758
Auditor's remuneration:		
Fees payable to the company's auditor and associates for:		
- the audit of the company's annual & subsidiary accounts	1,032	911
Other assurance services	298	110
Taxation compliance services	7	7
Operating lease charges:		
Other operating lease charges	564	559

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 2017 and 2016.

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

	2017	2016
	$'000	$'000
Tax on loss before taxation:		
Current year tax expense	(1,970)	(1,170)
Deferred tax provision	(1,734)	(8,024)
Total tax (charge)/benefit	**(3,704)**	**(9,194)**

14. Taxation (continued)

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.

	2017	2016
	$'000	$'000
Loss before taxation	(67,960)	(109,516)
Loss on ordinary activities multiplied by rate of corporate tax of 12.5% (2016: 12.5%)	8,495	13,690
Tax effect of expenses that are not deductible	(405)	(4,809)
Expense/ (Income) not taxable/deductible	179	(82)
Tax effects of movement in relation to share based payments	(361)	172
Losses carried forward	(7,903)	(7,889)
Unrecognised accelerated capital allowances and other timing differences	1,529	(4,818)
R&D tax credit (rate difference)	417	251
Sundry (FRS101 APIL)	(254)	(242)
Prior year true-ups	(2,128)	283
Difference between Irish and overseas tax rate	(3,273)	(5,750)
Total tax charge	**(3,704)**	**(9,194)**

The tax residency of Amarin Corporation plc migrated to Ireland in April 2008. Unutilised UK trading losses at the date of migration, of approximately $35,209,000, are no longer available for offset against taxable profits. The Group balance sheet as at 31 December 2017 included a tax liability of $nil. The corporate tax rate in the United States and Israel is 34% and 25%, respectively. The UK Finance Act 2014, which provides for a reduction in the main rate of corporation tax from 21% to 20% by 1 April 2015 was enacted on 2 July 2013. 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 2017 and 2016 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 2017 and 2016 were $136,229,000 and $117,507,000, respectively.

Tax losses carried forward in Amarin Neuroscience Limited at 31 December 2017 and 2016 were $43,626,000 and $39,816,000, respectively, subject to confirmation by UK tax authorities.

Tax losses carried forward in Amarin Pharmaceuticals Ireland Limited at 31 December 2017 and 2016 were $495,730,000 and $406,034,000, respectively.

Tax losses carried forward in Corsicanto Limited at 31 December 2017 and 2016 were $6,764,000 and $3,612,000, respectively.

Tax losses carried forward in Ester Neurosciences Limited at 31 December 2017 and 2016 were $12,056,000 and $12,496,000, respectively, subject to confirmation by Israeli tax authorities.

The Group has an unrecognised deferred tax asset as follows:

	2017	2016
	$'000	$'000
Difference between accumulated depreciation and capital allowances	(48)	(44)
Temporary timing differences	(9,672)	(9,898)
Losses	(108,762)	(91,512)
	(118,482)	(101,454)

14. Taxation (continued)

The Group has a recognised deferred tax asset as follows:

	Long-term timing differences	Total
	$'000	$'000
At 1 January 2016	**(11,041)**	**(11,041)**
Debit to income statement	8,024	8,024
Debit to equity	74	74
Other movement	(8)	(8)
At 1 January 2017	**(2,951)**	**(2,951)**
Debit to income statement	1,735	1,735
Deferred tax asset	1,216	1,216

The deferred tax asset of $1,216 thousand has been recognised as the Group believes that there will be future taxable profits against which the deductible temporary differences may be offset.

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

	2017	2016
	$'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	—	(74)

15. Loss per Ordinary Share

	2017	2016
	$'000	$'000
Loss for the financial year attributable to ordinary shareholders	(71,664)	(118,710)
	U.S. cents	U.S. cents
Loss per ordinary share, basic and diluted	(0.26)	(0.56)
	Number	Number
Weighted average number of ordinary shares in issue (thousands) – basic and diluted	270,652	211,874

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 2017 and 2016, 1,531,247 and 819,505 shares, respectively, representing the weighted average number of treasury shares, have been deducted in arriving at the weighted average number of ordinary shares.

15. Loss per Ordinary Share (continued)

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 2017 and 2016, none of the Group's contingently issuable shares were dilutive. The Group has 76,648,520 contingently issuable shares at 31 December 2017, consisting of 12,005,553 restricted stock units, 7,716,048 potentially convertible shares, 24,108,455 options and 32,818,464 potentially convertible preference shares.

16. Intangible Assets

Group

Cost	Software	Technology rights	Total
	$'000	$'000	$'000
At 1 January 2016	**559**	**11,624**	**12,183**
At 31 December 2016	**559**	**11,624**	**12,183**
At 31 December 2017	**559**	**11,624**	**12,183**

Accumulated amortisation and impairment	Software	Technology rights	Total
	$'000	$'000	$'000
At 1 January 2016	**(414)**	**(2,207)**	**(2,621)**
Charge for the year	(112)	(645)	(757)
At 31 December 2016	**(526)**	**(2,852)**	**(3,378)**
Charge for the year	(32)	(646)	(678)
At 31 December 2017	**(558)**	**(3,498)**	**(4,056)**
Net book value at 31 December 2017	**1**	**8,126**	**8,127**
Net book value at 31 December 2016	**33**	**8,772**	**8,805**

17. Property, Plant and Equipment

Group

Cost	Construction-in-progress	Short leasehold	Fixtures and fittings	Computer equipment	Total
	$'000	$'000	$'000	$'000	$'000
At 1 January 2017	**12**	**155**	**42**	**63**	**272**
Additions	—	—	25	—	25
Disposals	(12)	—	—	—	(12)
At 31 December 2017	**—**	**155**	**67**	**63**	**285**
At 31 December 2016	**12**	**155**	**42**	**63**	**272**

Accumulated depreciation	Construction-in-progress	Short leasehold	Fixtures and fittings	Computer equipment	Total
	$'000	$'000	$'000	$'000	$'000
At 1 January 2016	**—**	**108**	**168**	**63**	**339**
Charge for the year	—	20	(131)	—	(111)
At 31 December 2016	**—**	**128**	**37**	**63**	**228**
Charge for the year	—	20	10	—	30
At 31 December 2017	**—**	**148**	**47**	**63**	**258**
Net book value at 31 December 2017	**—**	**7**	**20**	**—**	**27**
Net book value at 31 December 2016	**12**	**28**	**5**	**—**	**45**

18. Other Long-term Assets

	Group		Parent Company	
	31 December		31 December	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Investment in Chemport (1)	174	174	—	—
Other	—	5	—	—
	174	**179**	—	—

(1) Concurrent with our supply agreement with Chemport, we agreed to make a minority share equity investment in Chemport of up to $3.3 million. In September 2013, the Company entered into an equity sale and purchase agreement between this supplier and a third party in which the Company agreed to sell approximately $1.3 million of its investment in the supplier to the third party at cost. This transaction closed in the first quarter of 2014. In August 2014, we entered into a second equity sale and purchase agreement between this supplier and another third party in which we agreed to sell approximately $1.0 million of our remaining investment. This transaction closed in the fourth quarter of 2014.

19. Trade Receivables

	2017	2016
	$'000	$'000
Trade Receivables	46,298	19,985

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 2017 and 2016 of $9.4 million and $1.0 million, respectively. No material provision or charge against bad or doubtful debts has been made during 2017 or 2016 as these amounts are believed to be collectible. Additionally, the fair value of other debtors is not materially different to their carrying value.

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 88% and 95% of gross product sales for the years ending 31 December 2017 and 2016 and represented 89% and 96% of the gross accounts receivable balance as of 31 December 2017 and 2016, respectively.

20. Investments and long-term receivables and payables

Cost	Long-term receivables	Investment in subsidiaries	Total Assets	(1) Long-term payables
	$'000	$'000	$'000	$'000
At 1 January 2016	**275,626**	**70,133**	**345,759**	**(111,718)**
Investment in subsidiaries – share-based compensation	—	13,852	13,852	—
Inter-company loan interest payable	—	—	—	(12,168)
Inter-company movements during the year	41,263	—	41,263	—
Inter-company loan interest receivable	4,064	—	4,064	—
Discount from loss on intercompany note	—	—	—	6,660
Extinguishment of inter-company note	—	—	—	72,835
At 31 December 2016	**320,953**	**83,985**	**404,938**	**(44,391)**
Investment in subsidiaries – share-based compensation	—	14,603	14,603	—
Investment in subsidiaries – derivative liability on 2017 notes		11,200	11,200	
Inter-company loan interest payable	—	—	—	(42)
Inter-company movements during the year	(50,844)	—	(50,844)	—
Inter-company loan interest receivable	4,064	—	4,064	—
Inter-company balance write off	—	—	—	38,479
Discount from gain on intercompany note	—	—	—	—
Extinguishment of inter-company note	—	—	—	—
At 31 December 2017	**274,173**	**109,788**	**383,961**	**(5,954)**

(1) This balance comprises long-term intercompany loans.

The Parent Company's loan from Corsicanto Limited of $140.5 million was discounted to fair value on 20 May 2014 as a result of the extinguishment of a portion of the 2012 Senior Notes and again upon the exchange of the underlying 2014 Senior Notes. Please see discussion in Note 24 below. The fair value of the intercompany loan was determined by using the market value of the 2014 Senior Notes around the time of issue as a proxy, due to the fact that this represents a good indicator of fair value for an arms-length transaction for the Parent Company. The coupon rate of the intercompany loan was 4% from the date of revaluation until 31 December 2014, 4.4% from 1 January 2015 through 30 November 2015 and 4.6% thereafter. Since this intercompany loan is directly tied to the 2012 and 2014 Senior Notes borrowed by Corsicanto, the repayment terms, accretion of debt discount, and certain derivatives (discussed further in Note 24) mirror the Notes.

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

On 1 December 2015, the Parent Company repaid $16.2 million of the loan from Corsicanto DAC with a portion of the proceeds of 2015 Senior Notes (discussed further in Note 24). The unamortised portion of the discount relating to this debt amounted to $2.6 million at the time of repayment, and as such was recognised as a loss on the discount from the intercompany note.

On 12 September 2016, the Parent Company repaid $110.3 million of the loan from Corsicanto DAC by issuing shares of common stock for use in converting Corsicanto DAC's 2014 Senior Notes (discussed further in Note 24). The unamortised portion of the discount relating to this debt amounted to $6.7 million at the time of repayment, and as such was recognised as a gain on the discount from the intercompany note.

The Parent Company assessed the recoverability of its investment in long-term inter-company loans due to the loss-making results of those companies for the year ended 31 December 2017. The Parent Company uses the estimated present value of future cash flows of its product, Vascepa, to determine whether a provision is required. These cash flows, which reflect the risks and uncertainties associated with the products, are then discounted to an appropriate net present value. Disclosures on the impairment test completed for Vascepa for Hypertriglyceridemia are described below. The Group prepares cash flow forecasts derived from the most recent financial budgets for a period of two years approved by the Board, extended to ten years using external data concerning expectations for the market. Key assumptions include the discount rate of approximately 15% based on the weighted average cost of capital to Amarin.

Having assessed the current value of the forecast cash flows, in light of the significant growth anticipated by the Company and of the discount rates applied to the resulting cash flows, management determined for the year ended 31 December 2017 that no provision in Amarin Corporation plc against the inter-company receivable from Amarin Pharmaceuticals Ireland Limited (APIL) was required (nil in 2016). The Company will continue to reassess the recoverability of this inter-company receivable in future periods based on actual cash flows and changes in estimated future cash flows. Due to the cessation of operations for the Amarin Neuroscience Limited subsidiary (ANL), a provision was created in 2012 Amarin Corporation plc for the inter-company receivable from ANL. These provisions have no impact on the financial results of the Consolidated Group. In January 2017, Corsicanto Limited redeemed the entirety of the outstanding principle amount of 2012 Notes, such that no 2012 Notes remain outstanding.

As of 31 December 2017, the Company is in the process of liquidating Corsicanto DAC. The impact of 5 months of operations from Corsicanto DAC is included in the Consolidated Income Statement.

Interest in Group undertakings at 31 December 2017

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued share capital held by the Group %	Proportion of nominal value of issued share capital held by the 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 £l ordinary shares	100	100
Corsicanto Designated Activity Company	Ireland	100 €1 ordinary shares	100	100
Corsicanto II Designated Activity Company	Ireland	100 €1 ordinary shares	100	100
Ester Neurosciences 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.

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

- Corsicanto DAC was incorporated on 17 November 2012.
- 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.

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*
  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*
  Arthur Cox Building, 10 Earlsfort Terrace, Dublin 2 Ireland
- Corsicanto II DAC – *Intermediary funding company*
  Arthur Cox Building, 10 Earlsfort Terrace, Dublin 2 Ireland

At 31 December 2017 and 2016, ANL held 20,079 ordinary shares in Amarin Corporation plc.

21. Other Current Assets

	Group		Parent Company	
	31 December		31 December	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Prepayments and other	**6,366**	**7,543**	**44**	**43**

22. Inventory

Inventories consist of the following:

	Group	
	31 December	
	2017	2016
	$'000	$'000
Raw materials	7,044	4,430
Work in progress	10,844	10,716
Finished goods	12,372	5,361
	30,260	**20,507**

23. Trade and Other Payables

	Group		Parent Company	
	31 December		31 December	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade payables	25,155	6,062	—	—
Accruals and other payables	63,129	37,725	115	126
	88,284	**43,787**	115	**126**

During the years ended 31 December 2017 and 2016, the Company has not defaulted on any of its payables.

24. Debt

Debt instruments of the Group are as follows:

	Long-term debt	2012 Senior exchange-able notes	2014 Senior exchan ge-able notes	2015 Senior exchan ge-able notes	2017 Senior exchan ge-able notes	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Liability component at 1 January 2016	**74,037**	**13,529**	**63,057**	**12,435**	—	**163,058**
Interest charged	14,688	1,511	9,120	2,668	—	27,987
Repayment	(11,697)	—	—	—	—	(11,697)
Extinguishment of Debt (non-cash)	—	—	(72,177)	(15,103)	—	(87,280)
Change in carrying value	1,635	—	—	—	—	1,635
Liability component at 31 December 2016	**78,663**	**15,040**	**—**	**—**	**—**	**93,703**
Interest charged	15,104	67	—	—	1,647	16,818
Repayment	(16,475)	(15,107)	—	—	—	(31,582)
Issuance of 2017 Notes at fair value	—	—	—	—	28,793	28,793
Bifurcation of derivative liability on 2017 Notes	—	—	—	—	(11,200)	(11,200)
Change in carrying value	1,989	—	—	—	—	1,989
Liability component at 31 December 2017	**79,281**	**—**	**—**	**—**	**19,240**	**98,520**

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

The loss on extinguishment of debt is the difference between the carrying value of the extinguished debt and the cash received (2017: $nil, 2016: $nil) plus the financing costs associated (2017: $nil, 2016: $nil), minus the extinguishment of the conversion feature on the 2012 notes (2017: $nil, 2016: $nil).

Debt instruments of the Parent are as follows:

	2015 Senior exchangeable notes	Total
	$'000	$'000
Proceeds of issuance	31,266	31,266
Liability component at 1 January 2016	12,435	12,435
Interest charged	2,668	2,668
Bifurcation of derivative liability on 2015 Notes	(15,103)	(15,103)
Liability component at 31 December 2016	—	—
Interest charged	—	—
Extinguishment of Debt (non-cash)	—	—
Liability component at 31 December 2017	—	—

24. Debt (continued)

Derivative liability components of the Group are as follows:

	Long-term debt	2012 Senior exchange-able notes	2014 Senior exchange-able notes	2015 Senior exchange-able notes	2017 Senior exchange-able notes	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Derivative liability at 1 January 2016	**5,500**	**100**	**55,610**	**15,060**	**—**	**76,270**
Extinguishment of put option	—	—	(4,600)	(1,400)	—	(6,000)
Extinguishment of conversion feature	—	—	(70,500)	(18,600)	—	(89,100)
Change in fair value	(5,500)	(100)	19,490	4,940	—	18,830
Derivative liability at 31 December 2016	—	—	—	—	—	—
Initial fair value of conversion feature	—	—	—	—	11,200	11,200
Change in fair value	—	—	—	—	4,300	4,300
Derivative liability at 31 December 2017	—	—	—	—	15,500	15,500

Derivative liability components of the Parent are as follows:

	2012 Senior exchangea-ble notes	2014 Senior exchangea-ble notes	2015 Senior exchangea-ble notes	2017 Senior exchange-able notes	Total
	$'000	$'000	$'000	$'000	$'000
Derivative liability at 1 January 2016	**100**	**36,810**	**15,060**	**—**	**51,970**
Extinguishment of put option	—	—	(1,400)	—	(1,400)
Extinguishment of conversion option	—	(70,500)	(18,600)	—	(89,100)
Change in fair value	(100)	33,690	4,940	—	38,530
Derivative liability at 31 December 2016	—	—	—	—	—
Initial fair value of conversion feature	—	—	—	11,200	11,200
Change in fair value	—	—	—	4,300	4,300
Derivative liability at 31 December 2017	—	—	—	15,500	15,500

Long-term 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. The Company has made payment under the agreement of $40.9 million through 31 December 2017. 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 to BioPharma. 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

24. Debt (continued)

Long-term debt – December 2012 Financing (continued)

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 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 is 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 2017 is nil and the Company recognised a gain on change in fair value of derivative liability of $5.5 million for the period ended 31 December 2016.

There is an additional embedded derivative feature as of 31 December 2017 related to the Company's option to prepay the debt. This derivative feature currently has nominal value as the Company has 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 IAS 39.AG8, 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 $79,280 million at 31 December 2017 and the Company recognised financial loss of $2.0 million in the statement of operations as a result of the change in carrying value during the year ended 31 December 2017. 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 with BioPharma, the Company granted BioPharma 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 BioPharma 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 2017, the Company recorded $15.1 million of interest expense on the BioPharma debt.

January 2012, May 2014, and November 2015 Exchangeable Senior Note

In 2012, 2014 and 2015, the Company and its subsidiaries entered into a series of transactions pertaining to exchangeable notes. As of 31 December 2017, all debt issued in these transactions was exchanged or redeemed such that none remained outstanding.

In January 2012, the Company issued $150.0 million in principal amount of 3.5% exchangeable senior notes due 2032 (the "2012 Notes"), a portion of which were subsequently exchanged and a portion of which was extinguished (see discussion below of May 2014 and November 2015 Exchangeable Senior Notes below), such that $15.1 million in

24. Debt (continued)

January 2012, May 2014, and November 2015 Exchangeable Senior Note (continued)

principal amount remains outstanding as of 31 December 2016. In January 2017, holders of the 2012 Notes exercised their option to put the 2012 Notes to the Company. As a result, the Company repurchased approximately $15.0 million in aggregate principal amount of 2012 Notes, such that no 2012 Notes remained outstanding as of31 December 2017. Also in January 2017, in contemplation of this surrender of 2012 Notes for repurchase, the Company and its wholly owned subsidiary, Corsicanto II Designated Activity Company ("Corsicanto II") 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").

The 2012 Notes were issued by Corsicanto DAC, an Irish company acquired by Amarin in January 2012. Corsicanto DAC is a wholly-owned subsidiary of Amarin. The general, unsecured, senior obligations are fully and unconditionally guaranteed by Amarin but not by any of the Company's other subsidiaries. Corsicanto DAC has no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the 2012 Notes and 2014 Notes. There are no significant restrictions on the ability of Amarin to obtain funds from Corsicanto DAC in the form of cash dividends, loans, or advances. Net proceeds to the Company, after payment of underwriting fees and expenses, were approximately $144.3 million.

The 2012 Notes had a stated interest rate of 3.5% per year, payable semi-annually in arrears on 15 January and 15 July of each year beginning on 15 July 2012, and ending upon the Notes' maturity on 15 January 2032. The Notes were subject to repurchase by the Company at the option of the holders on each of 19 January 2017, 19 January 2022, and 19 January 2027, at a price equal to 100% of the principal amount of the 2012 Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date. The 2012 Notes were exchangeable under certain circumstances into cash, American Depositary Shares (ADSs), or a combination of cash and ADSs, at the Company's election, with an initial exchange rate of 113.4752 ADSs per $1,000 principal amount of Notes. It is the Company's current intention to settle these obligations in cash. If the Company elected physical settlement, the net remaining outstanding portion of the 2012 Notes would be exchangeable into 1,714,270 ADSs.

Additional covenants included: (i) limitations on future indebtedness under certain circumstances, (ii) the timely filing of documents and reports pursuant to Section 13 or 15(d) of the Exchange Act with both the SEC and the Trustee, and (iii) maintaining the tradability of the Notes. The Company is required to use commercially reasonable efforts to procure and maintain the listing of the 2012 Notes on the Global Exchange Market operated under the supervision of the Irish Stock Exchange (or other recognised stock exchange as defined in the Note Indenture). If the 2012 Notes are not freely tradable, as a result of restrictions pursuant to U.S. securities law or the terms of the Indenture or the Notes, the Company shall pay additional interest on the 2012 Notes at the rate of 0.50% per annum of the principal amount of 2012 Notes outstanding for each day during such period for which the Company's failure to file has occurred and is continuing or for which the 2012 Notes are not freely tradable.

The Company could not redeem the 2012 Notes prior to 19 January 2017, other than in connection with certain changes in the tax law of a relevant taxing jurisdiction that result in additional amounts becoming due with respect to payments and/or deliveries on the Notes. On or after 19 January 2017 and prior to the maturity date, the Company may redeem for cash all or part of the 2012 Notes at a redemption price equal to 100% of the principal amount of the 2012 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. There is no prepayment penalty or sinking fund provided for the Notes. If the Company undergoes a fundamental change, holders may require the Company to repurchase for cash all or part of their 2012 Notes at a repurchase price equal to 100% of the principal amount of the 2012 Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The 2012 Notes are the Company's senior unsecured obligations and rank senior in right of payment to the Company's future indebtedness that is expressly subordinated in right of payment to the 2012 Notes and equal in right of payment to the Company's future unsecured indebtedness that is not so subordinated. The 2012 Notes are effectively junior in right of payment to future secured indebtedness to the extent of the value of the assets securing such indebtedness.

The 2012 Notes are exchangeable under certain circumstances. On issue the Company calculated the fair value of the liability component of the 2012 Notes to be $126.2 million, and the excess of the principal amount of the debt over the liability component of $23.8 million was allocated to the conversion option resulting in a discount on the debt and a

24. Debt (continued)

January 2012, May 2014, and November 2015 Exchangeable Senior Note (continued)

derivative liability. The discount created from allocating proceeds to the conversion option was amortised to interest expense using the effective interest method over the Notes' original estimated life, which was calculated to be a period of twenty-four months. The effective interest rate of the 2012 Notes was 14.4%. The fair value of the derivative liability is re-measured at each reporting period, with changes in fair value recognised in the statement of operations. The Company recognised $0.1 million on change in fair value of derivative liability for the period ended 31 December 2016.

No gain was recognized in 2017 as the debt was repaid in full in 2017.

The Company also recorded a debt discount to reflect the value of the underwriter's discounts and offering costs. A portion of the debt discount from underwriter's discounts and offering costs was allocated to the derivative liability and liability components of the 2012 Notes in proportion to the proceeds allocated to each component. The portion of the debt discount and underwriters' discounts and offering costs allocated to the derivative liability and debt discount components have been expensed as of 31 December 2017. The carrying value of the Notes is nil as of 31 December 2017, which is net of the May 2014 exchanged notes, a repayment of $14.3 million of the carrying amount ($16.2 million principal) in November 2015 described below and a repayment of $15.1 million of the carrying amount in January 2017.

In May 2014, the Company entered into separate, privately negotiated exchange agreements with certain holders of the 2012 Notes pursuant to which Corsicanto exchanged $118.7 million in aggregate principal amount of the existing 2012 Notes for $118.7 million in aggregate principal amount of new 3.50% May 2014 Exchangeable Senior Notes due 2032, following which $31.3 million in aggregate principal amount of the 2012 Notes remained outstanding with terms unchanged (the 2012 Notes and 2014 Notes are referred to collectively as the "Notes"). In September 2016, Corsicanto mandatorily exchanged $118.7 million of aggregate principal amount of the 2014 Notes for equity upon satisfaction of specified equity conditions as described below, such that no 2014 Notes remained outstanding as of 31 December 2017. The note was converted into $31.7 million in share capital and $111.1 million in share premium (see Note 28).

The 2014 Notes had a stated interest rate of 3.5% per year, payable semi-annually in arrears on 15 January and 15 July of each year beginning on 15 July 2014, and ending upon the 2014 Notes' maturity on 15 January 2032, had the notes not been exchanged early. The 2014 Notes indenture provided holders the option to exchange the 2014 Notes at any time after the issuance of the 2014 Notes and prior to the close of business on the second business day immediately preceding 15 January 2032. If a fundamental change (as defined in the 2014 Notes indenture) had occurred prior to the 2014 Notes being exchanged, holders may have required the Company to repurchase all or part of their 2014 Notes for cash at a fundamental change repurchase price equal to 100% of the aggregate principal amount of the 2014 Notes to be repurchased, plus accrued and unpaid interest to, but not including, the fundamental change repurchase date. In addition, holders of the 2014 Notes may have required the Company to repurchase all or any portion of the 2014 Notes on each of 19 January of 2019, 2024 and 2029 for cash at a price equal to 100% of the aggregate principal amount of the 2014 Notes to be repurchased, plus accrued and unpaid interest to, but not including, the repurchase date.

As a result of the note exchange in 2014 (as described above), the Company assessed both quantitative and qualitative aspects of the features of the 2014 Notes as compared to the 2012 Notes. Such assessment resulted in the conclusion that the features of the 2014 Notes represent a substantive modification from the 2012 Notes as the terms of the exchange resulted in a substantive modification to the embedded conversion feature within the 2012 Notes, and as such should be accounted for as an extinguishment of debt. In accordance with IAS 39.39, IAS 39.40, IAS 39.41, IAS39.42 and IAS 39.AG 62, the Company extinguished the 2012 Notes by recording a loss on extinguishment of the liability component of $1.1 million. The 2014 Notes were recorded at fair value of $90.8 million representing a $27.9 million discount to par. In addition, the Company recognised $2.5 million in underwriter's fees and offering costs and recognised those costs as part of the loss on extinguishment of debt.

The Company further allocated $21.9 million, $3.5 million and $18.2 million of the $90.8 million fair value of the 2014 Notes to the derivative liability related to the conversion option, the derivative liability related to the fundamental change redemption feature and the derivative liability related to the put option, respectively (as described above). During the year ended 31 December 2016, the Company recognised a $35.8 million loss on the change in fair value of the conversion option, $2.1 million gain on the change in fair value of the redemption feature and a $14.2 million gain on the change in fair value of the put option feature. In 2016, as a result of the mandatory exchange of the debt host, the Company derecognised the related derivative liabilities, subsequently recording a gain on extinguishment of the put option of $4.6 million and an addition to share premium of $70.5 million for the conversion option. The carrying value of the Notes is

24. Debt (continued)

January 2012, May 2014, and November 2015 Exchangeable Senior Note (continued)

nil as of 31 December 2017 and 2016, respectively.

In November 2015, the Company issued $31.3 million in principal amount of 3.5% exchangeable senior notes due 2032 (the "2015 Notes"), a portion of the proceeds which was used to pay down $16.2 million principal of the 2012 Notes, following which $15.1 million in aggregate principal amount of the 2012 Notes remained outstanding with terms unchanged (the 2012, 2014, and 2015 Notes are referred to collectively as the "Notes"). The 2015 Notes were issued by the Parent Company. The general, unsecured, senior obligations are fully and unconditionally guaranteed by Amarin but not by any of the Company's subsidiaries.

The 2015 Notes were issued by Amarin Corporation plc and were not guaranteed by any entity, but otherwise had substantially identical terms to the 2014 Notes, including the provision related to the Company's optional exchange rights. In August 2016, the Company gave notice to the holders of the 2015 Notes that the Daily VWAP conditions as described above for the 2014 Notes had been satisfied and exercised its option to mandatorily exchange $31.3 million of aggregate principal amount of the 2015 Notes for equity with settlement in September 2016, such that all of the outstanding 2015 Notes were retired. In the event of physical settlement, the 2015 Notes were initially exchangeable into 12,025,385 ADSs. The initial exchange rate was 384.6154 ADSs per $1,000 principal amount of 2015 Notes (equivalent to an initial exchange price of approximately $2.60 per ADS), subject to adjustment in certain circumstances, including, but not limited to, the payment of cash dividends or the Company's exercise of optional exchange rights. Consistent with the terms of the 2015 Notes, the final as-adjusted exchange rate was 402.0746 ADSs per $1,000 of principal amount, resulting in 12,571,263 ADSs being issued in exchange for the 2015 Notes. The note was converted into $8.4 million in share capital and $25.4 million in share premium (see Note 28).

As a result of the note repayment (as described above), the Company assessed both quantitative and qualitative aspects of the features of the 2015 Notes as compared to the 2012 Notes. Such assessment resulted in the conclusion that the features of the 2015 Notes represent a substantive modification from the 2012 Notes as the terms of the exchange resulted in a substantive modification to the embedded conversion feature within the 2012 Notes, and as such should be accounted for as an extinguishment of debt. In accordance with IAS 39.39, IAS 39.40, IAS 39.41, IAS39.42 and IAS 39.AG 62, the Company extinguished the 2012 Notes by recording a loss on extinguishment of the liability component of $1.8 million. The 2015 Notes were recorded at fair value of $27.4 million representing a $3.9 million discount to par. In addition, the Company recognised $0.1 million in underwriter's fees and offering costs and recognised those costs as part of the loss on extinguishment of debt.

The Company further allocated $10.2 million, $0.5 million and $4.6 million of the $27.4 million fair value of the 2015 Notes to the derivative liability related to the conversion option, the derivative liability related to the fundamental change redemption feature and the derivative liability related to the put option, respectively (as described above). During the year ended 31 December 2017, the Company recognised a $9.1 million loss (2016: $0.7 million gain) on the change in fair value of the conversion option, $0.6 million gain (2015: $0.1 million loss) on the change in fair value of the redemption feature and a $3.6 million gain (2015: $0.4 million loss) on the change in fair value of the put option feature. As a result of the mandatory exchange of the debt host, the Company derecognised the related derivative liabilities, subsequently recording a gain on extinguishment of the put option of $1.4 million and an addition to share premium of $18.6 million for the conversion option. The carrying value of the Notes is nil and $15.1 million as of 31 December 2017 and 2016, respectively.

During the year ended 31 December 2016, the Parent recognised aggregate interest expense of $3.4 million related to the 2015 Notes, of which $0.7 million represents contractual coupon interest (accrued separately and not shown in the table above), and $2.7 million represents amortisation of the debt discount created upon allocation of proceeds to the conversion option, put and fundamental change feature. The carrying value of the debt component for the 2015 Notes was determined to be nil at 31 December 2017 and 2016, respectively.

During the year ended 31 December 2016, the Company recognised aggregate interest expense of $17.5 million related to the Notes, of which $4.2 million represents contractual coupon interest (accrued separately and not shown in the table above), and $13.3 million represents amortisation of the debt discount created upon allocation of proceeds to the conversion option, put and fundamental change feature. The Company recognised a $44.9 million loss on the change in fair value of the conversion option, $2.8 million gain on the change in fair value of the redemption feature and a $17.8

24. Debt (continued)

January 2012, May 2014, and November 2015 Exchangeable Senior Note (continued)

million on the change in fair value of the put option feature. In 2016, as a result of the mandatory exchange of the debt host, the Company derecognised the related derivative liabilities, subsequently recording a gain on extinguishment of the put option of $6.0 million and an addition to share premium of $89.1 million for the conversion option. The carrying value of the Notes is nil as of 31 December 2017 and 2016, respectively.

As a result of issuance of the 2012 Exchangeable Senior Notes, it was determined that the conversion option feature of the notes had created a derivative liability of $23.8 million on the Parent's standalone financials since the entity is the only one of the group able to convert the debt by issuing ADSs. The discount on the long-term payable to subsidiaries created from allocating proceeds to the conversion option is being amortised to interest expense using the effective interest method over the Notes' original estimated life, which was calculated to be a period of twenty-four months and was fully amortised as of January 2014. The fair value of the derivative liability is re-measured at each reporting period, and the Parent recognised a loss of $38.0 million on change in fair value of derivative liability for the period ended 31 December

2016. The Parent further allocated $21.9 million and $3.5 million of the 2014 Notes to the derivative liability related to the conversion option and the derivative liability related to the fundamental change redemption feature, respectively. The discount on the long-term payable to subsidiaries created from allocating these liabilities is being amortised to interest expense using the effective interest method over the Notes' original estimated life, which was calculated to be a period of fifty-seven months. During the year ended 31 December 2016, the Parent recognised a $35.8 million loss on the change in fair value of the conversion option and a $2.1 million gain on the change in fair value of the redemption feature.

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%. The net proceeds from the offering were $28.8 million after deducting placement agent fees and offering expenses payable by the Company. The offering of the 2017 Notes closed on 25 January 2017. Corsicanto II has no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the 2017 Notes.

The 2017 Notes were issued pursuant to an Indenture (the "Indenture") entered into by the Company, Corsicanto II and Wilmington Trust, National Association, as trustee (the "Trustee"). The 2017 Notes are the senior unsecured obligations of Corsicanto II and are guaranteed by the Company. The 2017 Notes bear interest at a rate of 3.5% per annum from, and including, 25 January 2017, payable semi-annually in arrears on 15 January and 15 July of each year, beginning on 15 July 2017 and ending upon the 2017 Notes' maturity date of 15 January 2047, unless earlier repurchased, redeemed or exchanged.

At any time after the issuance of the 2017 Notes and prior to the close of business on the second business day immediately preceding 15 January 2047, holders may exchange their 2017 Notes for ADSs at their option and at the exchange rate described below. If prior to 19 January 2021, a make-whole fundamental change (as defined in the Indenture) occurs and a holder elects to exchange its 2017 Notes in connection with such make-whole fundamental change, such holder may be entitled to an increase in the exchange rate as described in the Indenture.

The initial exchange rate is 257.2016 ADSs per $1,000 principal amount of the 2017 Notes (equivalent to an initial exchange price of approximately $3.89 per ADS (the "Exchange Price")), subject to adjustment in certain circumstances. The initial exchange price for the 2017 Notes represents a premium of approximately 35% over the last reported sale price of $2.88 per share of the Company's ADSs on The NASDAQ Global Market on 19 January 2017. Upon exchange, the 2017 Notes are to be settled in ADSs. The exchange rate is subject to adjustment from time to time upon the occurrence of certain events, including, but not limited to, the payment of cash dividends. In the event of physical settlement, the 2017 Notes would be exchangeable into a total of 7,716,048 ADSs. Based on the closing price of the Company's stock as of 31 December 2017, the value of the shares if converted on that date would exceed the principal value of the 2017 Notes by $0.9 million.

Prior to 19 January 2021, Corsicanto II may not redeem the 2017 Notes at its option other than in connection with certain changes in the tax law of a relevant taxing jurisdiction that results in additional amounts (as defined in the Indenture)

24. Debt (continued)

January 2017 Exchangeable Senior Notes (continued)

becoming due with respect to payments and/or deliveries on the 2017 Notes. On or after 19 January 2021, Corsicanto II may redeem for cash all or a portion of the 2017 Notes at a redemption price of 100% of the aggregate principal amount of the 2017 Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. If a Fundamental Change (as defined in the Indenture) occurs, holders may require Corsicanto II to repurchase all or part of their 2017 Notes for cash at a Fundamental Change repurchase price equal to 100% of the aggregate principal amount of the 2017 Notes to be repurchased, plus accrued and unpaid interest to, but not including, the Fundamental Change repurchase date. In addition, holders of the 2017 Notes may require Corsicanto II to repurchase all or any portion of the 2017 Notes on 19 January 2022 for cash at a price equal to 100% of the aggregate principal amount of the 2017 Notes to be repurchased, plus accrued and unpaid interest to, but not including, the repurchase date.

Corsicanto II may elect at its option to cause all or any portion of the 2017 Notes to be mandatorily exchanged in whole or in part at any time prior to the close of business on the business day preceding 15 January 2047 if the Daily VWAP (as defined in the Indenture) equals or exceeds 130% of the Exchange Price then in effect (which quotient equals approximately $5.05 on the date hereof) for at least 20 VWAP Trading Days (as defined in the Indenture) in any 30 consecutive VWAP Trading Day period. Corsicanto II may only exercise its optional exchange rights upon satisfaction

of specified equity conditions, including that the ADSs issuable upon exchange of the 2017 Notes be eligible for resale without registration by non-affiliates and listed on The NASDAQ Global Market, its related exchanges or the New York Stock Exchange. If Corsicanto II elects to exercise its optional exchange rights on or prior to 19 January 2021, each holder whose 2017 Notes are exchanged may upon exchange receive a specified number of additional ADSs as set forth in the Indenture.

The Indenture contains customary terms and covenants and events of default. If an event of default (other than certain events of bankruptcy, insolvency or reorganization involving Corsicanto II) occurs and is continuing, the Trustee by notice to Corsicanto II, or the holders of at least 25% in principal amount of the outstanding 2017 Notes by notice to Corsicanto II and the Trustee, may declare 100% of the principal of and accrued and unpaid interest, if any, on all of the 2017 Notes to be due and payable. Upon such a declaration of acceleration, such principal and accrued and unpaid interest, if any, will be due and payable immediately. Upon the occurrence of certain events of bankruptcy, insolvency or reorganization involving Corsicanto II, 100% of the principal of and accrued and unpaid interest, if any, on all of the 2017 Notes will become due and payable automatically. Notwithstanding the foregoing, the Indenture will provide that, to the extent Corsicanto II elects and for up to 360 days, the sole remedy for an event of default relating to certain failures by Corsicanto II or the Company, as the case may be, to comply with certain reporting covenants in the Indenture consists exclusively of the right to receive additional interest on the 2017 Notes.

Corsicanto II agreed to use commercially reasonable efforts to procure the listing of the 2017 Notes on the Global Exchange Market operated under the supervision of the Irish Stock Exchange (or on another recognized stock exchange for the purposes of Section 64 of the Taxes Consolidation Act 1997 of Ireland and within the meaning of Section 1005 ITA 2007 of the United Kingdom) prior to 15 July 2017, which was the first interest payment date for the 2017 Notes. The 2017 Notes were recorded at par of $30.0 million. In addition, the Company recorded a discount of $1.2 million in placement agent fees and offering expenses. Such costs are presented as a direct deduction from the debt liability on the consolidated balance sheet. This discount is being amortized as interest expense over the estimated life of the 2017 Notes, through the first optional put date in January 2022. As of 31 December 2017, the carrying value of the 2017 Notes, net of unamortized discount, was $27.9 million.

During the year ended 31 December 2017, the Company recognized interest expense of $2.6 million related to the 2017 Notes, of which $1.6 million represents non-cash interest and $1.0 million represents contractual coupon interest. As of 31 December 2017, the Company had accrued interest of $0.5 million related to the 2017 Notes, which is presented as current portion of exchangeable senior notes, net of discount, on the consolidated balance sheet. The Company made the contractual interest payment due on the 2017 Notes during the year ended 31 December 2017 of $0.5 million.

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 $11.2 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

24. Debt (continued)

January 2017 Exchangeable Senior Notes (continued)

value of the derivative liability is remeasured at each reporting period, and the Parent company recognised a gain of $4.3 million on change in fair value of derivative liability for the period ended 31 December 2017.

25. Provisions

	Onerous lease ($'000)
At 1 January 2016	**325**
Additions	500
Amount used	(120)
At 31 December 2016	**705**
Additions	500
Amount used	(141)
At 31 December 2017	**1,064**

At 31 December 2017 and 2016 provisions due within one year were $49,000 and $136,000, respectively. At 31 December 2017 and 2016 provisions greater than one year were $1,015,000 and $569,000, respectively.

Onerous lease

During 2016 and 2017, Amarin surrendered portions of our Bedminster, NJ lease and this portion became onerous. We provided for the period post surrender to date of expiration of the lease in April 2018.

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 finance leases, 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, other than to liquidity risk.

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 2017 is not representative of the position throughout the period as cash and shares fluctuate considerably depending on when fundraising activities have occurred.

Liquidity risk

Our sources of liquidity as of 31 December 2017 include cash and cash equivalents of $74.2 million. Our projected uses of cash include the continued funding of the REDUCE-IT study, the continued commercialisation of Vascepa, 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, including advancement of the REDUCE-IT cardiovascular outcomes study, commercialisation of Vascepa, working capital and other general corporate activities. This is based on our current operational plans and activities at normal levels 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 exchangeable senior notes and long-term debt are the undiscounted cash flows including interest and hence will not agree to the amount disclosed on the balance sheet. The amounts disclosed for finance leases are equal to their carrying balances as the impact of discounting is not significant.

Group

At 31 December 2017	< 1 year	1-2 years	2-5 years	> 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Trade and other payables	86,305	—	—	—	86,305
Exchangeable senior notes	1,050	1,050	32,637	—	34,737
Long-term debt	22,289	35,290	51,521	—	109,100
Provisions	49	1,015	—	—	1,064
Total	**109,693**	**37,355**	**84,158**	**—**	**231,206**

At 31 December 2016	< 1 year	1-2 years	2-5 years	> 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Trade and other payables	43,787	—	—	—	43,787
Exchangeable senior notes	15,371	—	—	—	15,371
Long-term debt	15,945	21,564	88,065	—	125,574
Provisions	136	569	—	—	705
Total	**75,239**	**22,133**	**88,065**	**—**	**185,437**

Parent Company

At 31 December 2017	< 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**

At 31 December 2016	< 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**

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 2017 and 2016 are classified at amortised cost and comprise trade and other payables, long-term debt, exchangeable senior notes and finance leases.

	31 December 2017 ($'000)				31 December 2016 ($'000)			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
Sterling	—	—	23	23	—	—	9	9
Euro	—	—	433	433	—	—	366	366
Japanese Yen	—	—	—	—	—	—	—	—
US$	—	114,502	50,984	151,036	—	93,945	22,218	116,163
Total	—	**114,502**	**51,441**	**151,492**	—	**93,945**	**22,593**	**116,538**

The Group's derivative financial liabilities of $nil at 31 December 2017 (2016: $nil) are classified at fair value through profit and loss.

The Parent's financial liabilities at 31 December 2017 and 2016 are classified at amortised cost and comprise trade and other payables, exchangeable senior notes and finance leases.

	31 December 2017 ($'000)				31 December 2016 ($'000)			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
Euro	—	—	76	76	—	—	83	83
US$	—	—	39	39	—	—	43	43
Total	—	—	**115**	**115**	—	—	**126**	**126**

The Parent's derivative financial liabilities of $nil at 31 December 2017 (2016: $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 (2016: $174,000) is categorised as a held to maturity financial asset.

The Group's other financial assets are all categorised as loans and receivables and comprise cash, other receivables, short-term deposits and long-term deposits.

	31 December 2017 ($'000)				31 December 2016 ($'000)			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
Sterling	517	—	1,531	2,048	467	—	1,400	1,867
Euro	464	—	3	467	175	—	2	177
US$	59,895	—	74,684	134,579	82,538	—	42,626	125,164
Total	**60,876**	—	**76,218**	**137,094**	**83,180**	—	**44,028**	**127,208**

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 2017 ($'000)				31 December 2016 ($'000)			
	Floating rate	Fixed rate	Non-interest bearing	Total	Floating rate	Fixed rate	Non-interest bearing	Total
Sterling	—	—	13	13	—	—	13	13
Euro	—	—	—	—	—	—	—	—
US$	22,763	—	—	22,763	37,491	—	—	37,491
Total	**22,763**	**—**	**13**	**22,776**	**37,491**	**—**	**13**	**37,504**

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)	
	2017	2016	2017	2016
Net gain (loss)	(203)	(186)	(3)	19
Total	**(203)**	**(186)**	**(3)**	**19**

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 decreased during the current period mainly due to the reduction in the volume of foreign currency transactions in 2017 as compared to 2016.

Interest rate sensitivity analysis

At 31 December 2017, the Group had cash balances of approximately $74.2 million, and earned $0.4 million in interest income during 2017. 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 $0.8 million, when using the Group's average 2017 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 2017 using			
	31 December 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$000's	$000's	$000's	$000's
Assets measured at fair value:				
Cash equivalents – money markets	9,317	9,317	—	—

	Parent fair value measurements at 31 December 2017 using			
	31 December 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$000's	$000's	$000's	$000's
Assets measured at fair value:				
Intercompany receivables (Note 20)	321,086	—	—	321,086

	Group fair value measurements at 31 December 2016 using			
	31 December 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$000's	$000's	$000's	$000's
Assets measured at fair value:				
Cash equivalents – money markets	14,238	14,238	—	—

	Parent fair value measurements at 31 December 2016 using			
	31 December 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$000's	$000's	$000's	$000's
Assets measured at fair value:				
Intercompany receivables (Note 20)	320,953	—	—	320,953

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 2017 and 2016 are as follows:

	31 December 2017		31 December 2016	
	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	79,281	88,000	78,663	90,500
2012 Notes	—	—	15,040	15,174
2017 Notes	19,240	38,200	—	—

26. Financial Instruments (continued)

The estimated fair value of the long-term debt from royalty-bearing instrument pursuant to the December 2012 financing is calculated utilizing the same Level 3 inputs utilized in valuing the related derivative liability (see Derivative Liabilities below). The estimated fair value of the 2012 Notes and 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. The carrying value of the 2012 Notes as of 31 December 2016 did not include a debt discount, as it had been fully amortized as non-cash interest expense over the expected term of the 2012 Notes, which was calculated to be a period of twenty-four months. During the first quarter of 2017, the Company repurchased $15.0 million in aggregate principal amount of 2012 Notes at the option of holders and redeemed the remaining $0.1 million in aggregate principal amount at the Company's option, such that no 2012 Notes remained outstanding as of 31 December 2017. The carrying value of the 2017 Notes as of 31 December 2017 includes a debt discount of $1.0 million, which is being amortized as non-cash interest expense over the expected term of the 2017 Notes, through the first optional put date in January 2022. The change in the estimated fair values of these liabilities from 31 December 2016 to 31 December 2017 is largely related to changes in the quoted bond prices.

The Company's December 2012 financing agreement with BioPharma Secured Debt Fund II Holdings Cayman LP (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 2017, 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 2.3 and 4.3 years, (ii) coupon rates of between 5.8% and 10.8% and (iii) market yields of between 10.2% and 18.4%.

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.

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 2017**	**31 December 2016**
Authorised	**$'000**	**$'000**
Unlimited ordinary shares of £0.50 at each of 31 December 2017 and 2016	—	—
Unlimited preference shares of £0.05 at each of 31 December 2017 and 2016	—	—
	—	—
Allotted, called up and fully paid	**$'000**	**$'000**
272,719,044 and 270,183,201 ordinary shares of £0.50 each issued at 31 December 2017 and 2016 respectively	208,479	206,877
328,184,640 preference shares (equivalent to 32,818,464 ordinary shares upon future consolidation and re-designation at a 10:1 ratio) of £0.05 each issued at 31 December 2017 and 2016 respectively	24,364	24,364
	232,843	231,241

In August 2016, the Company completed a public offering of 21,100,000 ADSs, with each ADS representing one ordinary share of the Company. Amarin also granted the underwriters a 30-day option to purchase an additional 3,165,000 ADSs at the same price, which was exercised in full. The underwriters purchased the ADSs from the Company at a price of $2.679 per ADS after commission, resulting in net proceeds to the Company of approximately $64.6 million, after deducting estimated offering expenses payable by the Company. Intended uses of the net proceeds from the offering were to advance its REDUCE-IT cardiovascular outcomes trial and for general corporate and working capital purposes.

In September 2016, the Company mandatorily exchanged $118.7 million and $31.3 million of aggregate principal amount

27. Equity (continued)

of the 2014 Notes and 2015 Notes, respectively, resulting in the issuance of 47,739,925 ADSs and 12,571,263 ADSs, respectively, with each ADS representing one ordinary share of the Company (see Note 24). As a result of this conversion, share capital increased $40.1 million, share premium increased $109.9 million, and retained deficit decreased $26.5 million.

During the year ended 31 December 2017, the Group issued 2,535,843 ordinary shares (£0.50 par) through option exercises and restricted stock unit vesting, of which 356,656 were options exercised and 2,179,187 were restricted stock units vested. The option exercises resulted in cash proceeds of $229,000 (2016: $119,000) to share capital, and $409,000 (2016: $168,000) to share premium. This resulted in a total share capital increase of $1,602 thousand and share premium increase of $409 thousand, a decrease in retained deficit of $2,120 thousand and a transfer of $3,529 thousand 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 $2,731 thousand (877,528 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 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. During the year ended 31 December, 2015, at the request of the holders, a portion of the Series A Preference Shares were consolidated and re-designated, resulting in the issuance of 6,283,333 ADSs such that a maximum of 32,818,464 ordinary

27. Equity (continued)

shares remain issuable upon future consolidation and re-designation of the remaining Series A Preference Shares as of 31 December 2017, inclusive of the shares issued in July 2015 as discussed below, subject to certain adjustments for dilutive events.

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.

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 have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission (SEC) or an applicable exemption from registration requirements. The Company filed a registration statement with the 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. In addition, the Company agreed to use its commercially reasonable best efforts to effect and 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 may 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. Dr. James Healy, a member of the Company's Board until 20 December 2016, is a managing member of Sofinnova Management VII, L.L.C., which is the general partner of Sofinnova.

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 $868 thousand 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.

28. Options and Warrants 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 2017 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	442,611	1.97	1.35	442,611	1.35
2010	2,712,037	3.73	3.23	2,712,037	3.23
2011	1,341,542	3.95	7.89	1,341,542	7.89
2012	1,572,750	4.47	10.22	1,572,750	10.22
2013	504,625	5.36	7.19	504,625	7.19
2014	2,496,828	6.06	2.00	2,477,604	2.00
2015	7,351,049	7.45	2.19	4,575,123	2.15
2016	3,965,688	8.20	1.61	1,895,790	1.61
2017	3,721,325	9.25	3.09	593,021	2.95
	24,108,455	**6.76**	**3.26**	**16,115,103**	**3.68**

Outstanding options to purchase ordinary shares at 31 December 2016 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	495,111	3.15	1.35	495,111	1.35
2010	2,742,037	4.72	3.20	2,742,037	3.20
2011	1,466,542	4.99	8.81	1,466,542	8.81
2012	1,608,500	5.48	10.30	1,608,500	10.30
2013	553,317	6.37	7.13	530,172	7.16
2014	2,670,626	7.07		9	
	2,051,236	1.99			
2015	7,490,242	8.45	2.19	2,802,944	2.11
2016	4,161,639	9.20	1.62	520,503	1.40
	21,188,014	**7.30**	**3.37**	**12,217,045**	**4.38**

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 2017 and 2016 is as

29. Share-based Payments (continued)

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 2017 and 2016.

	2017 Number of options	2017 Weighted average exercise price	2016 Number of options	2016 Weighted average exercise price
	Number	$	Number	$
Outstanding at 1 January	21,188,014	3.37	17,818,053	3.76
Granted	3,827,075	3.09	4,400,340	1.62
Exercised	(356,656)	1.79	(177,146)	1.62
Forfeited	(549,978)	7.12	(853,233)	2.95
Outstanding at 31 December	**24,108,455**	**3.26**	**21,188,014**	**3.37**
Exercisable at 31 December	**16,115,103**	**3.68**	**12,217,045**	**4.38**

During the periods ended 31 December 2017 and 2016, all options were granted at the market price. Options outstanding and exercisable at the periods ended 31 December 2017 and 2016 had the following attributes:

	2017 Number of options	2017 Weighted average exercise price	2016 Number of options	2016 Weighted average exercise price
	Number	$	Number	$
Outstanding at 31 December				
Options granted at market price	24,108,455	3.26	21,188,014	3.37
Exercisable at 31 December				
Options granted at market price	16,115,103	3.68	12,217,045	4.38

The weighted average fair value of the stock options granted during the year ended 31 December 2017 and 2016 was $1.96 and $1.06, respectively.

For the year ended 31 December 2017, the Company received $0.6 million in cash from the exercise of options, and 549,978 options lapsed. For the year ended 31 December 2016, the Company received $0.3 million in cash from the exercise of options, and 853,233 options lapsed.

The following assumptions were used to estimate the fair values of options granted:

	Years ended 31 December	
	2017	2016
Risk-free interest	2.2% to 2.6%	1.6% to 2.7%
Volatility	73% to 83%	83% to 86%
Expected forfeiture rate	5%	5%
Dividend yield	—	—
Expected option life (in years)	6.25	6.25

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 six-and-a-quarter-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

29. Share-based Payments (continued)

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. 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 2017 and 2016.

	2017 Number of RSUs	2017 Weighted average grant date fair value	2016 Number of RSUs	2016 Weighted average grant date fair value
	Number	$	Number	$
Outstanding at 1 January	10,143,176	2.09	10,886,523	2.12
Granted	4,196,504	3.04	1,755,903	1.47
Vested	(2,179,187)	1.62	(1,852,102)	1.62
Forfeited	(154,940)	2.91	(647,148)	1.74
Outstanding at 31 December	**12,005,553**	**2.50**	**10,143,176**	**2.09**

The operating loss for the years ended 31 December 2017 and 2016 includes a non-cash charge for share-based compensation as follows:

	2017	2016
	($'000)	($'000)
R&D	2,195	2,006
G&A	12,408	11,846
Total	**14,603**	**13,852**

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 2017 and 2016 amounted to $40,100,000 and $44,600,000, 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 supplemental NDA, or 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 2017, the net remaining amount to be repaid is $109.1 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

30. Capital Commitments (continued)

period. As of 31 December 2017, 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.

The Company has scheduled interest payments due under the terms of the 2017 Notes, assuming that they remain outstanding through 19 January 2022 and have not been exchanged for ADSs. The 2017 Notes bear interest at a rate of 3.5% per annum from, and including, 25 January 2017, payable semi-annually in arrears on 15 January and 15 July of each year, beginning on 15 July 2017. The 2017 Notes will mature on 15 January 2047, unless earlier repurchased, redeemed or exchanged. On or after 19 January 2021, the Company may redeem for cash all or a portion of the 2017 Notes at a redemption price of 100% of the aggregate principal amount of the 2017 Notes to be redeemed, plus accrued and unpaid interest. On 19 January 2022, holders of the 2017 Notes may require that the Company repurchase in cash all or any portion of the 2017 Notes at a price equal to 100% of the aggregate principal amount of the 2017 Notes to be repurchased, plus accrued and unpaid interest. At any time prior to 15 January 2047, the holders may exchange their 2017 Notes for ADSs at their option, and the Company may mandatorily exchange the 2017 Notes if the price of the Company's shares trades above 130% of the exchange price then in effect for 20 VWAP trading days in any 30 consecutive VWAP trading day period (as defined in the indenture). The initial exchange rate for such conversion is 257.2016 ADSs per $1,000 principal amount of the 2017 Notes (equivalent to an initial exchange price of approximately $3.89 per ADS), subject to adjustment upon the occurrence of certain events, including the payment of cash dividends.

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 $10.1 million as of 31 December, 2017). Also under the Laxdale agreement, upon receipt of a marketing approval in the United States or 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 $6.7 million as of 31 December, 2017) for each of the two potential market approvals (i.e., £10 million maximum, or approximately $13.5 million as of 31 December, 2017). Upon approval of Vascepa by the FDA on 26 July 2012, the Company capitalised this first Laxdale milestone ($11.6 million on 26 July 2012) as an intangible asset. This long-term asset is being amortised over the estimated useful life of the intellectual property the Company acquired from Laxdale and the Company recognised amortisation expense of $0.6 million during the year ended 31 December 2017. The Company paid $12.1 million in cash in November 2012 in settlement of this liability and recognised a currency exchange loss of $0.5 million.

The Company has no provision for any of the obligations above since the amounts are either not probable or estimable at 31 December 2017.

31. Financial Commitments

(a) Operating Leases

The Group and Parent Company had future minimum payments under non-cancellable operating leases as follows:

	2017 Land and buildings		2016 Land and buildings	
	Group	Parent Company	Group	Parent Company
	$'000	$'000	$'000	$'000
< 1 year	642	—	528	—
> 1 year and < 5 years	156	—	126	—
	798	**—**	**654**	**—**

(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 detailed below.

The Company entered into its initial Vascepa API supply agreement with Nisshin Pharma, Inc., or Nisshin, in 2010. In 2011, the Company entered into agreements with two additional suppliers, Chemport, Inc., or Chemport, and BASF (formerly Equateq Limited) for the supply of API. In 2012, the Company agreed to terms with a fourth API supplier, a consortium of companies led by Slanmhor Pharmaceutical, Inc., or Slanmhor. The API supply agreement with BASF terminated in February 2014. In July 2014, the Company terminated the supply agreement with Slanmhor and subsequently, in June 2015, entered into a new supply agreement with Finorga SAS (Novasep), a French company. 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 as described below.

Nisshin, Chemport and Novasep are currently the three manufacturers from which the Company purchases API. As of 31 December 2017, the Company has no royalty, milestone or minimum purchase commitments with Nisshin.

Chemport was approved by the FDA to manufacture API for commercial sale in April 2013 and the Company began purchasing commercial supply from Chemport in 2013. The agreement with Chemport contains a provision requiring the Company to pay Chemport in cash for any shortfall in the minimum purchase obligations.

The Company began purchasing commercial supply from Novasep in 2015. API manufactured by Novasep was previously approved by the FDA in July 2014. The 2015 supply agreement with Novasep contains a provision requiring the Company to pay Novasep a cash remedy for any shortfall in the minimum purchase obligations.

(c) Litigation

On 30 August 2017, Amarin Pharma, Inc. and Amarin Pharmaceuticals Ireland Limited, each wholly-owned subsidiaries of Amarin Corporation plc, filed a lawsuit with the United States International Trade Commission, or the ITC, captioned *In the Matter of Certain Synthetically Produced, Predominantly EPA Omega-3 Products in Ethyl Ester or Re-esterified Triglyceride Form*, USITC Docket 337-3247, 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 under Section 337 of the Tariff Act of 1930 (19 U.S.C. §1337), which makes unlawful 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. On 27 October 2017, the ITC determined to not institute our requested investigation. On 1 December 2017, the Company appealed the ITC's non-institution decision to the United States Court of Appeals for the Federal Circuit (Case Nos. 18-1247, 18-114). That appeal is ongoing. The Company intends to pursue this matter vigorously.

31. Financial Commitments (continued)

In September and October 2016, the Company received paragraph IV certification notices from four companies contending to varying degrees that certain of its 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' abbreviated new drug applications, or ANDAs. The Company 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. The case against Roxane is 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, West-Ward) 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 is now 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") in the U.S. District Court for the District of Nevada. The case against DRL is 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 (collectively, "Teva") in the U.S. District Court for the District of Nevada. The case against Teva is captioned *Amarin Pharma, Inc. et al. v. Teva Pharmaceuticals USA, Inc. et al.*, Civ. A. No. 2:16-cv-02658. In all three lawsuits, Amarin is seeking, 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. The three lawsuits have been consolidated for pretrial proceedings. As a result of the statutory stay associated with the filing of these lawsuits under the Hatch-Waxman Act, the FDA cannot grant final approval to West-Ward, DRL, or Teva's respective ANDA before January 2020, unless there is an earlier court decision holding that the subject patents are not infringed and/or are invalid.

The fourth ANDA applicant referenced above is Apotex Inc. ("Apotex"), which sent Amarin 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 Act.

The Company introduced to the market its 0.5-gram dose strength of Vascepa in October 2016. In August 2017, as anticipated, the Company received a paragraph IV certification notice from Teva contending that certain of its 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 abbreviated new drug application, or 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. Accordingly, in October 2017, the Company filed a patent infringement lawsuit against Teva in the U.S. District Court for the District of Nevada. The case is 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, the Company is seeking, 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. This new lawsuit against Teva has been consolidated with the pending lawsuits against Teva, West-Ward, and DRL referenced above based on the 1-gram dose strength of Vascepa, and all four lawsuits will proceed on the same schedule.

On 26 April 2016, the U.S. District Court for the District of New Jersey granted the Company's motion to dismiss the putative consolidated class action lawsuit captioned *In re Amarin Corporation plc, Securities Litigation*, No. 3:13-cv-06663 (D.N.J. Nov. 1, 2013). The class action was dismissed without prejudice with leave for plaintiffs to file an amended complaint. The lawsuit sought unspecified monetary damages and attorneys' fees and costs alleging that the Company and certain of its current and former officers and directors made misstatements and omissions regarding the FDA's willingness to approve Vascepa's ANCHOR indication and related contributing factors and the potential relevance of data from the ongoing REDUCE-IT trial to that potential approval. The April 2016 dismissal was the second motion to dismiss granted in favor of Amarin and related defendants in this litigation. The first motion to dismiss in this litigation was granted in June 2015 in response to the original complaint and related amendment. On 26 May 2016, plaintiffs appealed the most recent dismissal to the Third Circuit Court of Appeals. On 23 May 2017, the Third Circuit Court of Appeals affirmed the judgment of the U.S. District Court for the District of New Jersey that granted the Company's

31. Financial Commitments (continued)

motion to dismiss the putative consolidated class action lawsuit (Case No. 16-2640). Plaintiffs sought a rehearing and *en banc* review of such affirmation, each of which were denied. The appeal period for this matter has expired. The Company considers this matter closed.

The Company intends to vigorously enforce its intellectual property rights relating to Vascepa, but cannot predict the outcome of these lawsuits or any subsequently filed lawsuits.

In addition to the above, in the ordinary course of business, the Company is 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 2017, 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 2017	Year ended 31 December 2016
	$'000	$'000
Short-term employee benefits	3,847	3,267
Share-based compensation	8,660	2,952
Total	12,507	6,219

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 2017 and 2016.

34. Post Balance Sheet Events

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 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 $65.0 million, after deducting estimated offering expenses payable by the Company. The Company has also granted the underwriter a 30-day option to purchase an additional 2,876,712 ADSs. The underwriter exercised its option and purchased an additional 1,438,356 ADSs, bringing net proceeds, after deducting estimated offering expenses payable by the Company, to approximately $69.9 million in aggregate for the offering. The stated uses of proceeds in connection with this offering were as follows: to expand medical education and market awareness initiatives, including, in advance of REDUCE-IT results being known, pilot testing of new promotional initiatives for potential broader application following REDUCE-IT results, to increase its inventory balances for incremental inventory build prior to REDUCE-IT results and for general corporate and working capital purposes.