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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-35986

Esperion Therapeutics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

26-1870780
(I.R.S. Employer Identification No.)

3891 Ranchero Drive, Suite 150
Ann Arbor, Michigan 48108
(Address of Principal Executive Offices)

48108
(Zip Code)

(734) 887-3903
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value	NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant on June 29, 2018, based upon the closing price of \$39.19 of the registrant's common stock as reported on the NASDAQ Global Market, was \$978.0 million. Shares of the registrant's common stock held by each officer and director and each person known to the registrant to own 10% or more of the outstanding voting power of the registrant have been excluded in that such persons may be deemed affiliates. This determination of affiliate status is not a determination for other purposes.

As of February 1, 2019, there were 26,824,859 shares of the registrant's common stock, \$0.001 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K incorporates by reference information from the definitive Proxy Statement for the registrant's 2019 Annual Meeting of Shareholders, which is expected to be filed with the Securities and Exchange Commission not later than 120 days after the Registrant's fiscal year ended December 31, 2018.

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Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among other things, statements about:

- our ability to obtain regulatory approval for the bempedoic acid / ezetimibe combination tablet and bempedoic acid, including statements related to specific clinical studies or clinical observations that will be required for such approval;
- our ability to achieve clinical, regulatory or commercial milestones with our existing cash resources;
- the design, timing or outcome of our cardiovascular outcomes trial, or CVOT, of bempedoic acid;
- the design, timing or outcome of our ongoing or future clinical studies of the bempedoic acid / ezetimibe combination tablet and bempedoic acid;
- our plan to commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved;
- our ability to realize the intended benefits of the commercial collaboration and license arrangement with Daiichi Sankyo Europe GmbH, or DSE;
- our ability to recruit and enroll patients, particularly statin intolerant patients, in any ongoing or future clinical study;
- our ability to replicate positive results from a completed clinical study in a future clinical study;
- our ability to fund our development programs with existing capital or our ability to raise additional capital in the future;
- the potential benefits, effectiveness or safety of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, as compared to statins and other low density lipoprotein cholesterol, or LDL-C, lowering therapies, either those currently available or those in development;
- our ability to respond and adhere to changes in regulatory requirements, including any requirement to conduct additional, unplanned clinical studies in connection with our pursuit of the bempedoic acid / ezetimibe combination tablet or bempedoic acid as an LDL-C lowering therapy;
- guidelines relating to LDL-C levels and cardiovascular risk that are generally accepted within the medical community, including recent changes and any future changes to such guidelines;

- reimbursement policies, including any future changes to such policies or related government legislation, and their impact on our ability to market, distribute and obtain payment for the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved;
- the accuracy of our estimates of the size and growth potential of the LDL-C lowering market and the rate and degree of the bempedoic acid / ezetimibe combination tablet or bempedoic acid's market acceptance, if approved;
- our ability to obtain and maintain intellectual property protection for the bempedoic acid / ezetimibe combination tablet or bempedoic acid without infringing on the intellectual property rights of others;
- the loss of any of our key scientific or management personnel;
- our plan and ability to establish strategic relationships or partnerships, as needed; and
- our ability to compete with other companies that are, or may be, developing or selling products that may compete with the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved.

These forward-looking statements are only predictions and we may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, so you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. We have included important factors in the cautionary statements included in this Annual Report on Form 10-K, particularly in Item 1A. Risk Factors, that could cause actual future results or events to differ materially from the forward-looking statements that we make. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

You should read this Annual Report on Form 10-K and the documents that we have filed as exhibits to the Annual Report on Form 10-K with the understanding that our actual future results may be materially different from what we expect. We do not assume any obligation to update any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.

PART I

All brand names or trademarks appearing in this report are the property of their respective holders. Unless the context requires otherwise, references in this report to "Esperion" the "Company," "we," "us," and "our" refer to Esperion Therapeutics, Inc.

Item 1. Business

Overview

We are the Lipid Management Company, a late-stage pharmaceutical company focused on developing and commercializing complementary, cost-effective, convenient, once-daily, oral therapies for the treatment of patients with elevated LDL-C. Through scientific and clinical excellence, and a deep understanding of cholesterol biology, the experienced Lipid Management Team at Esperion is committed to developing new LDL-C lowering therapies that will make a substantial impact on reducing global cardiovascular disease, or CVD; the leading cause of death around the world. Bempedoic acid and our lead product candidate, the bempedoic acid / ezetimibe combination tablet, are targeted therapies that have been shown to significantly lower elevated LDL-C levels in patients with hypercholesterolemia, including patients inadequately treated with current lipid-modifying therapies.

The completed clinical development program for an LDL-C lowering indication for the bempedoic acid / ezetimibe combination tablet consisted of a single pivotal Phase 3 study (1002FDC-053) in patients with hypercholesterolemia and with atherosclerotic cardiovascular disease, or ASCVD, and/or heterozygous familial hypercholesterolemia, or HeFH, including high CVD risk primary prevention patients, whose LDL-C is not adequately controlled despite receiving maximally tolerated lipid-modifying background therapy. 1002FDC-053 initiated in November 2017, fully enrolled 382 patients in March 2018, and we reported top-line results in August 2018.

The completed global pivotal Phase 3 clinical development program for an LDL-C lowering indication for bempedoic acid consisted of four clinical studies in 3,621 high CVD risk patients with hypercholesterolemia and ASCVD and/or HeFH, or who are high CVD risk primary prevention, on optimized background lipid-modifying therapy and with elevated levels of LDL-C. These patients are on two distinct types of background lipid-modifying therapy: 1) patients on their maximally tolerated statin therapy, and 2) patients who are only able to tolerate less than the lowest approved daily starting dose of a statin, and can be considered statin intolerant. In March 2018, we reported top-line results from the first of the Phase 3 studies, Study 4 (1002-048). In May 2018, we reported top-line results from the 52-week long-term safety study, Study 1 (1002-040), and from Study 3 (1002-046). In October 2018, we reported top-line results from Study 2 (1002-047).

We are also conducting a global cardiovascular outcomes trial, or CVOT,—known as **C**holesterol **L**owering via **B**empedoic Acid, an **A**CL-inhibiting **R**egimen (CLEAR) Outcomes, for bempedoic acid in 12,604 patients with hypercholesterolemia and high CVD risk and who can be considered statin intolerant. We initiated the CLEAR Outcomes CVOT in December 2016 and expect the study to be fully enrolled in 2019, and intend to use positive results from this CVOT to support submissions for a CV risk reduction indication in the U.S. and Europe by 2022.

We were founded in January 2008, by former executives of and investors in the original Esperion Therapeutics, Inc., a biopharmaceutical company which was primarily focused on the research and development of therapies to regulate high-density lipoprotein, or HDL. The original Esperion was acquired by Pfizer Inc. in 2004. Bempedoic acid was first discovered at the original Esperion and we subsequently acquired the rights to the product from Pfizer in 2008.

Recent Developments

Regulatory Submissions

On February 20, 2019, we submitted the new drug application, or NDA, for bempedoic acid and on February 26, 2019, we submitted the NDA for the bempedoic acid / ezetimibe combination tablet to the Food and Drug Administration, or FDA, for LDL-C lowering indications. In addition, the European Medicines Agency, or EMA, completed formal validation of the Marketing Authorization Applications, or MAAs, for bempedoic acid and the bempedoic acid / ezetimibe combination tablet for LDL-C lowering indications. The MAAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet were submitted to the EMA on February 11, 2019.

Commercial Collaboration Agreement with Daiichi Sankyo Europe GmbH (DSE)

On January 2, 2019, we entered into a license and collaboration agreement with DSE. Pursuant to the agreement, we have granted DSE exclusive commercialization rights to bempedoic acid and the bempedoic acid / ezetimibe combination tablet in the European Economic Area and Switzerland, or the DSE Territory. DSE will be responsible for commercialization in the DSE Territory. We remain responsible for clinical development, regulatory and manufacturing activities for the licensed products globally, including in the DSE Territory. Pursuant to the agreement, the consideration consists of an upfront cash payment of \$150 million as well as \$150 million cash payment to us upon first commercial sales in the DSE Territory. We are also eligible to receive a substantial additional regulatory milestone payment upon the grant of the marketing authorization in the European Union for the CV risk reduction label, depending on the range of relative risk reduction in the CLEAR Outcomes study. In addition, we are eligible to receive additional sales milestone payments. Finally, we will receive tiered fifteen percent (15%) to twenty-five percent (25%) royalties on net DSE Territory sales.

Bempedoic Acid / Ezetimibe Combination Tablet

Through the complementary mechanisms of action of inhibition of cholesterol synthesis (bempedoic acid) and inhibition of cholesterol absorption (ezetimibe), the bempedoic acid / ezetimibe combination tablet is our lead, non-statin, orally available, once-daily, LDL-C lowering therapy. Inhibition of ATP citrate lyase, or ACL, by bempedoic acid reduces cholesterol biosynthesis and lowers LDL-C by up-regulating the LDL receptor. Inhibition of Niemann-Pick C1-Like 1 by ezetimibe results in reduced absorption of cholesterol from the gastrointestinal tract, thereby reducing delivery of cholesterol to the liver, which in turn upregulates the LDL receptors. Phase 3 data demonstrated that this safe and well-tolerated combination results in a 35 percent lowering of LDL-C when used with maximally tolerated statins, a 43 percent lowering of LDL-C when used as a monotherapy, and a 34 percent reduction in high sensitivity C-reactive protein, or hsCRP. The bempedoic acid / ezetimibe combination tablet is being developed for patients at high CVD risk with hypercholesterolemia.

Bempedoic Acid

With a targeted mechanism of action, bempedoic acid is a first-in-class, complementary, orally available, once-daily ACL inhibitor that, reduces cholesterol biosynthesis and lowers LDL-C by up-regulating the LDL receptor. Similar to statins, bempedoic acid also reduces hsCRP, a key marker of inflammation associated with cardiovascular disease. Completed Phase 2 and Phase 3 studies conducted in almost 4,800 patients, and approximately 3,100 patients treated with bempedoic acid, have demonstrated an additional 20 percent LDL-C lowering when used with maximally tolerated statins, up to 30 percent LDL-C lowering as monotherapy, 35 percent LDL-C lowering in combination with ezetimibe when used with maximally tolerated statins and up to 48 percent LDL-C lowering in combination with ezetimibe as monotherapy. Bempedoic acid is being developed for patients at high

CVD risk with hypercholesterolemia. We acquired the worldwide rights to bempedoic acid from Pfizer in 2008 and are not obligated to make any royalty or milestone payments to Pfizer.

Mechanism of Action

In November 2016, we announced the publication of "Liver-specific ATP Citrate Lyase inhibition by bempedoic acid decreases LDL-C and attenuates atherosclerosis," by Pinkosky et al., in *Nature Communications*. The paper outlines the experiments and analyses undertaken by us and our collaborators to understand the mechanism of action for how bempedoic acid reduces LDL-C, including its specificity for the liver. Bempedoic acid is a prodrug that once activated, inhibits ACL, an enzyme upstream of HMG-CoA reductase (the molecular target of statins) in the cholesterol synthesis pathway. Like statins, bempedoic acid decreases cholesterol synthesis in the liver, which results in decreased intracellular cholesterol, up-regulation of LDL receptor activity and increased LDL-C clearance from the blood. Bempedoic acid and statins both inhibit cholesterol synthesis in the liver. Specifically, bempedoic acid is a prodrug which requires activation by a specific enzyme, very long-chain acyl-CoA synthetase, or ACSVL1, to convert bempedoic acid to its CoA activated form. Bempedoic acid has been shown in clinical studies to provide incremental lowering of LDL-C when used in combination with both ezetimibe and statins at all doses.

Cardiovascular Disease and Elevated LDL-C

Cardiovascular disease, which results in heart attacks, strokes and other cardiovascular events, represents the number one cause of death and disability in western societies. The American Heart Association, or AHA, estimates that more than 800,000 deaths in the United States were caused by cardiovascular disease in 2018.

Elevated LDL-C is well-accepted as a significant risk factor for cardiovascular disease and the CDC estimates that 78 million U.S. adults have elevated levels of LDL-C. A consequence of elevated LDL-C is atherosclerosis, which is a disease characterized by the deposition of excess cholesterol and other lipids in the walls of arteries as plaque. The development of atherosclerotic plaques often leads to cardiovascular disease. The risk relationship between elevated LDL-C and cardiovascular disease was first defined by the Framingham Heart Study, which commenced in 1948 to define factors that contributed to the development of cardiovascular disease. The study enrolled participants who did not have any form of cardiovascular disease and followed them over a long period of time. Elevated LDL-C was identified early on as a key risk factor for the eventual development of cardiovascular disease.

The hypothesis that lowering elevated levels of LDL-C would translate into reduced risk of cardiovascular disease was first proven in 1984 with the publication of the Lipid Research Clinics Coronary Primary Prevention Trial. In this study, treatment with cholestyramine, a bile acid sequestrant, showed a 20% reduction in LDL-C and, importantly, a 19% reduction in risk of cardiovascular disease death or nonfatal myocardial infarction, or heart attack. This was the first major clinical study to demonstrate a direct relationship between lowering LDL-C levels and reduced risk of major cardiovascular events.

The first marketed statin, lovastatin, was approved for use in the United States in 1987 as a therapy to lower elevated LDL-C levels. That same year, the National Cholesterol Education Program issued its first guidelines for the diagnosis and treatment of patients with elevated LDL-C. Over the subsequent 22 years, seven more statins were approved for use to lower elevated LDL-C levels.

In 1994 the first clinical outcomes study with a statin was published. This study demonstrated a significant reduction in risk for total mortality and major cardiovascular events. A series of additional clinical outcomes studies with statins have each shown that lowering elevated LDL-C translated into reduced risk for major cardiovascular events. The relationship between the extent of LDL-C lowering

and reduction in cardiovascular risk appeared to be linear, which has supported a hypothesis that lower LDL-C is better for cardiovascular risk. This hypothesis was tested and proven in the TNT (Treating to New Targets) study where an on-treatment LDL-C level of 77 mg/dL associated with 80 mg of atorvastatin treatment translated into a statistically significant 22% reduction in risk of major cardiovascular events as compared with the 101 mg/dL on-treatment LDL-C level associated with 10 mg of atorvastatin.

Major completed clinical outcomes studies with statin therapies

Study name	4S	WOSCOPS	AFCAPS/TextCAPS	TNT	JUPITER
Study drug	Simvastatin	Pravastatin	Lovastatin	Atorvastatin	Rosuvastatin
No. of patients	4,444	6,595	6,605	10,001	17,803
Study design	Placebo controlled, monotherapy	Placebo controlled, monotherapy	Placebo controlled, monotherapy	Low dose vs high dose atorvastatin	Placebo controlled, monotherapy
Patient population	Secondary prevention	Primary Prevention	Primary Prevention	Secondary Prevention	Primary Prevention
Baseline LDL-C (mg/dL)	188	192	156	98	108
LDL-C reduction	35%	26%	26%	21%	50%
CV RRR	35%	31%	37%	22%	44%

In November 2014, the results of the IMPROVE-IT (IMProved Reduction of Outcomes: Vytorin Efficacy International Trial) study were presented at the Scientific Sessions of the AHA. 18,144 patients with acute coronary syndrome were enrolled in IMPROVE-IT and were randomized to receive either 40 mg of simvastatin or 10 mg of ezetimibe/40 mg of simvastatin, and were followed until > 5,250 events (cardiovascular death, heart attack, documented unstable angina requiring hospitalization, coronary revascularization or stroke) occurred. The addition of ezetimibe to simvastatin resulted in a 6.4% relative risk reduction ($p=0.016$) in the aggregate of the events described above. This was the first study to demonstrate incremental clinical benefit with a non-statin when added to a statin.

The direct relationship between lower LDL-C levels and reduced risk for major cardiovascular events has been consistently demonstrated in greater than 30 clinical studies completed over the last 28 years involving more than 175,000 patients. As a result, physicians are highly focused on lowering LDL-C levels in their patients, and we believe there is a trend towards even more aggressive LDL-C lowering. For example, in the United States, increased attention has been placed on aggressive LDL-C management by organizations such as the AHA and the American College of Cardiology, or ACC. Additionally, both the Canadian Cardiovascular Society and the Joint British Societies have supported even lower LDL-C treatment targets for high-risk patients. This has led to the combination of statins with other treatments, such as ezetimibe.

In July 2004, the NCEP issued an update to its Adult Treatment Panel III clinical practice guidelines on cholesterol management, advising physicians to consider new, more intensive treatment options for people at very high risk, high risk and moderately high risk for cardiovascular disease. The LDL-C goals in these updated clinical practice guidelines contemplated initiating drug therapy at lower LDL-C thresholds, thus expanding the number of potential patients for LDL-C lowering therapy.

In November 2018, the ACC and the AHA issued new guidelines for the treatment of elevated LDL-C. For the first time since 2013, the guidelines returned to including specific, numerical LDL-C treatment thresholds for patients. The guidelines directed physicians to continue to focus on LDL-C lowering to reduce risk in primary and secondary prevention patients, and maintain adequate LDL-cholesterol levels of: 70 mg/dL for patients with and for patients at very high-risk for ASVCD, as

well as 100 mg/dL for patients with HeFH. The guidelines call for using statins first to achieve LDL-C thresholds, and then consider adding non-statin drugs.

For the first time ever in an LDL-C guideline, the recommendations encouraged physicians to consider the cost-effectiveness of drug treatment options, specifically referencing the low cost-effectiveness of proprotein convertase subtilisin kexin type 9, or PCSK9, inhibitors. In addition, the guidelines also recommended that patients with diabetes start with a moderate-intensity statin, increasing to a high-intensity statin if needed. Non-statin drugs could be added to achieve LDL-C lowering of ³50%. Furthermore, in higher risk primary prevention patients who need aggressive LDL-C lowering, and in whom high intensity statin are not acceptable or tolerated, adding nonstatin drugs is reasonable. Also, instead of using the term "statin intolerance," the new guidelines prefer the use of "statin-associated side effects."

2018 AHA/ACC Guidelines on the Management of Blood Cholesterol

Patient Cardiovascular Disease Risk	LDL-C Threshold for Treatment
Patients with ASCVD	³ 70 mg/dL after statins
Patients with LDL-C ³ 190 mg/dL at baseline and/or HeFH	³ 100 mg/dL after statins
Patients with diabetes	³ 70 mg/dL to initiate treatment
Patients with statin-associated side effects	Use of nonstatins (oral first) is recommended

Patients with HeFH and/or ASCVD who need additional lowering of LDL-C—Market Opportunity for the Bempedoic Acid / Ezetimibe Combination Tablet and Bempedoic Acid

We are pursuing development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid as an add-on to maximally tolerated statin therapy for patients with ASCVD and/or HeFH who require additional lowering of LDL-C. Included within the ASCVD and HeFH patient populations are patients who are only able to tolerate less than the lowest approved daily starting dose of a statin and can be considered statin intolerant. The severity of elevated LDL-C in these patients, their level of CVD risk and their therapeutic options all vary widely.

Patients with ASCVD and persistently elevated LDL-C despite maximally tolerated statin therapy represent a large population with important unmet medical needs. We, with the assistance of a third party global pharma sales and marketing consultancy group, conducted primary market research and developed a U.S. demand forecast model for bempedoic acid. Approximately 350 U.S. healthcare providers, consisting of cardiologists, endocrinologists and primary care physicians, were interviewed and the prevalence of hypercholesterolemia and diagnosis rates were estimated based on a review of the medical literature. It is estimated that approximately 8.7 million patients in the United States currently taking statins require additional LDL-C lowering.

Muscle pain or weakness is the most common side effect experienced by statin users and the most common cause for discontinuing therapy. Moreover, a significant proportion of patients remain on statin therapy despite experiencing muscle-related side effects, and would require additional LDL-C lowering therapies to help them achieve their LDL-C treatment goals. Accordingly, we believe that in the presence of a safe and effective complementary, non-statin, oral, once-daily, small molecule LDL-C lowering therapy, the statin intolerant market could grow substantially. Approximately 9.6 million patients in the United States are not on statins, need additional LDL-C lowering, and it is estimated that most are only able to tolerate less than the lowest approved daily starting dose of their statin and are therefore considered to be statin intolerant.

Currently Approved Therapies

The following table illustrates common therapies used to treat elevated LDL-C:

Class of Therapy	Labeled Indication	Average LDL-C Change from Baseline	Key Issues/Side Effects
Statins	Reduction in LDL-C in patients with elevated LDL-C Reduction in total mortality Reduction in risk of major adverse cardiovascular events (MACE) in multiple populations that were tested	Up to 63%	<ul style="list-style-type: none"> Skeletal muscle effects, elevated liver function tests FDA recently warned that the use of statins is associated with increases in HbA1c and fasting serum glucose levels
Bile acid sequestrants	Reduction in LDL-C in patients with elevated LDL-C ⁽¹⁾ Retard the rate of progression and increase the rate of regression of coronary atherosclerosis	Up to 20%	<ul style="list-style-type: none"> Limited LDL-C lowering Gastrointestinal disorders Elevation in triglycerides
Cholesterol absorption inhibitors	Reduction in LDL-C in patients with elevated LDL-C	Up to 18%	<ul style="list-style-type: none"> Limited LDL-C lowering; IMPROVE-IT study not in US prescribing information
Niacin	Reduction in LDL-C and triglycerides; increases in HDL-C, reduction in Lipoprotein (a) Reduction in recurrent nonfatal myocardial infarction (MI) in patients with prior history of MI	Up to 17%	<ul style="list-style-type: none"> Flushing (i.e., warmth or redness) hepatic toxicity, skeletal muscle effects and gout Limited LDL-C lowering
Fibrates	Reduction in triglycerides and LDL-C in patients with hypertriglyceridemia or mixed dyslipidemia Reduction in risk of developing coronary heart disease (CHD) in patients with Type IIb Fredericksons hyperlipidemia and no prior history of CHD	Up to 21%	<ul style="list-style-type: none"> Gallstones, skeletal muscle effects and liver disorders Limited LDL-C lowering (may in some cases raise LDL-C); used primarily for triglyceride lowering
Proprotein convertase subtilisin kexin 9 (PCSK9) inhibitors	Alirocumab: Reduction in LDL-C as adjunct to maximally tolerated statin therapy in patients with HeFH and/or ASCVD Evolocumab: Reduction in risk of myocardial infarction, stroke, and coronary revascularization in adults with established cardiovascular disease; Reduction in LDL-C alone or in combination with other lipid-lowering therapies for adults with primary hyperlipidemia	Up to 54% (monotherapy)	<ul style="list-style-type: none"> High cost as biologic, injectable route of administration No effect on hsCRP Ongoing CVOT

(1) Welchol®, a bile acid sequestrant, is also approved for improving glycemic control in adults with Type 2 diabetes.

Other Approved Therapies for Specific Populations

A small subpopulation of patients with extremely elevated levels of LDL-C, estimated to be approximately 900 patients in the U.S., suffer from homozygous familial hypercholesterolemia, or HoFH. HoFH is a serious and rare genetic disease and patients with HoFH lack or have dysfunctional LDL-receptors and cannot remove LDL-particles and LDL-C from the blood. As a result, untreated HoFH patients typically have LDL-C levels in the range of 450 mg/dL to 1,000 mg/dL. Microsomal triglyceride transfer protein, or MTP inhibitors, a PCSK9 inhibitor and an apolipoprotein B, or ApoB, antisense oligonucleotide are approved therapies to lower elevated LDL-C levels in patients with a clinical or laboratory diagnosis of HoFH. Given the serious safety concerns with the MTP inhibitor and ApoB antisense oligonucleotide, specifically hepatotoxicity, the FDA has restricted their usage to this narrow subpopulation.

Statin Therapy

Statins are the standard of care for patients with hypercholesterolemia today and are highly effective at lowering LDL-C. This class of drugs includes atorvastatin calcium, marketed as Lipitor®, the most prescribed LDL-C lowering drug in the world.

Statins are selective, competitive inhibitors of HMG-CoA reductase, a rate-limiting enzyme in the cholesterol biosynthesis pathway in liver cells. Statin inhibition of cholesterol synthesis increases the number of LDL receptors on the surface of liver cells. This increase in LDL receptors increases uptake of LDL particles into liver cells from the blood, thus lowering LDL-C levels. Statins are also thought to have a potential effect on cholesterol synthesis in skeletal muscle. This effect could be linked to the myalgia associated with statin use as seen in certain patients with statin intolerance.

The benefits of statin use in lowering LDL-C levels and improving cardiovascular outcomes are well documented. Despite the effectiveness of statins and their broad market acceptance, there is a significant subset of patients who are unable to tolerate statins due to muscle pain or weakness, memory loss or increased glucose levels, or who are otherwise unable to reach their LDL-C goal on statin therapy alone. In rare but extreme cases, statins can lead to muscle breakdown, kidney failure and death. In addition, the FDA has recently warned that statins can cause hyperglycemia, an increase in blood sugar levels and create an increased risk of worsening of glycemic control and of new onset diabetes. There are approximately 34 million U.S. adults with elevated LDL-C levels who are not on an LDL-C lowering therapy. For these reasons, we believe there is a need for new therapies to treat patients with elevated LDL-C.

Approved Therapies

PCSK9 Inhibitors

PCSK9 inhibitors, an enzyme involved in the degradation of LDL receptors, are injectable, monoclonal antibodies to lower LDL-C. In 2015 the FDA approved two PCSK9 inhibitors: alirocumab, which was developed by Sanofi and Regeneron Pharmaceuticals, and evolocumab, which was developed by Amgen, Inc. These therapies were originally approved as an adjunct to diet and maximally tolerated statin therapy for patients with HeFH and/or ASCVD that require additional lowering of LDL-C. Additionally, evolocumab was approved as an adjunct to diet and other LDL-C lowering therapies for patients with HoFH. In 2016, Pfizer discontinued development of its PCSK9 inhibitor, bococizumab, due to unanticipated attenuation of LDL-C lowering over time in its Phase 3 studies.

In February 2017, Amgen announced top-line results for the FOURIER (**F**urther Cardiovascular **O**utcomes **R**esearch with PCSK9 **I**nhibition in Subjects with **E**levated **R**isk) CVOT where evolocumab demonstrated a statistically significant 15 percent reduction in the risk of cardiovascular events. Full results of FOURIER were presented at the Scientific Sessions of the American College of Cardiology

in March 2017, and were published in the New England Journal of Medicine in March 2017. In December 2017, based upon the results of the FOURIER study, the indications for the use of evolocumab were updated to include reduction in risk of myocardial infarction, stroke and coronary revascularization in adults with established cardiovascular disease, and for use alone or in combination with other lipid-lowering therapies to reduce LDL-C in adults with primary hyperlipidemia.

In March 2018, Sanofi and Regeneron Pharmaceuticals announced top-line results for the ODYSSEY Outcomes CVOT where alirocumab demonstrated a statistically significant 15 percent reduction in the risk of cardiovascular events. Full results of ODYSSEY Outcomes were presented at the Scientific Sessions of the ACC in March 2018, and were published in the New England Journal of Medicine in November 2018. Based upon the results of ODYSSEY Outcomes, Sanofi and Regeneron Pharmaceuticals are pursuing an expanded label to include risk reduction in overall major adverse cardiovascular events.

As described in currently approved U.S. prescribing information, PCSK9 inhibitors have demonstrated reductions of LDL-C when added on to maximally tolerated statin therapy in patients with HeFH and/or ASCVD of up to 64%. When PCSK9 inhibitors were used in patients with hypercholesterolemia considered to be statin intolerant, LDL-C levels were reduced by 45-56%. On December 1, 2017, it was announced that, based on the results of FOURIER, the U.S. prescribing information for evolocumab now includes an indication for the reduction in risk of myocardial infarction, stroke and coronary revascularization in patients with established cardiovascular disease. In addition, evolocumab is indicated for use alone or in combination with other lipid-lowering agents for patient with primary hyperlipidemia, including familial and nonfamilial hypercholesterolemia. Notwithstanding the LDL-C lowering efficacy of PCSK9 inhibitors, we believe their adoption by patients, physicians, and payors could be adversely impacted by their higher cost, notwithstanding recent price reductions, and their injectable route of administration.

Omega 3 Fatty Acids

Icosapent ethyl is ethyl esters of the omega-3 fatty acid, eicosapentaenoic acid, or EPA, obtained from fish oil. Its potential mechanisms of action include increased β -oxidation, inhibition of acyl-CoA:1,2-diacylglycerol acyltransferase, or DGAT, decreased lipogenesis in the liver, and increased plasma lipoprotein lipase activity. Icosapent ethyl is an oral drug that is administered daily in 4 grams per day taken as four 0.5-gram capsules or two 1-gram capsules twice daily with food. The drug is indicated as an adjunct to diet to reduce triglyceride, or TG, levels in adult patients with severe (≥ 500 mg/dL) hypertriglyceridemia and lowered triglycerides by approximately 27 percent in clinical trials.

In September 2018, Amarin announced top-line results for the REDUCE-IT (Reduction of Cardiovascular Events Outcomes) CVOT where icosapent ethyl was added to patients on stable statin therapy who had their LDL-C under control (median LDL-C levels of 75 mg/dL). Icosapent ethyl demonstrated a statistically significant 25 percent reduction in risk of cardiovascular events. Full results of REDUCE-IT were presented at the AHA in November 2018, and were published in The New England Journal of Medicine in January 2019. Amarin anticipates submitting an sNDA in the U.S. seeking an expanded indication for icosapent ethyl by the end of Q1 2019.

Additional Therapies in Development

PCSK9 Inhibitors

The Medicines Company/Alnylam are developing inclisiran, which is currently in Phase 3 clinical studies of eighteen months in length. Unlike the PCSK9 antibodies from Sanofi/Regeneron and Amgen, inclisiran is a long-acting RNA interference therapeutic agent that inhibits the synthesis of PCSK9. Findings from clinical studies suggest that inclisiran may be dosed every 6 months, with a 3 month timeframe only between first and second dose. Like the PCSK9 antibodies, inclisiran is an injectable therapy.

Clinical Experience

To date, bempedoic acid has been studied in almost 4,800 patients in completed Phase 2 and 3 studies conducted across multiple hypercholesterolemia patient populations: patients with elevated LDL-C levels; patients with Type 2 diabetes and elevated LDL-C levels; patients with elevated LDL-C levels and a history of statin intolerance; patients with elevated LDL-C levels taking low, moderate and high doses of the most commonly prescribed statins; and patients with both elevated LDL-C and hypertension. The individual design and results of each of the completed Phase 2 and Phase 3 clinical studies of bempedoic acid are summarized below.

Completed Clinical Studies

To date, we have completed the following Phase 3 clinical studies of the bempedoic acid / ezetimibe combination tablet:

Description	Title	Treatment Duration	Bempedoic acid / ezetimibe combination tablet	Bempedoic Acid	Ezetimibe	Placebo
1002FDC-053	Phase 3 efficacy and safety study of the bempedoic acid / ezetimibe combination tablet in patients with hypercholesterolemia (n=382) A randomized, double-blind, parallel group, placebo-controlled, multi-center study that evaluated the efficacy and safety of the bempedoic acid 180 mg / ezetimibe 10mg combination tablet versus bempedoic acid 180mg, ezetimibe 10mg and placebo in patients with hypercholesterolemia	12 weeks	108	110	109	55

To date, we have completed the following Phase 2 and Phase 3 clinical studies of bempedoic acid:

Description	Title	Treatment Duration	Subjects	
			Treated	Placebo
1002-048	Phase 3 global pivotal LDL-C lowering efficacy and safety study in patients with hypercholesterolemia not adequately controlled with current lipid-modifying therapy, including ezetimibe, and patients considered statin intolerant (n=269) A randomized, double-blind, placebo-controlled, multi-center study that evaluated the efficacy and safety of bempedoic acid 180 mg versus placebo in patients who are inadequately treated with current lipid-modifying therapies, including ezetimibe, in patients with hypercholesterolemia	12 weeks	181	88
1002-047	Phase 3 global pivotal long-term safety and tolerability study in patients with hypercholesterolemia on maximally tolerated background lipid-modifying therapy (n=779) A randomized, double-blind, placebo-controlled, multi-center study that evaluated the efficacy and safety of bempedoic acid 180 mg versus placebo in patients with hypercholesterolemia	52 weeks	522	257
1002-046	Phase 3 global pivotal LDL-C lowering efficacy and safety study in patients with hypercholesterolemia not adequately controlled with current lipid-modifying therapy and considered statin intolerant (n=345) A randomized, double-blind, placebo-controlled, multi-center study that evaluated the LDL-C lowering efficacy and safety of bempedoic acid 180 mg versus placebo added to background lipid-modifying therapy in patients with hypercholesterolemia considered statin intolerant	24 weeks	234	111

Description	Title	Treatment Duration	Subjects	
			Treated	Placebo
1002-040	Phase 3 global pivotal long-term safety and tolerability study in patients with hypercholesterolemia on maximally tolerated background lipid-modifying therapy (n=2,230)	52 weeks	1,488	742
	A randomized, double-blind, placebo-controlled, multicenter study that evaluated the long-term safety and tolerability of bempedoic acid 180 mg versus placebo on maximally tolerated lipid-modifying therapies in patients with hypercholesterolemia			
1002-039	Phase 2 efficacy and safety study of bempedoic acid when added-on to an injectable proprotein convertase subtilisin/kexin type 9 inhibitor, or PCSK9i, therapy in patients with hypercholesterolemia (n=59)	8 weeks	28	31
	A randomized, double-blind, placebo-controlled, multicenter study that evaluated the efficacy and safety of bempedoic acid 180 mg plus PCSK9i versus placebo plus PCSK9i in patients with hypercholesterolemia			
1002-038	Phase 2 clinical efficacy and safety study of the bempedoic acid / ezetimibe combination plus atorvastatin in patients with hypercholesterolemia (n=63)	6 weeks	43	20
	A randomized, double-blind, placebo-controlled study that evaluated 180 mg of bempedoic acid, 10 mg of ezetimibe, and 20 mg of atorvastatin in patients with hypercholesterolemia			
1002-035	Phase 2 PK/PD clinical study in patients treated with high-dose statin therapy (n=68)	4 weeks	45	23
	A randomized, double-blind, multi-center, placebo-controlled, parallel group clinical study that evaluated 180 mg of bempedoic acid versus placebo in patients already on stable 80 mg atorvastatin therapy			

Description	Title	Treatment Duration	Subjects	
			Treated	Placebo
1002-014	Phase 2 exploratory clinical safety study in patients with both elevated LDL-C and hypertension (n=143)	6 weeks	71	72
	A randomized, double-blind, multi-center, placebo-controlled, parallel group exploratory study that evaluated 180 mg of bempedoic acid versus placebo in patients with both elevated LDL-C and hypertension			
1002-009	Phase 2 clinical study in patients with elevated LDL-C already receiving statin therapy (n=134)	12 weeks	88	46
	A randomized, double-blind, multi-center placebo-controlled clinical study that evaluated 180 mg and 120 mg of bempedoic acid versus placebo in patients already on stable statin therapy			
1002-008	Phase 2 clinical study of safety and efficacy in patients with elevated LDL-C, with or without a history of statin intolerance (n=348)	12 Weeks	199 (BA) 49 (BA + EZE)	100 (EZE)
	A randomized, double-blind, parallel-group, multicenter study to evaluate the efficacy and safety of bempedoic acid monotherapy, or BA, ezetimibe monotherapy, or EZE, and the bempedoic / ezetimibe combination tablet, or BA + EZE, in patients with elevated LDL-C, with or without statin intolerance			
1002-007	Phase 2 clinical study of safety and pharmacokinetic interaction in patients with elevated LDL-C on a background of atorvastatin 10 mg (n=58)	8 Weeks	42	16
	Placebo-controlled, randomized, double-blind, drug interaction study to evaluate the safety, tolerability and effect on atorvastatin pharmacokinetics of bempedoic acid added to atorvastatin 10 mg/day in patients with elevated LDL-C			

Description	Title	Treatment Duration	Subjects	
			Treated	Placebo
1002-006	Phase 2 proof-of-concept clinical study in patients with elevated LDL-C and a history of statin intolerance (n=56)	8 Weeks	37	19
	Placebo-controlled, randomized, double-blind, multicenter study to evaluate the efficacy and safety of bempedoic acid in patients with elevated LDL-C and a history of statin intolerance			
1002-005	Phase 2 proof-of-concept clinical study in patients with elevated-LDL-C and Type 2 diabetes (n=60)	4 Weeks	30	30
	Placebo-controlled, randomized, double-blind, single site clinical study to evaluate the LDL-C lowering efficacy and safety of bempedoic acid in patients with Type 2 diabetes			
1002-003	Phase 2 proof-of-concept clinical study in patients with elevated LDL-C (n=177)	12 Weeks	133	44
	Placebo-controlled, randomized, double-blind, parallel group, multicenter clinical study to evaluate the LDL-C lowering efficacy and safety of bempedoic acid in patients with elevated LDL-C and either normal or elevated triglycerides			

Overall, bempedoic acid has been well-tolerated and associated with no dose-limiting adverse events, or AEs, in approximately 3,100 patients who received bempedoic acid in completed Phase 2 and Phase 3 studies as well as approximately 2,000 patients who received bempedoic acid over 52 weeks in duration.

Program Developments

On October 28, 2018, we announced the completion of the Phase 3 LDL-C lowering development program of bempedoic acid and positive cumulative results. The Phase 3 program included 3,621 high cardiovascular risk patients taking maximally tolerated statin, which could include no statin, who required additional LDL-C lowering. The program achieved its efficacy endpoints and other key measures at 12 weeks for bempedoic acid, including:

- On-treatment LDL-C lowering of an additional 18 percent to 31 percent (vs. placebo, $p < 0.001$), and in the intent to treat analysis LDL-C lowering of an additional 17 percent to 28 percent ($p < 0.001$).
- Reductions of 19 percent to 33 percent in hsCRP, an important marker of the underlying inflammation associated with cardiovascular disease.

- Reductions in hemoglobin A1c, or HbA1c, of 0.19% to 0.31% vs. placebo in patients with diabetes.

In the Phase 3 LDL-C lowering development program, adjudicated major adverse cardiovascular events, or MACE, in the bempedoic acid arm as compared to placebo were the following:

**Adjudicated MACE Events in Bempedoic Acid Compared to Placebo
(Cumulative Phase 3 Study Data)**

	% of Patients	
	Bempedoic Acid N=2,424	Placebo N=1,197
Major Adverse Cardiovascular Events (MACE)		
3-component MACE	1.9%	2.3%
4-component MACE	3.8%	4.2%
5-component MACE	4.0%	4.6%

In the Phase 3 program bempedoic acid was observed to be safe and well-tolerated. The vast majority (>80%) of patients were studied for 52 weeks. Across the program there were no clinically relevant differences between the bempedoic acid and placebo treatment groups in the occurrence of adverse events, with summarized results as follows:

**Adverse Events in Treatment Groups
(Cumulative Phase 3 Study Data)**

	% of Patients	
	Bempedoic Acid N=2,424	Placebo N=1,197
Treatment Emergent Adverse Events (AEs)		
<i>Overview of AEs in All Patients (patient incidence)</i>		
Any AE(s)	73%	73%
Serious AE(s)	14%	13%
Discontinuation due to AE(s)	11%	8%

	Bempedoic Acid	Placebo
	N=2,424	N=1,197
<i>Fatal Adverse Events—Unrelated to Study Medication</i>		
Cardiovascular death	0.4%	0.3%
Non-Cardiovascular death		
Neoplasms	0.2%	0.0%
Sepsis/septic shock	0.1%	0.1%
Other	0.1%	0.0%

- Fatal adverse events were very low overall at 0.8% in the bempedoic acid arm and 0.3% in the placebo arm, respectively (compared to a 1.8% annual fatality rate for people aged 65-74 years, according to the CDC).
- No fatal adverse events were determined by the independent study investigator to be related to study medication.
- The bempedoic acid arm included a case of gas poisoning and a case of pancreatitis resulting from a pancreatic pseudocyst.
- An imbalance in deaths due to neoplasms was noted, occurring in 0 (0.0%) subjects in the placebo group and 5 (0.2%) subjects in the bempedoic acid group. All affected subjects were current or former smokers, the time to onset was short (3-120 days and one at day 235 after first

treatment of bempedoic acid), and the overall incidence of fatal and nonfatal SAE neoplasms was balanced between treatment groups.

- In the global pool of phase 3 studies combined, there were a total of 23 on-study deaths: 4 deaths (0.3%) in the control group and 19 deaths (0.8%) in the bempedoic acid group. The majority of these deaths were adjudicated as cardiovascular, which is not unexpected given the high cardiovascular risk profile of the population studied. Of note, there were fewer 3-, 4-, and 5-component major adjudicated cardiovascular events in the bempedoic acid group compared to the placebo group. Of import, the numbers are too small to draw any conclusions regarding the effect of bempedoic acid on reduction of risk of overall mortality.

Phase 3 Clinical Studies Completed in 2018

Study 2—Global pivotal Phase 3 long-term safety and tolerability study in patients with hypercholesterolemia on maximally tolerated background lipid-modifying therapy

On October 28, 2018, we announced the top-line results from the pivotal Phase 3 study, Study 2 (1002-047). The 52-week, global, pivotal, Phase 3 randomized, double-blind, placebo-controlled, multicenter study evaluated the efficacy and safety of bempedoic acid 180 mg/day versus placebo in high CVD risk patients with hypercholesterolemia with ASCVD and/or HeFH, whose LDL-C is inadequately controlled with current lipid-modifying therapies, and who are taking maximally tolerated statin therapy. The study was conducted at 93 sites in North America and Europe. A total of 779 patients were randomized 2:1 to receive bempedoic acid or placebo. The primary objective was to assess the 12-week LDL-C lowering efficacy of patients treated with bempedoic versus placebo. Secondary objectives included evaluating the safety and tolerability of bempedoic acid versus placebo, the 24-week and 52-week LDL-C lowering efficacy of bempedoic acid versus placebo, and its effect on other risk markers after 12 weeks of treatment, including hsCRP. While analyses of the complete efficacy and safety results from Study 2 are ongoing, the top-line results are summarized as follows:

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (LDL-C On-Treatment Analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid	476	119 (38)	97 (34)	-16% (1.1)	<0.001
Placebo	245	122 (38)	123 (41)	+2% (1.4)	—
Total	721			-18%	<0.001

LS = least squares; SD = standard deviation; SE = standard error; mITT population

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (Intent to Treat Analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid	522	119 (38)	98 (34)	-15% (1.1)	<0.001
Placebo	257	122 (38)	123 (41)	+2% (1.4)	—
Total	779			-17%	<0.001

LS = least squares; SD = standard deviation; SE = standard error; ITT population

Adverse Events and Discontinuations at 52 Weeks

	% of Patients	
	Bempedoic Acid N=522	Placebo N=257
Treatment Emergent Adverse Events (AEs)		
<i>Overview of AEs in All Patients</i>		
Any AE(s)	70%	71%
Serious AE(s)	20%	19%
Discontinuation due to AE(s)	11%	9%

	Bempedoic Acid	Placebo
	N=522	N=257
<i>Fatal Adverse Events—Unrelated to Study Medication</i>		
Cardiovascular death	0.8%	0.8%
Non-Cardiovascular death		
Septic shock ⁽¹⁾	0.2%	0.0%
Gas poisoning ⁽²⁾	0.2%	0.0%

(1) Patient died from septic shock that was a complication of planned abdominal surgery

(2) Death was reported verbatim as CO2 gas poisoning

hsCRP Nonparametric Analysis

Treatment Group	Number of Patients	Baseline Level (mg/L)	Percent Change from Baseline	
			Median Change	P Value
Bempedoic Acid	467	1.6	-19%	.039
Placebo	240	1.9	-9%	—

- Bempedoic acid was observed to be safe and well-tolerated over a 52-week period. There were no clinically relevant differences between bempedoic acid and the placebo groups in the occurrence of AEs, SAEs, discontinuations due to AEs, or fatal AEs unrelated to study medication.
- After twelve weeks of treatment with bempedoic acid, LDL-C levels were lowered by 18% ($p < 0.001$), with a decrease of 16% from baseline for the patients treated with bempedoic acid and an increase of 2% for patients who received placebo. The study met its primary endpoint with LDL-C lowering of 17% ($p < 0.001$) at 12 weeks in the intent to treat (ITT) analysis (an absolute reduction of 21 mg/dL from baseline), with a decrease of 15% for patients who received bempedoic acid and an increase of 2% for patients who received placebo.
- hsCRP, a marker of the underlying inflammation associated with CVD, was reduced by 19% ($p = .039$) for patients dosed with bempedoic acid after twelve weeks of therapy, versus a 9% decrease with placebo.
- Clinically significant reductions in total cholesterol, apoB and non-HDL-C were seen in the patients treated with bempedoic acid.

On August 27, 2018, we announced the top-line results from the pivotal Phase 3 bempedoic acid / ezetimibe combination tablet study (1002FDC-053). The 12-week, pivotal Phase 3 randomized, double-blind, parallel group, multicenter study evaluated the efficacy and safety of bempedoic acid 180 mg / ezetimibe 10 mg combination tablet compared to bempedoic acid 180 mg alone, ezetimibe 10 mg alone or placebo in high-risk patients with ASCVD and/or HeFH or with multiple risk factors for ASCVD being treated with maximally tolerated statins. The study was conducted at 78 sites in North America. A total of 382 patients were randomized 2:2:2:1 to receive bempedoic acid 180 mg / ezetimibe 10 mg combination tablet, bempedoic acid 180 mg, ezetimibe 10mg or placebo. The co-primary objectives of the study were to assess LDL-C lowering efficacy in patients treated with the bempedoic acid / ezetimibe combination tablet versus placebo, 180 mg of bempedoic acid and 10 mg of ezetimibe alone. The secondary objectives included assessments of hsCRP, non-HDL-C, total cholesterol, or TC, and apoB after 12 weeks of treatment as well as characterizing the safety and tolerability of the combination tablet versus placebo alone, bempedoic acid alone, and ezetimibe alone. While analyses of the complete efficacy and safety results from 1002FDC-053 are ongoing, the top-line results are summarized as follows:

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (LDL-C On-Treatment Analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid / Ezetimibe Combination					
Tablet	97	152 (39)		-35% (2.4)	<0.001*
Bempedoic Acid	95	146 (36)		-20% (2.4)	—
Ezetimibe	95	147 (39)		-24% (2.1)	—
Placebo	49	153 (42)		-3% (3.4)	—

* vs. placebo

LS = least squares; SD = standard deviation; SE = standard error; mITT population

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (Intent to Treat Analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid / Ezetimibe Combination					
Tablet	108	152 (39)		-32% (2.5)	<0.001*
Bempedoic Acid	110	146 (36)		-18% (2.3)	—
Ezetimibe	109	147 (39)		-21% (2.0)	—
Placebo	55	153 (42)		-3% (3.1)	—

* vs. placebo

LS = least squares; SD = standard deviation; SE = standard error; ITT population

hsCRP Nonparametric Analysis

Treatment Group	Number of Patients	Baseline Level (mg/L)	Percent Change from Baseline	
			Median Change	P Value
Bempedoic Acid / Ezetimibe Combination Tablet	102	3.1	-34%	<0.05*
Bempedoic Acid	101	3.0	-20%	—
Ezetimibe	102	3.0	-9%	—
Placebo	52	3.0	+4%	—

* versus placebo and ezetimibe

- After 12 weeks of treatment with the bempedoic acid / ezetimibe combination tablet, LDL-C levels were lowered by 35% ($p<0.001$) compared to 24% for patients who received ezetimibe, 20% for patients that received bempedoic acid, and 3% for patients that received placebo in the on-treatment analysis. The study met its primary endpoint of LDL-C lowering of 32% at 12 weeks in the intent to treat (ITT) analysis, with a 21% lowering for patients who received ezetimibe ($p<0.001$), 18% for patients who received bempedoic acid ($p<0.001$), and 3% for patients who received placebo ($p<0.001$).
- hsCRP, a marker of inflammation associated with CVD, was reduced by 34% ($p<0.05$ vs. placebo and ezetimibe) for patients dosed with the bempedoic acid / ezetimibe combination tablet after twelve weeks of therapy, versus a 4% increase with placebo and reductions of 20% for bempedoic acid and 9% for ezetimibe.
- Clinically significant lowering of total cholesterol, apoB and non-HDL-C were seen in the patients treated with the bempedoic acid / ezetimibe combination tablet and bempedoic acid.
- The bempedoic acid / ezetimibe combination tablet and bempedoic acid were observed to be safe and well-tolerated in this study. There were no clinically relevant differences in the occurrence of SAEs and discontinuations due to AEs among the four patient groups.

Study 3—Global pivotal Phase 3 LDL-C lowering efficacy and safety study in patients with hypercholesterolemia not adequately controlled with current lipid-modifying therapy and considered statin intolerant

On May 23, 2018, we announced the top-line results from the pivotal Phase 3 study, Study 3 (1002-046). The 24-week, global, pivotal, Phase 3 randomized, double-blind, placebo-controlled, multicenter study evaluated the LDL-C lowering efficacy and safety of bempedoic acid 180 mg/day versus placebo added to background lipid-modifying therapy in patients with hypercholesterolemia who are considered statin intolerant. The study was conducted at 67 sites in the U.S. and Canada. A total of 345 patients were randomized 2:1 to receive bempedoic acid or placebo. The primary efficacy objective was to assess the 12-week LDL-C lowering efficacy of bempedoic acid versus placebo. Secondary objectives included evaluating the 24-week LDL-C lowering efficacy of bempedoic acid versus placebo, the safety and tolerability of bempedoic acid versus placebo, and its effects on other risk markers after 12 weeks of treatment, including hsCRP. Final results of the study were presented by Professor

Dr. med Ulrich Laufs, Director of Cardiology at Leipzig University on November 10, 2018 at the American Heart Association. The final results are summarized as follows:

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (LDL-C On-Treatment Analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid	204	158 (41)	116 (36)	-26% (1.3)	<0.001
Placebo	101	157 (40)	153 (43)	-2% (1.4)	—
Total	305			-24%	

LS = least squares; SD = standard deviation; SE = standard error; mITT population

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (Intent to Treat Analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid	234	159 (40)	120 (38)	-24% (1.3)	<0.001
Placebo	111	156 (39)	153 (42)	-1% (1.4)	—
Total ⁽¹⁾	345			-22%	

(1) Percent Change from Baseline presented reflects the final study rounded results.

LS = least squares; SD = standard deviation; SE = standard error; ITT population

hsCRP Nonparametric Analysis

Treatment Group	Number of Patients	Baseline Level (mg/L)	Percent Change from Baseline	
			Median Change	P Value
Bempedoic Acid	231	2.9	-25%	<0.001
Placebo	106	2.8	+3%	—

- After 12 weeks on treatment with bempedoic acid, LDL-C levels were lowered by 26% ($p<0.001$) in patients on bempedoic acid who remained on treatment at both week 12 and week 24 (an absolute reduction of 43 mg/dL from baseline) and a decrease of 2% for patients who received placebo. The study met its primary endpoint with LDL-C lowering of approximately 22% ($p<0.001$) at 12 weeks in the intent to treat (ITT) analysis (an absolute reduction of 39 mg/dL from baseline), with a decrease of 24% for patients who received bempedoic acid and a decrease of 1% for patients who received placebo.
- hsCRP, a marker of inflammation associated with CVD, was reduced by 25% ($p<0.001$) for patients dosed with bempedoic acid after twelve weeks of therapy, versus a 3% increase with placebo.
- Clinically significant reductions in total cholesterol, apoB and non-HDL-C were seen in the patients treated with the bempedoic acid.
- Bempedoic acid was observed to be safe and well-tolerated. There were no clinically relevant differences in the occurrence of AEs and no differences in discontinuations due to muscle-related AEs between the bempedoic acid group compared to the placebo group. Muscle-related adverse events were lower in the bempedoic acid group than in the placebo group.

Study 1—Global pivotal Phase 3 long-term safety and tolerability study in patients with hypercholesterolemia on maximally tolerated background lipid-modifying therapy

On May 2, 2018, we announced the top-line results from the pivotal Phase 3 study, Study 1 (1002-040). The 52-week, global, pivotal, Phase 3 randomized, double-blind, placebo-controlled, multicenter study evaluated the long-term safety and tolerability of bempedoic acid 180 mg/day versus placebo in high-risk patients with ASCVD and/or HeFH whose LDL-C is inadequately controlled with current lipid-modifying therapies, including maximally tolerated statin therapy. The study was conducted at 117 sites in the U.S., Canada and Europe. A total of 2,230 patients were randomized 2:1 to receive bempedoic acid or placebo. The primary objective was to assess the long-term safety and tolerability of bempedoic acid versus placebo over 52 weeks. The secondary objective was to assess the 12-week LDL-C lowering efficacy of bempedoic acid versus placebo. Tertiary objectives were to assess the effect of bempedoic acid on other lipid parameters and risk markers, including hsCRP. Final results of the study were presented by Kausik K. Ray, MBChB, MD, MPhil of Imperial College London on August 25, 2018 at the European Society of Cardiology. The final results are summarized as follows:

Adverse Events and Discontinuations at 52 Weeks

Treatment Emergent Adverse Events (AEs)	% of Patients	
	Bempedoic Acid N=1,487	Placebo N=742
Overview of AEs in All Patients (patient incidence)		
Any AE(s)	78.5%	78.7%
Serious AE(s)	14.5%	14.0%
Discontinuations due to AE(s)	10.9%	7.1%
Fatal Adverse Events—Unrelated to Study Treatment	0.9%	0.3%

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (On Treatment Analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid	1,335	104 (29)	83 (27)	-18% (0.5)	<0.001
Placebo	695	102 (30)	103 (35)	+2% (0.9)	—
Total	2,030			-20%	<0.001

LS = least squares; SD = standard deviation; SE = standard error; mITT population

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (Intent to Treat Analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid	1,487	104 (29)	84 (27)	-17% (0.5)	<0.001
Placebo	742	102 (30)	102 (35)	+2% (0.9)	—
Total⁽¹⁾	2,229			-18%	<0.001

(1) Percent Change from Baseline presented reflects the final study rounded results.

LS = least squares; SD = standard deviation; SE = standard error; ITT population

hsCRP Nonparametric Analysis

Treatment Group	Number of Patients	Baseline Level (mg/L)	Percent Change from Baseline	
			Median Change	P Value
Bempedoic Acid	1,421	1.49	-22%	<0.001
Placebo	724	1.51	+3%	—

- Bempedoic acid was observed to be safe and well-tolerated over a 52-week period, the primary endpoint of the study. There were no clinically relevant differences between bempedoic acid and the placebo groups in the occurrence of AEs, SAEs, discontinuations due to muscle-related AEs, or fatal AEs.
- After twelve weeks of treatment with bempedoic acid, LDL-C levels were lowered by 20% ($p<0.001$), with a decrease of 18% from baseline for the patients treated with bempedoic acid and an increase of 2% for patients who received placebo. The study met key efficacy endpoint with LDL-C lowering of approximately 18% ($p<0.001$) at 12 weeks in the intent to treat (ITT) analysis, with a decrease of 17% for patients who received bempedoic acid and an increase of 2% for patients who received placebo.
- hsCRP, a marker of the underlying inflammation associated with CVD, was reduced by 22% ($p<0.001$) for patients dosed with bempedoic acid after twelve weeks of therapy, versus a 3% increase with placebo.
- Clinically significant reductions in total cholesterol, apoB and non-HDL-C were seen in the patients treated with bempedoic acid.

Study 4—Global pivotal Phase 3 LDL-C lowering efficacy and safety study in patients with hypercholesterolemia not adequately controlled with current lipid-modifying therapy, including ezetimibe, and patients considered statin intolerant

On March 7, 2018, we announced the top-line results from the pivotal Phase 3 study, Study 4 (1002-048). The 12-week, global, pivotal, Phase 3 randomized, double-blind, placebo-controlled, multicenter study evaluated the efficacy and safety of bempedoic acid 180 mg/day versus placebo as add-on therapy in patients with ASCVD, or at a high risk for ASCVD, who are inadequately treated with current lipid-modifying therapies, including ezetimibe and up to the lowest approved daily starting dose of a statin. The study was conducted at 90 sites in the U.S., Canada and Europe. A total of 269 patients were randomized 2:1 to receive bempedoic acid or placebo. The primary objective was to assess the 12-week LDL-C-lowering efficacy of bempedoic acid versus placebo when added to ezetimibe and up to the lowest starting dose of a statin. Secondary objectives included evaluating the safety and tolerability of bempedoic acid versus placebo, and its effects on other risk markers, including hsCRP. Final results of the study were presented by Christie M. Ballantyne M.D. of Baylor College of Medicine

on June 12, 2018 at the XVIIIth International Symposium on Atherosclerosis, and were published simultaneously in the journal *Atherosclerosis*. The final results are summarized as follows:

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (On treatment analysis)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid	163	130 (31)	93 (35)	-27% (1.9)	<0.001
Placebo	79	123 (27)	128 (31)	+5% (2.2)	—
Total ⁽¹⁾	242			-31%	<0.001

(1) Percent Change from Baseline presented reflects the final study rounded results.

LS = least squares; SD = standard deviation; SE = standard error

LDL-Cholesterol Percent Change from Baseline to Week 12 Endpoint (Intent to Treat)

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 12 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid	181	130 (31)	96 (17)	-23% (2.0)	<0.001
Placebo	88	123 (27)	129 (27)	+5% (2.3)	—
Total	269			-28%	<0.001

LS = least squares; SD = standard deviation; SE = standard error; mITT population

hsCRP Nonparametric Analysis

Treatment Group	Number of Patients	Baseline Level (mg/L)	Percent Change from Baseline	
			Median Change	P Value
Bempedoic Acid	180	2.21	-33%	<0.001
Placebo	88	2.26	+2%	—

- After twelve weeks of treatment with bempedoic acid, LDL-C levels were lowered by approximately 31% ($p < 0.001$), with a decrease of 27% from baseline for the patients treated with bempedoic acid and an increase of 5% for patients who received placebo. After twelve weeks of treatment with bempedoic acid, the primary endpoint of the study, LDL-C levels were lowered by 28% ($p < 0.001$), with a decrease of 23% from baseline for the patients treated with bempedoic acid and an increase of 5% for patients who received placebo.
- hsCRP, a marker of the underlying inflammation associated with CVD, was reduced by 33% ($p < 0.001$) for patients dosed with bempedoic acid after twelve weeks of therapy, versus a 2% increase with placebo.
- Clinically significant reductions in total cholesterol, apoB and non-HDL-C were seen in the patients treated with the bempedoic acid / ezetimibe combination plus atorvastatin.
- Discontinuation rates for bempedoic acid were low and comparable to placebo. There were two patients out of 181 (1.1%) treated with bempedoic acid with increases ($> 3x$ the upper limit

of normal, repeated and confirmed) in liver function tests. The cumulative number of patients treated with bempedoic acid in Phase 2 studies and Study 4 total 947. Of these, six patients (0.65%) had elevations in liver function tests. The rate of elevations in liver function tests is consistent with the rate observed in Phase 2 clinical trials and with all other previously approved oral LDL-C lowering therapies, including statins and ezetimibe.

- Bempedoic acid was observed to be safe and well-tolerated. There were no differences in the occurrence of AEs, SAEs or muscle-related AEs; and no differences in discontinuations due to AEs or muscle-related AEs between the bempedoic acid group compared to the placebo group.

Phase 2 Clinical Studies Completed in 2018

1002-039—Phase 2 efficacy and safety study of bempedoic acid when added-on to a PCSK9i therapy in patients with hypercholesterolemia

On March 27, 2018, we announced top-line results from the Phase 2 clinical study (1002-039) of bempedoic acid when added-on to an injectable PCSK9i therapy. The eight-week Phase 2, randomized, double-blind, placebo-controlled, multicenter study evaluated the efficacy and safety of once-daily, oral bempedoic acid 180 mg in patients with hypercholesterolemia at screening (LDL-C \geq 160 mg/dL). These patients received 12 weeks of background injectable evolocumab 420 mg administered every four weeks prior to randomization. A total of 59 patients from 21 sites in the U.S. and Canada were then randomized 1:1 to receive bempedoic acid or placebo added-on to evolocumab for eight weeks. The primary efficacy objective was to assess the eight-week LDL-C lowering efficacy of bempedoic acid versus placebo in patients on a PCSK9 inhibitor. Secondary objectives included evaluating the safety and tolerability of bempedoic acid versus placebo and its effects on other risk markers, including hsCRP. While analyses of the complete efficacy and safety results from 1002-039 are ongoing, the top-line results are summarized as follows:

LDL-Cholesterol Percent Change from Baseline to Week 8 Endpoint

Treatment Group	Number of Patients	LDL-C Baseline Mean (SD) mg/dL	LDL-C Week 8 Endpoint Mean (SD) mg/dL	Percent Change from Baseline	
				LS Mean (SE)	P Value
Bempedoic Acid + PCSK9i	27	103 (29)	74 (26)	-27% (4.3)	<0.001
Placebo + PCSK9i	26	107 (34)	106 (25)	+3% (3.4)	—
Total	53			-30%	

LS = least squares; SD = standard deviation; SE = standard error; mITT population

hsCRP Nonparametric Analysis

Treatment Group	Number of Patients	Baseline Level (mg/L)	Percent Change from Baseline	
			Median Change	P Value
Bempedoic Acid + PCSK9i	27	3.0	-34%	<0.029
Placebo + PCSK9i	25	1.9	-2%	—

- After eight weeks of treatment with bempedoic acid added-on to PCSK9i, the primary endpoint of the study, LDL-C levels were lowered by an additional 30% (p<0.001), with a decrease of 27% from baseline for the patients treated with bempedoic acid and an increase of 3% for patients who received placebo.

- hsCRP, a marker of inflammation associated with CVD, was reduced by 34% ($p < 0.029$) for patients dosed with bempedoic acid added-on to PCSK9i after eight weeks of therapy, versus a 2% reduction with placebo.
- Clinically significant reductions in total cholesterol, apoB and non-HDL-C were seen in the patients treated with the bempedoic acid.
- No discontinuation occurred during the study. There were no increases (repeated and confirmed) in liver function tests.
- Bempedoic acid was observed to be safe and well-tolerated. There were essentially no differences in the occurrence of AEs, SAEs or muscle-related AEs between the bempedoic acid and placebo groups.

Overall Safety Observations

To date, in completed studies, approximately 3,100 patients have been treated with bempedoic acid for periods of up to 52 weeks and maximum repeated doses of 240 mg per day. Bempedoic acid has

been safe and well-tolerated with no dose-limiting side effects identified to date in our ongoing or completed clinical studies. No clinical safety trends have emerged to date.

Study	Phase	Patient Population	Study Design	Duration	Patients (Treated)	Doses	LDL-C Lowering Efficacy (placebo corrected)
1002FDC-0531003	Phase 3	Elevated LDL-C; ASCVD and/or HeFH or with multiple risk factors for ASCVD	Placebo controlled, 180 mg BA, 10 mg ezetimibe, and placebo	12 weeks	382 (218)	180 mg bempedoic acid, 10 mg ezetimibe, 180 mg + 10mg ezetimibe	32%
1002-048	Phase 3	Elevated LDL-C; ASCVD or at high risk for ASCVD	Placebo controlled	12 weeks	269 (181)	180 mg	31%
1002-047	Phase 3	Elevated LDL-C; ASCVD and/or HeFH	Placebo controlled	52 weeks	779 (522)	180 mg	18%
1002-046	Phase 3	Elevated LDL-C; ASCVD or a high risk for ASCVD	Placebo controlled	24 weeks	345 (234)	180 mg	24%
1003-040	Phase 3	Elevated LDL-C; ASCVD and/or HeFH	Placebo controlled	52 weeks	2,230 (1,487)	180 mg	20%
1002-039	Phase 2	Elevated LDL-C	Placebo controlled, PCSK9i add-on and 4-week pre-treatment	8 weeks	59 (27)	180 mg, 420 mg evolocumab	30%
1002-038	Phase 2	Elevated LDL-C	Placebo controlled	6 weeks	63 (43)	180 mg bempedoic acid, 10 mg ezetimibe, 20 mg atorvastatin	64%
1002-035	Phase 2	Elevated LDL-C	Placebo controlled, 80 mg atorvastatin	4 weeks	68 (45)	180 mg	22%
1002-014	Phase 2	Elevated LDL-C; hypertension	Placebo controlled	6 weeks	143 (71)	180mg	Up to 24%
1002-009	Phase 2	Elevated LDL-C; statin add-on	Placebo controlled	12 weeks	134 (89)	120mg, 180mg	Up to 20%
1002-008	Phase 2	Elevated LDL-C; statin intolerant and tolerant	Monotherapy and in combination with ezetimibe	12 weeks	349 (250)	120 mg, 180 mg	Up to 30% Up to 48%
1002-007	Phase 2	Elevated LDL-C; statin add-on	Placebo controlled, 10 mg atorvastatin	8 weeks	58 (42)	60, 120, 180, 240 mg	Up to 22%
1002-006	Phase 2	Elevated LDL-C; statin intolerant	Placebo controlled	8 weeks	56 (37)	60, 120, 180, 240 mg	Up to 29%
1002-005	Phase 2	Elevated LDL-C; T2DM	Placebo controlled	4 weeks	60 (30)	80, 120 mg	Up to 39%
1002-004	Phase 1	Healthy subjects	Multiple ascending dose, PK	2 weeks	24 (18)	40, 180, 220 mg	Up to 36%
1002-003	Phase 2	Elevated LDL-C	Placebo controlled	12 weeks	177 (133)	40, 80, 120 mg	Up to 25%
1002-002	Phase 1	Healthy subjects	Multiple ascending dose, PK/PD	2/4 weeks	53 (39)	20, 60, 100, 120 mg	Up to 17%
1002-001	Phase 1	Healthy subjects	Single dose, PK	Single dose	18 (18)	2.5, 10, 45, 125, 250 mg	Not applicable

Ongoing Clinical Studies

1002FDC-058—Phase 2 efficacy and safety study of the bempedoic acid / ezetimibe combination tablet in patients with hypercholesterolemia and Type 2 Diabetes

1002FDC-058 is a Phase 2 clinical study assessing the efficacy and safety of the bempedoic acid / ezetimibe combination tablet in patients with hypercholesterolemia and type 2 diabetes. Initiated in June 2018, the 12-week, randomized, double-blind, placebo-controlled, parallel-dose study consists of three treatment arms evaluating the efficacy and safety of a once-daily, oral fixed dose combination tablet of bempedoic acid 180 mg and ezetimibe 10 mg versus placebo and versus ezetimibe 10 mg alone. The study is expected to enroll approximately 168 patients at approximately 45 sites across the U.S. The co-primary objectives of the study are to assess the 12-week LDL-C lowering efficacy in patients treated with the bempedoic acid / ezetimibe combination tablet versus placebo and versus ezetimibe 10 mg alone. Secondary objectives include evaluating 12-week hsCRP, non-HDL-C, apoB, total cholesterol and triglycerides. Exploratory objectives include 12-week HbA1c, fasting glucose,

fasting insulin and additional glycemc measurements. We expect to report top-line results in the second half of 2019.

Open-Label Extension of Study 1—Global pivotal Phase 3 long-term safety and tolerability study in patients with hypercholesterolemia on maximally tolerated background lipid-modifying therapy

Safety data will be obtained from an open-label extension study which completed enrollment of 1,462 of the 2,230 patients enrolled in Study 1 in March 2018. Initiated in February 2017, this open-label extension study will evaluate the long-term safety of bempedoic acid 180 mg in high CVD risk patients with hypercholesterolemia and with ASCVD and/or HeFH whose LDL-C is not adequately controlled with current lipid-modifying therapies, and who are taking maximally tolerated statin therapy. This open-label extension study will be conducted at approximately 100 sites included in the parent study in the U.S., Canada and Europe. The primary objective is to assess the long-term safety in patients treated with bempedoic acid for up to 1.5 years. Secondary objectives include evaluating the 52- and 78-week effects of bempedoic acid on lipid and cardiometabolic risk markers, including LDL-C, non-HDL-C, total cholesterol, apoB and hsCRP.

Global Cardiovascular Outcomes Trial—CLEAR Outcomes

CLEAR Outcomes is an event driven, global, randomized, double-blind, placebo-controlled study to assess the effects of bempedoic acid in patients with ASCVD and/or HeFH, or who are at high risk for CVD, with hypercholesterolemia and who are only able to tolerate less than the lowest approved daily starting dose of a statin and can be considered statin intolerant. The CLEAR Outcomes CVOT is expected to enroll approximately 12,600 patients with ASCVD or at high risk for CVD in over 1,000 sites in approximately 30 countries. The study is expected to enroll over a 30 month period with a total estimated study duration of approximately 4.75 years. The expected average treatment duration will be 3.75 years with a minimum treatment duration of approximately 2.25 years. Patients enrolling in the study will be required to have a history of, or be at high risk for, CVD with LDL-C levels greater than 100 mg/dL despite background lipid-lowering therapy, resulting in an expected average baseline LDL-C level in all patients of approximately 135 mg/dL. The primary efficacy endpoint of the event-driven global study is the effect of bempedoic acid versus placebo on the risk of major adverse cardiovascular events (cardiovascular death, non-fatal myocardial infarction, non-fatal stroke, or coronary revascularization; also referred to as "four-component MACE"). We initiated CLEAR Outcomes in December 2016, and the study is intended to support our submissions for a CV risk reduction indication in the U.S. and Europe by 2022.

Research and Development Expenses

Research and development expenses for the year ended December 31, 2018, were \$171.5 million, which was primarily related to clinical development costs relating to the completion of four global pivotal Phase 3 studies for bempedoic acid and the pivotal Phase 3 study for the bempedoic acid / ezetimibe combination tablet, the ongoing CLEAR Outcomes CVOT and compensation related costs, including stock-based compensation.

Sales and Marketing

We are currently establishing our commercialization and distribution capabilities. We intend to grow our commercial operations functions substantially upon FDA approval of the bempedoic acid / ezetimibe combination tablet and bempedoic acid. We recently announced a collaboration agreement for the commercialization of bempedoic acid and the bempedoic acid / ezetimibe combination tablet in the DSE Territory. We plan to invest resources to develop the appropriate commercial infrastructure to launch the bempedoic acid / ezetimibe combination tablet and bempedoic acid in the United States, if

approved, as an accessible, convenient, cost-effective, oral, once-daily treatment option for patients with elevated LDL-C.

We continue to engage in partnering discussions with potential third party collaborators. We intend to seek approval and launch commercial sales of the bempedoic acid / ezetimibe combination tablet and bempedoic acid in territories outside of the United States and Europe by establishing additional collaborations with one or more pharmaceutical company collaborators, depending on, among other things, the applicable indications, the related development costs and our available resources.

Manufacturing and Supply

Bempedoic acid and the bempedoic acid / ezetimibe combination tablet are small molecule drugs that are synthesized from readily available raw materials using conventional chemical processes. We currently have no manufacturing facilities. We rely on contract manufacturers to produce both drug substances and drug products required for our clinical studies. All lots of drug substance and drug product used in clinical studies are manufactured under current good manufacturing practices. We plan to continue to rely upon contract manufacturers and, potentially, collaboration partners to manufacture commercial quantities of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved.

Licenses

In April 2008, we entered into an asset transfer agreement with Pfizer pursuant to which we acquired all intellectual property owned by Pfizer relating exclusively to the bempedoic acid program. We also entered into a license agreement providing a worldwide, exclusive, fully paid-up license of certain residual background intellectual property not transferred pursuant to the asset transfer agreement, and we granted Pfizer a worldwide, exclusive, fully paid-up license to certain patent rights owned or controlled by us relating to development programs other than bempedoic acid. The license to us covers the development, manufacturing and commercialization of bempedoic acid. There are no restrictions or limitations and we may grant sublicenses under the license agreements. Pfizer is not entitled to any royalties, milestones or any similar development or commercialization payments under the terms of the agreements, and the licenses granted are irrevocable and may not be terminated for any cause, including intentional breaches or breaches caused by gross negligence.

On January 2, 2019, we entered into a license and collaboration agreement with DSE. Pursuant to the agreement, we have granted DSE exclusive commercialization rights to bempedoic acid and the bempedoic acid / ezetimibe combination tablet in the European Economic Area and Switzerland, or the DSE Territory. DSE will be responsible for commercialization in the DSE Territory. We remain responsible for clinical development, regulatory and manufacturing activities for the licensed products globally, including in the DSE Territory.

For additional details on the DSE agreement, see Note 15 to our financial statements appearing elsewhere in this Annual Report.

Intellectual Property

We strive to protect and enhance the proprietary technologies that we believe are important to our business, including seeking and maintaining patents intended to cover our products and compositions, their methods of use and any other inventions that are important to the development of our business. We also rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection.

Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to our

business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of third parties. We also rely on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain the proprietary position of the bempedoic acid / ezetimibe combination tablet, bempedoic acid and our other development programs.

As of December 31, 2018, our patent estate, including patents we own, on a worldwide basis, included approximately 24 issued United States patents and 12 pending United States patent applications and 19 issued patents and 45 pending patent applications in other foreign jurisdictions. Of our worldwide patent estate, only a subset of our patents and pending patent applications relates to our bempedoic acid program.

Bempedoic acid is claimed in U.S. Patent No. 7,335,799 that is scheduled to expire in December 2025, which includes 711 days of patent term adjustment, and may be eligible for a patent term extension period of up to five years. U.S. Patent Nos. 9,000,041, 8,497,301, 9,624,152 and 10,118,881 claim methods of using bempedoic acid. There are currently six issued patents and one pending application in countries outside the United States that relate to bempedoic acid and its use. Furthermore, of the six granted patents, we have two granted European patents that have been validated in numerous European countries including France, Germany, Great Britain, Ireland, Italy, the Netherlands, Spain, Sweden and Switzerland.

In addition, we have three patent families in which we are pursuing patent protection for our bempedoic acid / ezetimibe combination tablet and bempedoic acid in combination with one or more statins. We have one pending U.S. patent application and 18 pending applications outside the U.S. with claims directed to methods of treatment using the bempedoic acid / ezetimibe combination. Additionally, we own one pending U.S. patent application and three pending applications outside of the U.S. directed to the manufacturing of our bempedoic acid / ezetimibe combination tablet. We also have one pending U.S. patent application and 18 pending application outside the U.S., with claims directed to methods of treatment using a fixed dose combination of bempedoic acid and one or more statins.

In addition to the patents we own, we also hold an exclusive, worldwide, fully paid-up license on any residual background intellectual property not transferred from Pfizer pursuant to the asset transfer agreement.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the date of filing a non-provisional application. In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the U.S. Patent and Trademark Office in granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier-filed patent. In addition, in certain instances, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. However, the restoration period cannot be longer than five years and the total patent term including the restoration period must not exceed 14 years following FDA approval. We expect to seek extensions of patent terms in the United States and, if available, in other countries where we have or are pursuing patent protection for our product candidates. However, the applicable authorities, including the FDA and the U.S. Patent and Trademark Office, or USPTO, in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. The duration of foreign patents varies in accordance with provisions of applicable local law, but typically is also twenty years from the earliest effective filing date. Our issued U.S. patents, including patent term extensions we may be eligible for, will expire on dates ranging from 2021 to 2030. However, the actual protection afforded by a patent varies on a claim by claim basis for each applicable product, from country to country and depends upon many factors, including the type of patent, the

scope of its coverage, the availability of regulatory related extensions, the availability of legal remedies in a particular country and the validity and enforceability of the patent.

Furthermore, the patent positions of biotechnology and pharmaceutical products and processes like those we intend to develop and commercialize are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the breadth of claims allowed in such patents has emerged to date in the U.S. The patent situation outside the U.S. is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the U.S. and other countries can diminish our ability to protect our inventions, and enforce our intellectual property rights and more generally, could affect the value of our intellectual property. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents.

The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Our ability to maintain and solidify our proprietary position for our drugs and technology will depend on our success in obtaining effective claims and enforcing those claims once granted. We do not know whether any of the patent applications that we may file or license from third parties will result in the issuance of any patents. The issued patents that we own or may receive in the future, may be challenged, invalidated or circumvented, and the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may be able to independently develop and commercialize similar drugs or duplicate our technology, business model or strategy without infringing our patents. Because of the extensive time required for clinical development and regulatory review of a drug we may develop, it is possible that, before any of our drugs can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of any such patent.

We may rely, in some circumstances, on trade secrets and unpatented know-how to protect our technology. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our consultants, scientific advisors and contractors and invention assignment agreements with our employees. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For more information, please see "Risk Factors—Risks Related to our Intellectual Property."

Our commercial success will also depend in part on not infringing the proprietary rights of third parties. It is uncertain whether the issuance of any third-party patent would require us to alter our development or commercial strategies, or our drugs or processes, obtain licenses or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our future drugs may have a material adverse impact on us. If third parties prepare and file patent applications in the U.S. that also claim technology to which we have rights, we may have to participate in an interference or derivation proceeding at the USPTO, to determine who is entitled to claim invention.

In addition, substantial scientific and commercial research has been conducted for many years in the areas in which we have focused our development efforts, which has resulted in third parties having a number of issued patents and pending patent applications. Patent applications in the U.S. and elsewhere are published only after eighteen months from the priority date. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on

which the underlying discoveries were made. Therefore, patent applications relating to drugs similar to bempedoic acid and any future drugs, discoveries or technologies we might develop may have already been filed by others without our knowledge.

Competition

Our industry is highly competitive and subject to rapid and significant technological change. Our potential competitors include large pharmaceutical and biotechnology companies, specialty pharmaceutical and generic drug companies, academic institutions, government agencies and research institutions. Key competitive factors affecting the commercial success of our product candidates are likely to be efficacy, safety and tolerability profile, reliability, convenience of dosing, price and reimbursement.

The market for cholesterol regulating therapies is especially large and competitive. The product candidates we are currently developing, if approved, will face intense competition, either as monotherapies or as combination therapies.

Many of our existing or potential competitors have substantially greater financial, technical and human resources than we do and significantly greater experience in the discovery and development of product candidates, obtaining FDA and other regulatory approvals of products and the commercialization of those products. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a small number of our competitors. Accordingly, our competitors may be more successful than we may be in obtaining FDA approval for drugs and achieving widespread market acceptance. Our competitors' drugs may be more effective, or more effectively marketed and sold, than any drug we may commercialize and may render our product candidates obsolete or non-competitive before we can recover the expenses of developing and commercializing any of our product candidates. Our competitors may also obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours. We anticipate that we will face intense and increasing competition as new drugs enter the market and advanced technologies become available. Finally, the development of new treatment methods for the diseases we are targeting could render our drugs non-competitive or obsolete. See "Risk Factors—Risks Related to our Business and the Clinical Development and Commercialization of Our Product Candidates—Our market is subject to intense competition. If we are unable to compete effectively, our opportunity to generate revenue from the sale of the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved, will be materially adversely affected."

Regulatory Matters

Government Regulation and Product Approval

Government authorities in the United States at the federal, state and local level, and other countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing, export and import of products such as those we are developing. Our product candidates, including the bempedoic acid / ezetimibe combination tablet and bempedoic acid, must be approved by the FDA through the NDA process before they may legally be marketed in the United States.

United States Drug Development Process

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and implementing regulations. The process of obtaining regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, warning letters, voluntary product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of nonclinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices regulations;
- submission to the FDA of an IND, which must become effective before human clinical studies may begin;
- performance of adequate and well-controlled human clinical studies according to Good Clinical Practices, or GCP, to establish the safety and efficacy of the proposed drug for its intended use;
- submission to the FDA of an NDA for a new drug;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug is produced to assess compliance with current good manufacturing process, or cGMP;
- satisfactory completion of any FDA audits of clinical trial sites to assess compliance with GCP and assure the integrity of clinical data in support of the NDA; and
- FDA review and approval of the NDA.

The testing and approval process requires substantial time, effort and financial resources and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all.

Once a pharmaceutical product candidate is identified for development, it enters the nonclinical, also referred to as preclinical, testing stage. Nonclinical tests include laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. An investigational new drug, or IND, sponsor must submit the results of the nonclinical tests, together with manufacturing information, analytical data and any available clinical data or literature, to the FDA as part of the IND. The sponsor must also include a protocol detailing, among other things, the objectives of the initial clinical study, dosing procedures, subject selection and exclusion criteria, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated if the initial clinical study lends itself to an efficacy evaluation. Some nonclinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA places the clinical study on a clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical study can begin. Clinical holds also may be imposed by the FDA at any time before or during clinical studies due to safety concerns or non-compliance, and may be imposed on all drug products within a certain class of drugs. The FDA also can impose partial clinical holds, for example prohibiting the initiation of clinical studies of a certain duration or for a certain dose.

All clinical studies must be conducted under the supervision of one or more qualified investigators in accordance with GCP regulations. These regulations include the requirement that all research

subjects provide informed consent. Further, an institutional review board, or IRB, must review and approve the plan for any clinical study before it commences at any institution. An IRB considers, among other things, whether the risks to individuals participating in the clinical study are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the information regarding the clinical study and the consent form that must be provided to each clinical study subject or his or her legal representative and must monitor the clinical study until completed.

Each new clinical protocol and any amendments to the protocol must be submitted to the IND for FDA review, and to the IRBs for approval. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.

Human clinical studies are typically conducted in three sequential phases that may overlap or be combined:

- *Phase 1.* The product is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion. In the case of some products for severe or life-threatening diseases, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing may be conducted in patients.
- *Phase 2.* Involves clinical studies in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage and schedule.
- *Phase 3.* Clinical studies are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These clinical studies are intended to establish the overall risk/benefit ratio of the product and provide an adequate basis for product labeling.

Progress reports detailing the results of the clinical studies must be submitted at least annually to the FDA and IND safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse events, including any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator's brochure, or any findings from other studies or animal or *in vitro* testing that suggest a significant risk in humans exposed to the product candidate. Phase 1, Phase 2 and Phase 3 testing may not be completed successfully within any specified period, if at all. The FDA or the sponsor may suspend or terminate a clinical study at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical study at its institution if the clinical study is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients.

A drug being studied in clinical trials may be made available to individual patients in certain circumstances. Pursuant to the 21st Century Cures Act, or Cures Act, which was signed into law in December 2016, the manufacturer of an investigational drug for a serious disease or condition is required to make available, such as by posting on its website, its policy on evaluating and responding to requests for individual patient access to such investigational drug.

Concurrent with clinical studies, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

European Union Drug Development

In the European Union, or EU, our product candidates also are subject to extensive regulatory requirements. As in the United States, medicinal products can be marketed only if a marketing authorization from the competent regulatory agencies has been obtained.

Similar to the United States, the various phases of preclinical and clinical research in the European Union are subject to significant regulatory controls. Although the EU Clinical Trials Directive 2001/20/EC sought to harmonize the EU clinical trials regulatory framework, setting out common rules for the control and authorization of clinical trials in the EU, the EU Member States have transposed and applied the provisions of the Directive differently. This has led to significant variations in the member state regimes. Under the current regime, before a clinical trial can be initiated it must be approved in each of the EU countries where the trial is to be conducted by two distinct bodies: the National Competent Authority, or NCA, and one or more Ethics Committees, or ECs. Under the current regime all suspected unexpected serious adverse reactions to the investigated drug that occur during the clinical trial have to be reported to the NCA and ECs of the Member State where they occurred.

The EU clinical trials legislation currently is undergoing a transition process mainly aimed at harmonizing and streamlining clinical trial authorization, simplifying adverse event reporting procedures, improving the supervision of clinical trials and increasing their transparency. Recently enacted Clinical Trials Regulation EU No 536/2014 ensures that the rules for conducting clinical trials in the EU will be identical.

U.S. Review and Approval Processes

The results of product development, nonclinical studies and clinical studies, along with descriptions of the manufacturing process, analytical tests conducted on the drug, proposed labeling and other relevant information, are submitted to the FDA as part of an NDA for a new drug, requesting approval to market the product. The submission of an NDA is subject to the payment of a substantial user fee; a waiver of such fee may be obtained under certain limited circumstances. For example, the agency will waive the application fee for the first human drug application that a small business or its affiliate submits for review. The Company obtained a Small Business Waiver from the FDA related to bempedoic acid. There is also an annual prescription drug program fee for each approved prescription drug product on the market.

In addition, under the Pediatric Research Equity Act of 2003, or PREA, made into permanent law pursuant to Food and Drug Administration Safety and Innovation Act (FDASIA), an NDA or supplement to an NDA must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of data or full or partial waivers.

The FDA reviews all NDAs submitted to ensure that they are sufficiently complete for substantive review before it accepts them for filing. The FDA may request additional information rather than accept an NDA for filing. In this event, the NDA must be re-submitted with the additional information. The re-submitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use and whether its manufacturing is cGMP-compliant to assure and preserve the product's identity, strength, quality and purity. Before approving an NDA, the FDA will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA also can require,

or an NDA applicant may voluntarily propose, a Risk Evaluation and Mitigation Strategy, or REMS, to ensure the benefits of a drug outweigh its risks. Elements of a REMS may include "dear doctor letters," a medication guide, and in some cases restrictions on distribution. These elements are negotiated as part of the NDA approval, and in some cases may delay the approval date. Once adopted, REMS are subject to periodic assessment and modification. The FDA may refer the NDA to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions. An advisory committee is a panel of experts who provide advice and recommendations when requested by the FDA on matters of importance that come before the agency. The FDA is not bound by the recommendation of an advisory committee.

The approval process is lengthy and difficult and the FDA may refuse to approve an NDA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. Even if such data and information are submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data obtained from clinical studies are not always conclusive and the FDA may interpret data differently than we interpret the same data. The FDA will issue a complete response letter if the agency decides not to approve the NDA in its present form. The complete response letter usually describes all of the specific deficiencies that the FDA identified in the NDA. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical studies. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

If a product receives regulatory approval, the approval may be significantly limited to specific patient populations, therapeutic settings, risk categories of disease, and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require further Phase 3 and Phase 4 testing to be conducted, which involves clinical studies designed to further assess a drug's safety and effectiveness after NDA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

European Union Drug Review and Approval

In the European Economic Area, or EEA, which is comprised of the 28 Member States of the EU and Iceland, Liechtenstein, and Norway, medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. There are two types of marketing authorizations.

The Community MA is issued by the European Commission through the Centralized Procedure, based on the opinion of the Committee for Medicinal Products for Human Use, or CHMP, of the EMA and is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, advanced therapy medicines such as gene therapy, somatic cell therapy or tissue engineered medicines and medicinal products containing a new active substance indicated for the treatment of HIV, AIDS, cancer, neurodegenerative disorders, diabetes, autoimmune and other immune dysfunctions and viral diseases. The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU.

National MAs, which are issued by the Competent Authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the Centralized Procedure.

Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in other Member States through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure. Under the Decentralized Procedure an identical dossier is submitted to the Competent Authorities of each of the Member States in which the MA is sought, one of which is selected by the applicant as the Reference Member State, or RMS. The Competent Authority of the RMS prepares a draft assessment report, a draft summary of the product characteristics, or SPC, and a draft of the labeling and package leaflet, which are sent to the other Member States (referred to as the Member States Concerned) for their approval. If the Member States Concerned raise no objections, based on a potential serious risk to public health, to the assessment, SPC, labeling, or packaging proposed by the RMS, the product is subsequently granted a national MA in all the Member States (i.e., in the RMS and the Member States Concerned).

Under the above described procedures, before granting the MA, the EMA or the Competent Authorities of the Member States of the EEA make an assessment of the risk benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of the use of our product candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA plus the time between the submission date of an NDA and the approval of that application. Only one patent applicable to an approved drug is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The U.S. Patent and Trademark Office, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, we intend to apply for restorations of patent term for some of our currently owned or licensed patents to add patent life beyond their current expiration dates, depending on the expected length of the clinical studies and other factors involved in the filing of the relevant NDA, however there can be no assurance that any such extension will be granted to us.

Market exclusivity provisions under the FDCA can also delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application, or ANDA, or a 505(b)(2) NDA submitted by another company for another version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an existing NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving ANDAs for drugs containing the

original active agent. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the nonclinical studies and adequate and well- controlled clinical studies necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of exclusivity in the United States. Pediatric exclusivity, if granted, provides an additional six months to an existing exclusivity or statutory delay in approval resulting from a patent certification. This six-month exclusivity, which runs from the end of other exclusivity protection or patent delay, may be granted based on the voluntary completion of a pediatric clinical study in accordance with a FDA-issued "Written Request" for such a clinical study.

Certain foreign countries permit extension of patent term for a newly approved drug and/or grant a period of data exclusivity and/or market exclusivity. For example, depending upon the timing and duration of the marketing authorization process in certain European countries, a newly approved drug may be eligible for a supplementary protection certification, or SPC, which can extend the basic patent right for the drug for a period up to five years.

Post-Approval Requirements

Any drugs for which we receive FDA approval are subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with FDA promotion and advertising requirements. The FDA strictly regulates labeling, advertising, promotion and other types of information on products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. Further, manufacturers of drugs must continue to comply with cGMP requirements, which are extensive and require considerable time, resources and ongoing investment to ensure compliance. In addition, changes to the manufacturing process generally require prior FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval.

Drug manufacturers and other entities involved in the manufacturing and distribution of approved drugs are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws. The cGMP requirements apply to all stages of the manufacturing process, including the production, processing, sterilization, packaging, labeling, storage and shipment of the drug. Manufacturers must establish validated systems to ensure that products meet specifications and regulatory standards, and test each product batch or lot prior to its release. We rely, and expect to continue to rely, on third parties for the production of clinical quantities of our product candidates. Future FDA and state inspections may identify compliance issues at the facilities of our contract manufacturers that may disrupt production or distribution or may require substantial resources to correct.

The FDA may withdraw a product approval if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program or a revised REMS program. Further, the failure to maintain compliance with regulatory requirements may result in administrative or judicial actions, such as fines, warning or untitled letters, holds on clinical studies, voluntary product recalls, product seizures, product detention or refusal to permit the import or export of products,

refusal to approve pending applications or supplements, restrictions on marketing or manufacturing, injunctions or civil or criminal penalties.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, the FDA regulations and policies are often revised or reinterpreted by the agency in ways that may significantly affect our business and our product candidates. It is impossible to predict whether further legislative or FDA regulation or policy changes will be enacted or implemented and what the impact of such changes, if any, may be.

Foreign Regulation

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical studies and commercial sales and distribution of our product candidates to the extent we choose to sell any products outside of the United States. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical studies or marketing of the product in those countries. The approval process varies from country to country and the time may be longer or shorter than that required for FDA approval. The requirements governing the conduct of clinical studies, product licensing, pricing and reimbursement vary greatly from country to country. As in the United States, post-approval regulatory requirements, such as those regarding product manufacture, marketing, or distribution would apply to any product that is approved outside the United States.

Employees

As of December 31, 2018, we had 76 full-time employees. Twelve of our employees have Ph.D. degrees and four have M.D. degrees. 49 of our employees are engaged in research and development activities. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Facilities

Our corporate headquarters are located in Ann Arbor, Michigan where we lease and occupy approximately 19,400 square feet of office space. We believe our current facility will be sufficient to meet our needs until expiration.

Legal Proceedings

On January 12, 2016, a purported stockholder of our company filed a putative class action lawsuit in the United States District Court for the Eastern District of Michigan, against us and Tim Mayleben, captioned *Kevin L. Dougherty v. Esperion Therapeutics, Inc., et al.* (No. 16-cv-10089). The lawsuit alleges that we and Mr. Mayleben violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 by allegedly failing to disclose in an August 17, 2015, public statement that the FDA would require a cardiovascular outcomes trial before approving our lead product candidate. The lawsuit seeks, among other things, compensatory damages in connection with an allegedly inflated stock price between August 18, 2015, and September 28, 2015, as well as attorneys' fees and costs. On May 20, 2016, an amended complaint was filed in the lawsuit and on July 5, 2016, we filed a motion to dismiss the amended complaint. On December 27, 2016, the court granted our motion to dismiss with prejudice and entered judgment in our favor. On January 24, 2017, the plaintiffs in this lawsuit filed a motion to alter or amend the judgment. In May 2017, the court denied the plaintiff's motion to alter or amend the judgement. On June 19, 2017, the plaintiffs filed a notice of appeal to the Sixth Circuit Court of Appeals and on September 14, 2017, they filed their opening brief in support of the appeal. The appeal was fully briefed on December 7, 2017, and it was argued before the Sixth Circuit on

March 15, 2018. On September 27, 2018, the Sixth Circuit issued an opinion in which it reversed the district court's dismissal and remanded for further proceedings. On October 11, 2018, we filed a petition for rehearing en banc and on, October 23, 2018, the Sixth Circuit Court of Appeals directed plaintiffs to respond to that petition. On December 3, 2018, the Sixth Circuit denied our petition for en banc rehearing, and on December 11, 2018, the case was returned to the federal district court by mandate from the Sixth Circuit. On December 26, 2018, we filed our answer to the amended complaint. We are unable to predict the outcome of this matter and are unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

On December 15, 2016, a purported stockholder of our company filed a derivative lawsuit in the Court of Chancery of the State of Delaware against Tim Mayleben, Roger Newton, Mary McGowan, Nicole Vitullo, Dov Goldstein, Daniel Janney, Antonio Gotto Jr., Mark McGovern, Gilbert Omenn, Scott Braunstein, and Patrick Enright. Our company is named as a nominal defendant. The lawsuit alleges that the defendants breached their fiduciary duties to the company when they made or approved improper statements on August 17, 2015, regarding our lead product candidate's path to FDA approval, and failed to ensure that reliable systems of internal controls were in place at our company. On February 8, 2019, we and the defendants filed a motion to dismiss the derivative lawsuit. The lawsuit seeks, among other things, any damages sustained by us as a result of the defendants' alleged breaches of fiduciary duties, including damages related to the above-referenced securities class action, an order directing us to take all necessary actions to reform and improve our corporate governance and internal procedures, restitution from the defendants, and attorneys' fees and costs. We are unable to predict the outcome of this matter and are unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

On May 7, 2018, a purported stockholder of our company filed a putative class action lawsuit in the United States District Court for the Eastern District of Michigan, captioned *Kevin Bailey v. Esperion Therapeutics, Inc., et al. (No. 18-cv-11438)*. An amended complaint was filed on October 22, 2018, against us and certain directors and officers. The amended complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 based on allegedly making false and misleading statements and omissions about the safety and tolerability of bempedoic acid, and specifically facts and circumstances surrounding the Phase 3 trial results for bempedoic acid that we announced on May 2, 2018. On November 13, 2018, we filed a motion to dismiss the amended complaint, and that motion was fully briefed on December 18, 2018. On February 19, 2019, the court granted our motion to dismiss with prejudice and entered judgment in our favor. The lawsuit seeks, among other things, compensatory damages in connection with an allegedly inflated stock price between February 22, 2017, and May 22, 2018, as well as attorneys' fees and costs. We are unable to predict the ultimate outcome of this matter and are unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

In the future, we may become party to legal matters and claims arising in the ordinary course of business, the resolution of which we do not anticipate would have a material adverse impact on our financial position, results of operations or cash flows.

Available Information

Our website address is www.esperion.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through the investor relations page of our internet website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. Alternatively, these reports may be accessed at the SEC's website at www.sec.gov.

Item 1A. Risk Factors

Except for the historical information contained herein or incorporated by reference, this report and the information incorporated by reference contains forward-looking statements that involve risks and uncertainties. These statements include projections about our accounting and finances, plans and objectives for the future, future operating and economic performance and other statements regarding future performance. These statements are not guarantees of future performance or events. Our actual results could differ materially from those discussed in this report. Factors that could cause or contribute to these differences include, but are not limited to, those discussed in the following section, as well as those discussed in Part II, Item 7 entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere throughout this report and in any documents incorporated in this report by reference.

You should consider carefully the following risk factors, together with all of the other information included or incorporated in this report. If any of the following risks, either alone or taken together, or other risks not presently known to us or that we currently believe to not be significant, develop into actual events, then our business, financial condition, results of operations or prospects could be materially adversely affected. If that happens, the market price of our common stock could decline, and stockholders may lose all or part of their investment.

Risks Related to our Business and the Clinical Development and Commercialization of our Product Candidates

We depend almost entirely on the success of two product candidates, the bempedoic acid / ezetimibe combination tablet and bempedoic acid. We cannot be certain that we will be able to obtain regulatory approval for, or successfully commercialize, our product candidates.

The bempedoic acid / ezetimibe combination tablet and bempedoic acid are currently our lead product candidates in development, and our business depends almost entirely on their successful clinical development, regulatory approvals and commercialization. We currently have no drug products for sale and may never be able to develop marketable drug products. The bempedoic acid / ezetimibe combination tablet and bempedoic acid may require substantial additional clinical development, testing, and regulatory approvals before we are permitted to commence their commercialization. The clinical studies of our product candidates are, and the manufacturing and marketing of our product candidates will be, subject to extensive and rigorous review and regulation by numerous government authorities in the U.S. and in other countries where we intend to test and, if approved, market any product candidate. Before obtaining regulatory approvals for the commercial sale of any product candidate, we must demonstrate through preclinical testing and clinical studies that the product candidate is safe and effective for use in each target indication. This process can take many years and require the expenditure of substantial resources, and may include post-marketing studies and surveillance, including a Risk Evaluation and Mitigation Strategy, or REMS program. Of the large number of drugs in development in the U.S., only a small percentage successfully complete the approval process at the FDA, EMA or any other foreign regulatory agency, and are commercialized. Accordingly, we cannot assure you that the bempedoic acid / ezetimibe combination tablet and bempedoic acid or any other of our product candidates will be successfully developed or commercialized. On February 20, 2019 and on February 26, 2019, we submitted the NDAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet to the FDA, respectively. In addition, the EMA completed formal validation of the MAAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet. The MAAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet were submitted to the EMA on February 11, 2019.

We are not permitted to market our product candidates in the U.S. or Europe until we receive approval of an NDA from the FDA, MAA from the EMA, or in any other foreign countries until we

receive the requisite approval from such countries. As a condition to submitting an NDA or MAA for the bempedoic acid / ezetimibe combination tablet to treat patients with hypercholesterolemia for an LDL-C lowering indication, we completed the pivotal Phase 3 clinical study (1002FDC-053) in addition to the global pivotal Phase 3 LDL-C lowering program for bempedoic acid and ten Phase 2 clinical studies. As a condition to submitting an NDA or MAA for bempedoic acid to treat patients with hypercholesterolemia for a CVD risk reduction indication, we have initiated and intend to complete the CLEAR Outcomes CVOT.

Additionally, we submitted our NDAs and MAAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet for LDL-C lowering indications in February 2019. Based on the FDA's guidance, we believe that these programs are adequate to support approval of an LDL-C lowering indication. However, there is no guarantee that the FDA will view results from our Phase 3 1002FDC-053 clinical study or global pivotal Phase 3 LDL-C lowering program alone as sufficient to support approval of an LDL-C lowering indication for the bempedoic acid / ezetimibe combination tablet or bempedoic acid. In the event that FDA determines LDL-C lowering is no longer a surrogate endpoint for initial approval of the bempedoic acid / ezetimibe combination tablet or bempedoic acid in the future, we would plan to submit our NDA for bempedoic acid with a proposed indication of CV risk reduction in statin intolerant patients on the basis of a completed and successful CLEAR Outcomes CVOT, which would include the results of the global pivotal Phase 3 LDL-C lowering program, by 2022. Obtaining approval of an NDA is a complex, lengthy, expensive and uncertain process, and the FDA may delay, limit or deny approval of the bempedoic acid / ezetimibe combination tablet and bempedoic acid for many reasons, including, among others:

- the FDA, EMA or any other regulatory authorities may change their approval policies or adopt new regulations, including with respect to whether LDL-C lowering is a surrogate endpoint for initial approval of the bempedoic acid / ezetimibe combination tablet or bempedoic acid;
- the FDA, EMA or any other regulatory authorities may change their approval policies for an LDL-C lowering indication for the bempedoic acid / ezetimibe combination tablet or bempedoic acid if there is a shift in the future standard-of-care for statin intolerant patients with hypercholesterolemia;
- we may not be able to demonstrate that the bempedoic acid / ezetimibe combination tablet and bempedoic acid are safe and effective in treating patients with hypercholesterolemia to the satisfaction of the FDA, EMA or any other regulatory agency;
- the results of our clinical studies may not meet the level of statistical or clinical significance required by the FDA or EMA for marketing approval;
- the magnitude of the treatment effect must also be clinically meaningful along with the drug's safety for a favorable benefit/risk assessment by the FDA, EMA or any other regulatory agency;
- the FDA, EMA or any other regulatory agency may change in the future the number, design, size, duration, patient enrollment criteria, exposure of patients, or conduct or implementation of our clinical studies;
- the FDA, EMA or any other regulatory agency may require that we conduct additional clinical studies;
- the FDA, EMA or any other regulatory agency may not approve the formulation, specifications or labeling of the bempedoic acid / ezetimibe combination tablet or bempedoic acid;
- the clinical research organizations, or CROs, that we retain to conduct our clinical studies may take actions outside of our control that materially adversely impact our clinical studies;
- the FDA, EMA or any other regulatory agency may find the data from preclinical studies and clinical studies insufficient to demonstrate that the clinical and other benefits of the bempedoic acid / ezetimibe combination tablet or bempedoic acid outweigh the safety risks;

- the FDA, EMA or any other regulatory agency may disagree with our interpretation of data from our preclinical studies and clinical studies;
- the FDA, EMA or any other regulatory agency may not accept data generated at our clinical study sites;
- if our NDAs are reviewed by an advisory committee, the FDA may have difficulties scheduling an advisory committee meeting in a timely manner or the advisory committee may recommend against approval of our applications or may recommend that the FDA require, as a condition of approval, additional preclinical studies or clinical studies, limitations in approved labeling or distribution and use restrictions;
- the FDA, EMA or any other regulatory agency may require the development of a REMS as a condition of approval or post-approval; or
- the FDA, EMA or any other regulatory agency may not approve the manufacturing processes or facilities of third-party manufacturers with which we contract.

Any of these factors, many of which are beyond our control, could jeopardize our ability to obtain regulatory approval for and successfully market the bempedoic acid / ezetimibe combination tablet and bempedoic acid. Moreover, because our business is almost entirely dependent upon these product candidates, any setback in our pursuit of its regulatory approval would have a material adverse effect on our business and prospects.

The development and approvals required for the approval of the bempedoic acid / ezetimibe combination tablet are substantially identical to those for bempedoic acid, and the risks relating to the clinical development and approval of bempedoic acid apply equally to the bempedoic acid / ezetimibe combination tablet. The FDA accepted our submission of an IND application for the bempedoic acid / ezetimibe combination tablet in the second quarter of 2016 and we completed a bioavailability study. We announced the clinical development and regulatory plans for the bempedoic acid / ezetimibe combination tablet in June 2017 and announced the results of the Phase 3 1002FDC-053 clinical study in August 2018. Any failure in our development of bempedoic acid would materially and adversely affect our ability to develop, seek approval for and commercialize the bempedoic acid / ezetimibe combination tablet for the planned indications. In addition, even if bempedoic acid succeeds in its clinical development and is approved for one or more indications, there can be no assurance that the bempedoic acid / ezetimibe combination tablet would be developed successfully and approved for the same indications or at all, and vice versa.

Failures or delays in the completion of our CLEAR Outcomes CVOT for bempedoic acid could result in increased costs to us and could delay, prevent or limit our ability to generate revenue and continue our business.

In December 2016, we initiated the CLEAR Outcomes CVOT. The completion of the CLEAR Outcomes CVOT or any of our other ongoing clinical studies can be delayed or prevented for a number of reasons, including, among others:

- the FDA, EMA or any other regulatory authority may not agree to the study design or overall program;
- the FDA, EMA or any other regulatory authority may place a clinical study on hold;
- delays in reaching or failing to reach agreement on acceptable terms with prospective CROs and study sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and study sites;
- inadequate quantity or quality of a product candidate or other materials necessary to conduct clinical studies;

- difficulties or delays obtaining institutional review board, or IRB, approval to conduct a clinical study at a prospective site or sites;
- challenges in recruiting and enrolling patients to participate in clinical studies or in our CLEAR Outcomes CVOT, including the size and nature of the patient population, the proximity of patients to clinical sites, eligibility criteria for the clinical study, the nature of the clinical study protocol, the availability of approved effective treatments for the relevant disease and competition from other clinical study programs, including PCSK9 inhibitors, for similar indications;
- severe or unexpected drug-related side effects experienced by patients in a clinical study, including instances of muscle pain or weakness or other side effects;
- reports from preclinical or clinical testing of other cardiometabolic therapies that raise safety or efficacy concerns; and
- difficulties retaining patients who have enrolled in a clinical study but may be prone to withdraw due to rigors of the study, lack of efficacy, side effects, personal issues or loss of interest.

Clinical studies may also be delayed or terminated as a result of ambiguous or negative interim results. In addition, a clinical study may be suspended or terminated by us, the FDA, the EMA, the IRBs at the sites where the IRBs are overseeing a clinical study, a data safety monitoring committee, or DMC, overseeing the clinical study at issue or any other regulatory authorities due to a number of factors, including, among others:

- failure to conduct the clinical study in accordance with regulatory requirements or our clinical protocols;
- inspection of the clinical study operations or study sites by the FDA, EMA or any other regulatory authorities that reveals deficiencies or violations that require us to undertake corrective action, including the imposition of a clinical hold;
- unforeseen safety issues;
- changes in government regulations or administrative actions;
- problems with clinical supply materials; and
- lack of adequate funding to continue the clinical study.

Positive results from completed Phase 1, Phase 2 and Phase 3 clinical studies of bempedoic acid / ezetimibe combination tablet and bempedoic acid are not necessarily predictive of the results of our ongoing CLEAR Outcomes CVOT of bempedoic acid or any other of our clinical studies, nor do they guarantee approval of the bempedoic acid / ezetimibe combination tablet or bempedoic acid by the FDA, EMA or any other regulatory agency. If we cannot replicate the positive results from our completed Phase 1, Phase 2 and Phase 3 clinical studies of bempedoic acid / ezetimibe combination tablet and bempedoic acid in our CVOT or other ongoing and/or planned clinical studies, we may be unable to successfully develop, obtain regulatory status for and commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid.

There is a high failure rate for drugs proceeding through clinical studies. Even if we are able to complete our ongoing CLEAR Outcomes CVOT, the positive results from our completed Phase 1, Phase 2 and Phase 3 clinical studies of bempedoic acid and our Phase 3 1002FDC-053 clinical study of the bempedoic acid / ezetimibe combination tablet, may not be replicated in our ongoing CLEAR Outcomes CVOT or any future studies of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, nor do they guarantee approval of the bempedoic acid / ezetimibe combination tablet or bempedoic acid by the FDA, EMA or any other regulatory authorities in a timely manner or at all. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks

in late-stage clinical studies after achieving positive results earlier in development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical studies were underway or safety or efficacy observations made in clinical studies, including previously unreported adverse events. In addition, regulatory delays or rejections may be encountered as a result of many factors, including changes in regulatory policy during the period of product development. If we fail to obtain positive results in the CLEAR Outcomes CVOT or any future clinical studies, the regulatory status of our product candidates or future product candidates, and correspondingly, our business and financial prospects, may be materially adversely affected.

We may need substantial additional capital in the future. If additional capital is not available, we will have to delay, reduce or cease operations.

We reported top-line results from our Phase 3 (1002-048) in March 2018. In May 2018, we reported top-line results from the 52-week long-term safety study, Study 1 (1002-040) and from Study 3 (1002-046). We reported top-line results from the Phase 3 1002FDC-053 study of the bempedoic acid / ezetimibe combination tablet in August 2018. In October 2018, we reported top-line results from Study 2 (1002-047) and announced the completion of the Phase 3 LDL-C lowering development program of bempedoic acid and positive cumulative results. However, there is no guarantee that the FDA will view results from our Phase 3 1002FDC-053 clinical study or global pivotal Phase 3 LDL-C lowering program alone as sufficient to support approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid. On February 20, 2019 and February 26, 2019, we submitted the NDAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet to the FDA, respectively, for LDL-C lowering indications. In addition, the EMA completed formal validation of the MAAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet for LDL-C lowering indications. The MAAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet were submitted to the EMA on February 11, 2019.

In the event that regulatory agencies determine LDL-C lowering is no longer a surrogate endpoint for initial approval of the bempedoic acid / ezetimibe combination tablet or bempedoic acid in the future, we would plan to submit our NDA or MAA for bempedoic acid (monotherapy) for a CV risk reduction indication on the basis of a completed and successful CVOT, which would include the results of the global pivotal Phase 3 LDL-C lowering program, by 2022. We expect that these clinical studies, plus any additional clinical studies that we undertake for the clinical development of the bempedoic acid / ezetimibe combination tablet or bempedoic acid, will consume substantial additional financial resources. We expect that our existing cash and cash equivalents, and proceeds to be received in the future under the DSE collaboration agreement, will be sufficient to fund operations through the expected approvals of the bempedoic acid / ezetimibe combination tablet and bempedoic acid and the commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved by LDL-C lowering as a surrogate endpoint. We may, however, need to secure additional cash resources to continue to fund the commercialization and further clinical development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid. Our future capital requirements may be substantial and will depend on many factors including:

- the scope, size, rate of progress, results and costs of completing our CLEAR Outcomes CVOT of bempedoic acid;
- the cost, timing and outcome of our efforts to obtain marketing approval for the bempedoic acid / ezetimibe combination tablet and bempedoic acid;
- our initial commercial sales, and our ability to secure and maintain reimbursement coverage, if bempedoic acid or the bempedoic acid / ezetimibe combination tablet are approved;

- the costs associated with commercializing the bempedoic acid / ezetimibe combination tablet and bempedoic acid or any future product candidates if we receive marketing approval, including the cost and timing of developing sales and marketing capabilities or entering into strategic collaborations to market and sell the bempedoic acid / ezetimibe combination tablet and bempedoic acid or any future product candidates;
- DSE's ability to successfully commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid in the Territory, if approved.
- the number and characteristics of any additional product candidates we develop or acquire;
- the cost of manufacturing the bempedoic acid / ezetimibe combination tablet and bempedoic acid or any future product candidates and any products we successfully commercialize; and
- the costs associated with general corporate activities, such as the cost of filing, prosecuting and enforcing patent claims.

Changing circumstances may cause us to consume capital significantly faster than we currently anticipate. Because the outcome of any clinical study is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development, regulatory approval and commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid and any future product candidates. Additional financing may not be available when we need it or may not be available on terms that are favorable to us. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. If adequate funds are unavailable to us on a timely basis, or at all, we may not be able to continue the development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid or any future product candidate, or to commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid or any future product candidate, if approved.

We are an emerging pharmaceutical company and have not generated any revenue from product sales. We have incurred significant operating losses since our inception, and anticipate that we will incur continued losses for the foreseeable future.

We have a limited operating history on which to base your investment decision. Pharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We were incorporated in January 2008. Our operations to date have been limited primarily to organizing and staffing our company and conducting research and development activities for the bempedoic acid / ezetimibe combination tablet and bempedoic acid. We have never generated any revenue from product sales. We have not obtained regulatory approvals for any of our product candidates. As such, we are subject to all the risks incident to the development, regulatory approval and commercialization of new pharmaceutical products and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors.

Since our inception, we have focused substantially all of our efforts and financial resources on developing bempedoic acid, which commenced Phase 3 clinical development in January 2016. We have funded our operations to date primarily through proceeds from sales of preferred stock, public offerings of common stock, convertible promissory notes and warrants and the incurrence of indebtedness, and we have incurred losses in each year since our inception. Our net losses were \$201.8 million, \$167.0 million and \$75.0 million for the years ended December 31, 2018, 2017 and 2016, respectively. As of December 31, 2018, we had an accumulated deficit of \$598.1 million. Substantially all of our operating losses resulted from costs incurred in connection with our development program and from general and administrative costs associated with our operations. We expect to incur increasing levels of operating losses over the next several years and for the foreseeable future. Our prior losses, combined with expected future losses, have had and will continue to have an adverse effect on our

stockholders' equity and working capital. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future related to the CLEAR Outcomes CVOT and as we prepare for commercial launch activities. Our research and development expenses are expected to continue in the foreseeable future as they relate to our ongoing CLEAR Outcomes CVOT, our NDA and MAA submissions and any other early-stage development programs or additional indications we choose to pursue. In addition, in anticipation of marketing approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid, we will also incur significant sales, marketing and outsourced manufacturing expenses and expect further significant increases in our general and administration expenses in connection with the commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, respectively. As a public company, we have incurred and will continue to incur additional costs associated with operating as a public company. As a result, we expect to continue to incur significant and increasing operating losses for the foreseeable future. Because of the numerous risks and uncertainties associated with developing pharmaceutical products, we are unable to predict the extent of any future losses or when we will become profitable, if at all. Even if we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

Changes in regulatory requirements, FDA or EMA guidance or unanticipated events, including in our CVOT of bempedoic acid, may occur, which may result in changes to clinical study protocols or additional clinical study requirements, which could result in increased costs to us and could delay our development timeline.

Changes in regulatory requirements, FDA or EMA guidance or unanticipated events during our clinical studies may force us to amend clinical study protocols or the FDA or EMA may impose additional clinical study requirements. Significant amendments to our clinical study protocols may require resubmission to the FDA and/or IRBs for review and approval, which may adversely impact the cost, timing and/or successful completion of these studies. If we experience substantial delays completing—or if we terminate our CVOT, or if we are required to conduct additional clinical studies, the commercial prospects for the bempedoic acid / ezetimibe combination tablet and bempedoic acid may be harmed and our ability to generate product revenue will be delayed.

We may not be able to identify and enroll the requisite number of patients in our CLEAR Outcomes CVOT, or any study that we undertake to support the development of our product candidates. Even if we are successful in enrolling patients, we may not ultimately be able to demonstrate sufficient clinical benefits from the bempedoic acid / ezetimibe combination tablet and bempedoic acid, and our failure to do so may delay or hinder our ability to obtain FDA or EMA approval for these product candidates. On February 20, 2019 and February 26, 2019, we submitted the NDAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet to the FDA, respectively, based on the FDA's recent guidance that these programs are adequate to support approval of an LDL-C lowering. However, the FDA has indicated its position regarding an LDL-C lowering indication could be impacted by potential future changes in their view of LDL-C lowering as a surrogate endpoint or the possibility of a shift in the future standard-of-care for statin intolerant patients with hypercholesterolemia, and there is no guarantee that the FDA will view results from our Phase 3 1002FDC-053 clinical study and global pivotal Phase 3 LDL-C lowering program alone as sufficient to support approvals of an LDL-C lowering indication. Conducting our CLEAR Outcomes CVOT is costly and time-consuming, and any requirement to complete the CVOT prior to approval of bempedoic acid would adversely affect our development timeline and financial condition.

We have limited experience using the 505(b)(2) regulatory pathway to submit an NDA or any similar drug approval application to the FDA, and we cannot be certain that any of our product candidates will receive regulatory approval.

We are developing bempedoic acid / ezetimibe combination tablet for which we are seeking FDA approval through the Section 505(b)(2) regulatory pathway. The Drug Price Competition and Patent

Term Restoration Act of 1984, also known as the Hatch-Waxman Act, added Section 505(b)(2) to the Federal Food, Drug, and Cosmetic Act, or FDCA. Section 505(b)(2) permits the submission of an NDA where at least some of the information required for approval comes from studies that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference. Section 505(b)(2) allows an NDA we submit to FDA to rely in part on data in the public domain or the FDA's prior conclusions regarding the safety and effectiveness of approved compounds, which could expedite the development program for our product candidates by potentially decreasing the amount of clinical data that we would need to generate in order to obtain FDA approval. If the FDA does not allow us to pursue the Section 505(b)(2) regulatory pathway as anticipated, we may need to conduct additional clinical trials, provide additional data and information, and meet additional standards for regulatory approval. If this were to occur, the time and financial resources required to obtain FDA approval for these product candidates, and complications and risks associated with these product candidates, would likely substantially increase. We could need to obtain additional funding, which could result in significant dilution to the ownership interests of our existing stockholders to the extent we issue equity securities or convertible debt. We cannot assure you that we would be able to obtain such additional financing on terms acceptable to us, if at all. Moreover, inability to pursue the Section 505(b)(2) regulatory pathway could result in new competitive products reaching the market more quickly than our product candidates, which would likely materially adversely impact our competitive position and prospects. Even if we are allowed to pursue the Section 505(b)(2) regulatory pathway, we cannot assure you that the bempedoic acid / ezetimibe combination tablet will receive the requisite approvals for commercialization.

In addition, notwithstanding the approval of a number of products by the FDA under Section 505(b)(2) over the last few years, certain brand-name pharmaceutical companies and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA's interpretation of Section 505(b)(2) is successfully challenged, the FDA may change its 505(b)(2) policies and practices, which could delay or even prevent the FDA from approving any NDA that we submit under Section 505(b)(2). In addition, the pharmaceutical industry is highly competitive, and Section 505(b)(2) NDAs are subject to special requirements designed to protect the patent rights of sponsors of previously approved drugs that are referenced in a Section 505(b)(2) NDA. These requirements may give rise to patent litigation and mandatory delays in approval of our NDAs for up to 30 months or longer depending on the outcome of any litigation. It is not uncommon for a manufacturer of an approved product to file a citizen petition with the FDA seeking to delay approval of, or impose additional approval requirements for, pending competing products. If successful, such petitions can significantly delay, or even prevent, the approval of the new product. However, even if the FDA ultimately denies such a petition, the FDA may substantially delay approval while it considers and responds to the petition. In addition, even if we are able to utilize the Section 505(b)(2) regulatory pathway, there is no guarantee this would ultimately lead to accelerated product development or earlier approval.

Moreover, even if our product candidates, including the bempedoic acid / ezetimibe combination tablet, are approved under Section 505(b)(2), the approval may be subject to limitations on the indicated uses for which the products may be marketed or to other conditions of approval, or may contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the products.

Even if we receive marketing approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid, we may still face future development and regulatory difficulties.

Even if we receive marketing approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid, regulatory authorities may still impose significant restrictions on the bempedoic acid / ezetimibe combination tablet or bempedoic acid's indicated uses or marketing or impose ongoing

requirements for potentially costly post-approval studies, such as a CVOT. The bempedoic acid / ezetimibe combination tablet and bempedoic acid will also be subject to ongoing FDA requirements governing the packaging, storage, labeling, advertising and promotion of the product, recordkeeping and submission of safety updates and other post-marketing information. The FDA has significant post-marketing authority, including, for example, the authority to require labeling changes based on new safety information and to require post-marketing studies or clinical studies to evaluate serious safety risks related to the use of a drug product. The FDA also has the authority to require, as part of an NDA or post-approval, the submission of a REMS. Any REMS required by the FDA may lead to increased costs to assure compliance with post-approval regulatory requirements and potential requirements or restrictions on the sale of approved products, all of which could lead to lower sales volume and revenue. The EMA and other foreign regulatory authorities may impose similar requirements on the bempedoic acid / ezetimibe combination tablet or bempedoic acid as those described above with respect to the FDA.

Manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with current Good Manufacturing Practices and other regulations. If we or a regulatory agency discover problems with the bempedoic acid / ezetimibe combination tablet or bempedoic acid, such as adverse events of unanticipated severity or frequency, or problems with the facility where the bempedoic acid / ezetimibe combination tablet or bempedoic acid is manufactured, a regulatory agency may impose restrictions on the bempedoic acid / ezetimibe combination tablet or bempedoic acid, the manufacturer or us, including requiring withdrawal of the bempedoic acid / ezetimibe combination tablet or bempedoic acid from the market or suspension of manufacturing. If we, the bempedoic acid / ezetimibe combination tablet or bempedoic acid or the manufacturing facilities for the bempedoic acid / ezetimibe combination tablet or bempedoic acid fail to comply with applicable regulatory requirements, a regulatory agency may, among other things:

- issue warning letters or untitled letters;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw marketing approval;
- suspend any ongoing clinical studies;
- refuse to approve pending applications or supplements to applications submitted by us;
- suspend or impose restrictions on operations, including costly new manufacturing requirements; or
- seize or detain products, refuse to permit the import or export of products, or request that we initiate a product recall.

Even if we receive marketing approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid in the U.S., we may never receive regulatory approval to market the bempedoic acid / ezetimibe combination tablet or bempedoic acid outside of the U.S., and vice versa.

In order to market any product outside of the U.S., including for DSE to market the bempedoic acid / ezetimibe combination tablet or bempedoic acid in Europe, we must establish and comply with the numerous and varying efficacy, safety and other regulatory requirements of the countries in which we intend to market our product. Approval procedures vary among countries and can involve additional product candidate testing and additional administrative review periods. The time required to obtain approvals in other countries might differ from that required to obtain FDA approval. The marketing approval processes in other countries may include all of the risks detailed above regarding FDA approval in the U.S. as well as other risks, or vice versa. In particular, in many countries outside of the

U.S., products must receive pricing and reimbursement approval before the product can be commercialized. Obtaining this approval can result in substantial delays in bringing products to market in such countries. Marketing approval in one country does not ensure marketing approval in another, but a failure or delay in obtaining marketing approval in one country may have a negative effect on the regulatory process in others. Failure to obtain marketing approval in other countries or any delay or other setback in obtaining such approval would impair our ability to commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid in such foreign markets. Any such impairment would reduce the size of our potential market, which could have a material adverse impact on our business, results of operations and prospects.

Even if we receive marketing approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid, it may not achieve broad market acceptance, which would limit the revenue that we generate from its sales.

The commercial success of the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved by the FDA or other regulatory authorities, will depend upon the awareness and acceptance of the bempedoic acid / ezetimibe combination tablet and bempedoic acid among the medical community, including physicians, patients and healthcare payors. Market acceptance of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved, will depend on a number of factors, including, among others:

- the bempedoic acid / ezetimibe combination tablet and bempedoic acid's demonstrated ability to treat statin intolerant patients for LDL-C lowering or CV risk reduction as an add-on for patients already on statin therapy, as compared with other available therapies;
- the relative convenience and ease of administration of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, including as compared with other treatments for patients for LDL-C lowering or CV risk reduction;
- the prevalence and severity of any adverse side effects such as muscle pain or weakness;
- limitations or warnings contained in the labeling approved for the bempedoic acid / ezetimibe combination tablet or bempedoic acid by the FDA;
- availability of alternative treatments, including a number of competitive therapies already approved for LDL-C lowering or CV risk reduction, including PCSK9 inhibitors, or expected to be commercially launched in the near future;
- pricing and cost effectiveness;
- the effectiveness of our, and in Europe, DSE's, sales and marketing strategies, as well as the effectiveness of any other future collaborators;
- our ability to increase awareness of the bempedoic acid / ezetimibe combination tablet or bempedoic acid through marketing efforts;
- our ability to obtain sufficient third-party coverage or reimbursement; and
- the willingness of patients to pay out-of-pocket in the absence of third-party coverage.

If the bempedoic acid / ezetimibe combination tablet or bempedoic acid is approved but does not achieve an adequate level of acceptance by patients, physicians and payors, we may not generate sufficient revenue from the bempedoic acid / ezetimibe combination tablet and bempedoic acid to become or remain profitable. Our efforts to educate the medical community and third-party payors about the benefits of the bempedoic acid / ezetimibe combination tablet and bempedoic acid may require significant resources and may never be successful.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell the bempedoic acid / ezetimibe combination tablet and bempedoic acid, we may not be able to generate any revenue.

We are establishing our commercialization and distribution capabilities to support the sales, marketing and distribution of our pharmaceutical products. In order to market the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved by the FDA or any other regulatory body, we must build our sales, marketing, managerial, and other non-technical capabilities or make arrangements with third parties to perform these services. For example, we recently entered into a License and Collaboration Agreement with DSE for the commercialization of bempedoic acid and the bempedoic acid / ezetimibe combination tablet in Europe. If we are unable to establish adequate sales, marketing and distribution capabilities, whether independently or with third parties, or if we are unable to do so on commercially reasonable terms, our business, results of operations, financial condition and prospects will be materially adversely affected.

Even if we obtain marketing approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid, physicians and patients using other LDL-C lowering therapies may choose not to switch to our product.

Physicians are often reluctant to switch their patients from existing therapies even when new and potentially more effective, safe or convenient treatments enter the market. In addition, patients often acclimate to the brand or type of therapy that they are currently taking and do not want to switch unless their physicians recommend switching products or they are required to switch therapies due to lack of reimbursement for existing therapies. If physicians or patients are reluctant to switch from existing therapies to the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved, our operating results and financial condition would be materially adversely affected.

The commercialization of the bempedoic acid / ezetimibe combination tablet, if approved, depends on the continued availability and use of ezetimibe by the target patient of this combination therapy.

The bempedoic acid / ezetimibe combination tablet is dependent on the continued availability and use of ezetimibe in the marketplace, and there can be no assurance that the current availability and use of ezetimibe will continue. For example, changes in standard of care or use patterns of ezetimibe could make our bempedoic acid / ezetimibe combination tablet therapy obsolete. In addition, ezetimibe could encounter unexpected results in the future and be associated with adverse outcomes during long-term use. Finally, the producers of ezetimibe are under no obligation to continue producing, commercializing or making ezetimibe available to patients, or to continue producing ezetimibe in any particular quantity, which could prevent our ability to obtain ezetimibe. For example, such producers may encounter manufacturing or other production issues and fail to produce enough ezetimibe, and this could cause our commercialization efforts, if the bempedoic acid / ezetimibe combination tablet is approved, to fail or be significantly delayed.

Guidelines and recommendations published by various organizations may adversely affect the FDA's review of the bempedoic acid / ezetimibe combination tablet and bempedoic acid for LDL-C lowering in patients or the use or commercial viability of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved for any indication or patient population.

Government agencies issue regulations and guidelines directly applicable to us and to the bempedoic acid / ezetimibe combination tablet and bempedoic acid, including guidelines generally relating to therapeutically significant LDL-C levels. In addition, professional societies, practice management groups, private health or science foundations and other organizations involved in the research, treatment and prevention of various diseases from time to time publish guidelines or recommendations to the medical and patient communities. These various sorts of recommendations may relate to such matters as product usage and use of related or competing therapies. For example,

organizations such as the AHA have made recommendations about therapies in the cardiovascular therapeutics market. In addition, while we reached an agreement with the FDA on the definition of statin intolerance, there is no guarantee that the FDA's view of this definition would not change in the future. We expect that the FDA's view of the standard of care for patients with hypercholesterolemia for LDL-C lowering indications in patients with hypercholesterolemia could impact the evaluation of such NDAs, including how this standard of care evolves in light of guidelines and recommendations in respect of the use of PCSK9 inhibitors. In addition, following any approval, we expect that changes to these existing recommendations or other guidelines advocating alternative therapies could result in decreased use of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, which would adversely affect our results of operations.

Even if approved, reimbursement policies could limit our ability to sell the bempedoic acid / ezetimibe combination tablet or bempedoic acid.

Market acceptance and sales of the bempedoic acid / ezetimibe combination tablet and bempedoic acid will depend on reimbursement policies and may be affected by healthcare reform measures. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels for those medications. Cost containment is a primary concern in the U.S. healthcare industry and elsewhere. Government authorities and these third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. We cannot be sure that reimbursement will be available for the bempedoic acid / ezetimibe combination tablet or bempedoic acid and, if reimbursement is available, the level of such reimbursement. Reimbursement may impact the demand for, or the price of, the bempedoic acid / ezetimibe combination tablet or bempedoic acid. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid.

In some foreign countries, particularly in Canada and European countries, the pricing of prescription pharmaceuticals is subject to strict governmental control. In these countries, pricing negotiations with governmental authorities can take six to 12 months or longer after the receipt of regulatory approval and product launch. To obtain favorable reimbursement for the indications sought or pricing approval in some countries, we may be required to conduct a clinical study that compares the cost-effectiveness of the bempedoic acid / ezetimibe combination tablet and bempedoic acid with other available therapies. If reimbursement for the bempedoic acid / ezetimibe combination tablet or bempedoic acid is unavailable in any country in which we seek reimbursement, if it is limited in scope or amount, if it is conditioned upon our completion of additional clinical studies, or if pricing is set at unsatisfactory levels, our operating results could be materially adversely affected.

Our future product development programs for candidates other than the bempedoic acid / ezetimibe combination tablet or bempedoic acid may require substantial financial resources and may ultimately be unsuccessful.

In addition to the development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, we may in the future pursue the development of other early-stage development programs. If we conduct any clinical studies for our future product candidates, there will be a number of FDA requirements that we must satisfy before we can commence such clinical studies. Satisfaction of these requirements will entail substantial time, effort and financial resources. We may never satisfy these requirements. Any time, effort and financial resources we expend on any early-stage development programs that we may pursue may adversely affect our ability to continue development and commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, and we may never commence clinical studies of such development programs despite expending significant resources in pursuit of their development. If we do commence clinical studies of our other potential product candidates, such product candidates may never be approved by the FDA.

Recent federal legislation will increase pressure to reduce prices of pharmaceutical products paid for by Medicare, which could materially adversely affect our revenue, if any, and our results of operations.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, also called the MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class. As a result of this legislation and the expansion of federal coverage of drug products, we expect that there will be additional pressure to reduce costs. These cost reduction initiatives and other provisions of this legislation could decrease the scope of coverage and the price that we receive for any approved products and could seriously harm our business. While the MMA applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policies and payment limitations in setting their own reimbursement rates, and any reduction in reimbursement that results from the MMA may cause a similar reduction in payments from private payors. This legislation may pose an even greater risk to the bempedoic acid / ezetimibe combination tablet and bempedoic acid than some other pharmaceutical products because a significant portion of the target patient population for the bempedoic acid / ezetimibe combination tablet and bempedoic acid would likely be over 65 years of age and, therefore, many such patients will be covered by Medicare.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively, the PPACA, or ACA, became law in the United States. The goal of the PPACA is to reduce the cost of healthcare and substantially change the way healthcare is financed by both governmental and private insurers.

The ACA, among other things, increases minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations, establishes annual fees and taxes on manufacturers of certain branded prescription drugs and biologic products, and creates a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011 created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least \$1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of up to 2% per fiscal year, which went into effect on April 1, 2013 and will remain in effect through 2027 unless additional Congressional action is taken. Further, some of the provisions of the ACA have yet to be fully implemented, while certain provisions have been subject to judicial and Congressional challenges. Since January 2017, President Trump has signed two Executive Orders designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. One such Executive Order directed federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from, or delay the implementation of any provision of the ACA that would impose a fiscal burden on states or a cost, fee, tax, penalty or regulatory burden on individuals, healthcare providers, health insurers, or manufacturers of pharmaceuticals or medical devices. The second Executive Order terminates the cost-sharing subsidies that reimburse insurers under the ACA. Several state Attorneys General filed suit to stop the administration from terminating the subsidies, but their request for a restraining order was denied by a federal judge in California on October 25, 2017. The loss of the cost share reduction payments is expected to increase premiums on certain policies issued by qualified health plans under the ACA.

Further, on June 14, 2018, U.S. Court of Appeals for the Federal Circuit ruled that the federal government was not required to pay more than \$12 billion in ACA risk corridor payments to third-party payors who argued were owed to them. The effects of this gap in reimbursement on third-party payors, the viability of the ACA marketplace, providers, and potentially our business, are not yet known.

Other legislative changes have been proposed and adopted since the ACA was enacted, including aggregate reductions to Medicare payments to providers of 2% per fiscal year through 2027. While Congress has not passed comprehensive repeal legislation, it has enacted laws that modify certain provisions of the ACA, including eliminating a tax-based shared responsibility payment imposed on certain individuals who fail to maintain qualifying health coverage for all or part of a year, which is commonly referred to as the "individual mandate," effective January 1, 2019. On December 14, 2018, a U.S. District Court judge in the Northern District of Texas ruled that the individual mandate portion of the ACA is an essential and inseparable feature of the ACA, and therefore because the mandate was repealed, the remaining provisions of the ACA are invalid as well. The Trump administration and CMS have both stated that the ruling will have no immediate effect, and on December 30, 2018 the same judge issued an order staying the judgment pending appeal. It is unclear how this decision and any subsequent appeals and other efforts to repeal and replace the ACA will impact the ACA and our business. Litigation and legislation over the ACA are likely to continue, with unpredictable and uncertain results.

Further, the Trump administration's budget proposal for fiscal year 2019 contains further drug price control measures that could be enacted during the 2019 budget process or in other future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. The Trump administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. In response to the Blueprint, on November 30, 2018, CMS announced a proposed rule that would amend the Medicare Advantage and Medicare Part D prescription drug benefit regulations to reduce out of pocket costs for plan enrollees and allow Medicare plans to negotiate lower rates for certain drugs. Among other things, the proposed rule changes would allow Medicare Advantage plans to use pre authorization (PA) and step therapy (ST) for six protected classes of drugs, with certain exceptions, permit plans to implement PA and ST in Medicare Part B drugs; changes the definition of "negotiated prices" in the regulations, and adds a definition of "price concession". It is unclear whether these proposed changes will be accepted, and if so, what effect such changes will have on our business and our ability to receive adequate reimbursement for our future products.

We cannot predict the reform initiatives that may be adopted in the future or whether initiatives that have been adopted will be repealed or modified. The continuing efforts of the government, insurance companies, managed care organizations and other payors of healthcare services to contain or reduce costs of healthcare may adversely affect:

- the demand for any products for which we may obtain regulatory approval;
- our ability to set a price that we believe is fair for our products;
- our ability to obtain coverage and reimbursement approval for a product;
- our ability to generate revenues and achieve or maintain profitability; and
- the level of taxes that we are required to pay.

We expect that changes and challenges to the ACA, as well as other healthcare reform measures that may be adopted in the future, may result in additional reductions in Medicare and other healthcare funding, more rigorous coverage criteria, new payment methodologies, and additional downward pressure on the price that we receive for any future approved product.

Finally, the availability of generic LDL-C lowering treatments may also substantially reduce the likelihood of reimbursement for branded counterparts or other competitive LDL-C lowering therapies, such as the bempedoic acid / ezetimibe combination tablet or bempedoic acid if it is approved for commercial distribution. If we fail to successfully secure and maintain reimbursement coverage for our products or are significantly delayed in doing so, we will have difficulty achieving market acceptance of our products and our business will be harmed.

Federal legislation and actions by state governments may permit reimportation of drugs from foreign countries into the United States, including foreign countries where the drugs are sold at lower prices than in the United States, which could materially adversely affect our operating results.

We may face competition for the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved, from cheaper LDL-C lowering therapies sourced from foreign countries that have placed price controls on pharmaceutical products. The MMA contains provisions that may change U.S. importation laws and expand pharmacists' and wholesalers' ability to import cheaper versions of an approved drug and competing products from Canada, where there are government price controls. These changes to U.S. importation laws will not take effect unless and until the Secretary of Health and Human Services certifies that the changes will pose no additional risk to the public's health and safety and will result in a significant reduction in the cost of products to consumers. The Secretary of Health and Human Services has so far declined to approve a reimportation plan. Proponents of drug reimportation may attempt to pass legislation that would directly allow reimportation under certain circumstances. Legislation or regulations allowing the reimportation of drugs, if enacted, could decrease the price we receive for any products that we may develop, including the bempedoic acid / ezetimibe combination tablet and bempedoic acid, and adversely affect our future revenues and prospects for profitability.

The FDA and other regulatory agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. If we are found to have improperly promoted off-label uses, we may become subject to significant liability.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products, such as the bempedoic acid / ezetimibe combination tablet or bempedoic acid if approved. In particular, a product may not be promoted for uses that are not approved by the FDA or other regulatory agencies as reflected in the product's approved labeling. If we receive marketing approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid as a therapy for lowering LDL-C levels in statin intolerant patients with elevated LDL-C, the first indication we intend to pursue, physicians may nevertheless prescribe the bempedoic acid / ezetimibe combination tablet and bempedoic acid to their patients in a manner that is inconsistent with the approved label, potentially including as a therapy in addition to statins. If we are found to have promoted such off-label uses, we may become subject to significant liability. 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, corporate integrity agreements or permanent injunctions under which specified promotional conduct is changed or curtailed. If we cannot successfully manage the promotion of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved, we could become subject to significant liability, which would materially adversely affect our business and financial condition.

Our market is subject to intense competition. If we are unable to compete effectively, our opportunity to generate revenue from the sale of the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved, will be materially adversely affected.

The LDL-C lowering therapies market is highly competitive and dynamic and dominated by the sale of inexpensive generic versions of statins. In 2017, generic statins, ezetimibe, and fixed combination drugs accounted for about 93% of U.S. prescriptions within the cholesterol / LDL-C lowering market. Our success will depend, in part, on our ability to obtain a share of the market, initially, for patients with hypercholesterolemia and ASCVD and/or HeFH, including high cardiovascular risk primary prevention patients, whose LDL-C is not adequately controlled despite receiving maximally tolerated lipid-modifying background therapy, or only able to tolerate less than the lowest approved daily starting dose of their statin and are therefore considered to be statin intolerant. Potential competitors in North America, Europe and elsewhere include major pharmaceutical companies, specialty pharmaceutical companies, biotechnology firms, universities and other research institutions and government agencies. Other pharmaceutical companies may develop LDL-C lowering therapies for patients that compete with the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved, that do not infringe the claims of our patents, pending patent applications or other proprietary rights, which could materially adversely affect our business and results of operations. The FDA has also indicated to us that approval of other therapies could have an impact on their review of our NDAs for the bempedoic acid / ezetimibe combination tablet and bempedoic acid for our LDL-C lowering programs in these patients.

Lipid lowering therapies currently on the market that would compete with the bempedoic acid / ezetimibe combination tablet and bempedoic acid include the following:

- Inexpensive generic versions of statins;
- Inexpensive generic versions of ezetimibe, a cholesterol absorption inhibitor;
- PCSK9 inhibitors such as Praluent® (alirocumab) and Repatha® (evolocumab), marketed by Sanofi/Regeneron and Amgen Inc. respectively;
- Bile acid sequestrants such as Welchol® (colesevelam), marketed by Daiichi Sankyo Inc.;
- MTP inhibitors, such as JUXTAPID® (lomitapide), marketed by Novelion Therapeutics, Inc.;
- Apo B Anti-Sense therapy, such as KYNAMRO® (mipomersen), marketed by Kastle Therapeutics LLC;
- Inexpensive generic versions of combination tablet therapies, such as ezetimibe and simvastatin;
- Triglyceride lowering therapy such as Vascepa® (icosapent ethyl), marketed by Amarin Corporation; and
- Other lipid-lowering monotherapies (including cheaper generic versions), such as Tricor® (fenofibrate) and Niaspan® (niacin extended release), both of which are marketed by AbbVie, Inc.

Several other pharmaceutical companies have other LDL-C lowering therapies in development that may be approved for marketing in the U.S. or outside of the U.S. Based on publicly available information, we believe the current therapies in development that would compete with the bempedoic acid / ezetimibe combination tablet and bempedoic acid include PCSK9 inhibitors in development from Lilly and The Medicines Company/Alnylam.

Many of our potential competitors have substantially greater financial, technical and human resources than we do and significantly greater experience discovering and developing drug candidates, obtaining FDA and other marketing approvals of products and commercializing those products.

Accordingly, our competitors may be more successful than we may be in obtaining FDA approval for drugs and achieving widespread market acceptance. Our competitors' drugs may be more effective, or more effectively marketed and sold, than the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved, and may render the bempedoic acid / ezetimibe combination tablet or bempedoic acid obsolete or non-competitive before we can recover the expenses of developing and commercializing it. If approved, the bempedoic acid / ezetimibe combination tablet and bempedoic acid may also compete with unapproved and off-label LDL-C lowering treatments, and following the expiration of additional patents covering the LDL-C lowering market, we may also face additional competition from the entry of new generic drugs. We anticipate that we will encounter intense and increasing competition as new drugs enter the market and advanced technologies become available.

We face potential product liability exposure, and, if claims are brought against us, we may incur substantial liability.

The use of the bempedoic acid / ezetimibe combination tablet and bempedoic acid in clinical studies and the sale of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved, exposes us to the risk of product liability claims. Product liability claims might be brought against us by patients, healthcare providers or others selling or otherwise coming into contact with the bempedoic acid / ezetimibe combination tablet or bempedoic acid. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, including as a result of interactions with alcohol or other drugs, negligence, strict liability, and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we become subject to product liability claims and cannot successfully defend ourselves against them, we could incur substantial liabilities. In addition, regardless of merit or eventual outcome, product liability claims may result in, among other things:

- withdrawal of patients from our clinical studies;
- substantial monetary awards to patients or other claimants;
- decreased demand for the bempedoic acid / ezetimibe combination tablet or bempedoic acid or any future product candidates following marketing approval, if obtained;
- damage to our reputation and exposure to adverse publicity;
- increased FDA warnings on product labels;
- litigation costs;
- distraction of management's attention from our primary business;
- loss of revenue; and
- the inability to successfully commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid or any future product candidates, if approved.

We maintain product liability insurance coverage for our clinical studies with a \$10.0 million annual aggregate coverage limit, in addition to insurance coverage in specific local jurisdictions. Nevertheless, our insurance coverage may be insufficient to reimburse us for any expenses or losses we may suffer. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses, including if insurance coverage becomes increasingly expensive. If and when we obtain marketing approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid, we intend to expand our insurance coverage to include the sale of commercial products; however, we may not be able to obtain this product liability

insurance on commercially reasonable terms. Large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. The cost of any product liability litigation or other proceedings, even if resolved in our favor, could be substantial, particularly in light of the size of our business and financial resources. A product liability claim or series of claims brought against us could cause our stock price to decline and, if we are unsuccessful in defending such a claim or claims and the resulting judgments exceed our insurance coverage, our financial condition, business and prospects could be materially adversely affected.

We are subject to healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and others will play a primary role in the recommendation and prescription of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved. Our future arrangements with third-party payors will expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations include the following:

- The federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item, or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid.
- The federal criminal and civil false claims and civil monetary penalty laws, including the False Claims Act, which prohibit among other things, individuals or entities from knowingly presenting, or causing to be made or used, a false record or statement material to a false or fraudulent claim or an obligation to pay or transmit money to the federal government, or knowingly concealing or knowingly and improperly avoiding or decreasing or concealing an obligation to pay money to the federal government.
- The federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, imposes criminal and civil liability for knowingly and willfully executing or attempting to execute a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private), and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters.
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, which impose, among other things, requirements on certain covered healthcare providers, health plans and healthcare clearinghouses, as well as their respective business associates that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization.
- The federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services.

- The federal transparency requirements under the PPACA require manufacturers of drugs, devices, biologics, and medical supplies to report to the Department of Health and Human Services information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members.
- Analogous state laws and regulations, such as state anti-kickback and false claims laws and transparency laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures and drug pricing.

Ensuring that our future business arrangements with third parties comply with applicable healthcare laws and regulations could be costly. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations, including anticipated activities to be conducted by our sales team, were found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines and exclusion from government funded healthcare programs, such as Medicare and Medicaid, any of which could substantially disrupt our operations. If any of the physicians or other providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

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

Despite the implementation of security measures, our internal computer systems and those of our third-party clinical research organizations and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war, and telecommunication and electrical failures. While we have not experienced any such system failure, accident, or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our programs. For example, the loss of clinical study data for the bempedoic acid / ezetimibe combination tablet or bempedoic acid could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities and the further development of the bempedoic acid / ezetimibe combination tablet or bempedoic acid could be delayed.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of our company and our vendors, including personal information of our employees and patients, and company and vendor confidential data. In addition, outside parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and/or systems. We may experience threats to our data and systems, including malicious codes and viruses, phishing and

other cyber-attacks. The number and complexity of these threats continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with payors and patients, and rely more on cloud-based information systems, the related security risks will increase and we will need to expend additional resources to protect our technology and information systems. In addition, there can be no assurance that our internal information technology systems or those of our third-party contractors, or our consultants' efforts to implement adequate security and control measures, will be sufficient to protect us against breakdowns, service disruption, data deterioration or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a cyberattack, security breach, industrial espionage attacks or insider threat attacks which could result in financial, legal, business or reputational harm.

Comprehensive Tax Reform Legislation Could Adversely Affect Our Business And Financial Condition.

On December 22, 2017, President Trump signed into law the "Tax Cuts and Jobs Act" (TCJA) that significantly reforms the Internal Revenue Code of 1986, as amended (the "Code"). The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest, allows for the expensing of capital expenditures, and puts into effect the migration from a "worldwide" system of taxation to a territorial system. Our net deferred tax assets and liabilities have been revalued at the newly enacted U.S. corporate rate. We continue to examine the impact this tax reform legislation may have on our business. The impact of this tax reform is uncertain and could be adverse.

Risks Related to our Intellectual Property

If we are unable to adequately protect our proprietary technology or maintain issued patents which are sufficient to protect the bempedoic acid / ezetimibe combination tablet and bempedoic acid, others could compete against us more directly, which would have a material adverse impact on our business, results of operations, financial condition and prospects.

Our commercial success will depend in part on our success obtaining and maintaining issued patents and other intellectual property rights in the United States and elsewhere and protecting our proprietary technology. If we do not adequately protect our intellectual property and proprietary technology, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability.

As of December 31, 2018, our patent estate, including patents we own, on a worldwide basis, included approximately 24 issued United States patents and 12 pending United States patent applications and 19 issued patents and 45 pending patent applications in other foreign jurisdictions. Of our worldwide patent estate, only a subset of our patents and pending patent applications relates to our bempedoic acid program.

Bempedoic acid is claimed in U.S. Patent No. 7,335,799 that is scheduled to expire in December 2025, which includes 711 days of patent term adjustment, and may be eligible for a patent term extension period of up to five years. U.S. Patent Nos. 9,000,041, 8,497,301, 9,624,152 and 10,118,881 claim methods of using bempedoic acid. There are currently six issued patents and one pending application in countries outside the United States that relate to bempedoic acid and its use. Furthermore, of the six granted patents, we have two granted European patents that have been validated in numerous European countries including France, Germany, Great Britain, Ireland, Italy, the Netherlands, Spain, Sweden and Switzerland.

In addition, we have three patent families in which we are pursuing patent protection for our bempedoic acid / ezetimibe combination tablet and bempedoic acid in combination with one or more statins. We have one pending U.S. patent application and 18 pending applications outside the U.S. with claims directed to methods of treatment using the bempedoic acid / ezetimibe combination. Additionally, we own one pending U.S. patent application and three pending applications outside the U.S. directed to the manufacturing of our bempedoic acid / ezetimibe combination tablet. We also have one pending U.S. patent application and 18 pending applications outside the U.S., with claims directed to methods of treatment using a fixed dose combination of bempedoic acid and one or more statins.

We may not have identified all patents, published applications or published literature that affect our business either by blocking our ability to commercialize our drug candidates, by preventing the patentability of one or more aspects of our drug candidates to us or our licensors or co-owners, or by covering the same or similar technologies that may affect our ability to market our drug candidates. For example, we (or the licensor of a drug candidate to us) may not have conducted a patent clearance search to identify potentially obstructing third party patents. Moreover, patent applications in the United States are maintained in confidence for up to 18 months after their filing. In some cases, however, patent applications remain confidential in the U.S. Patent and Trademark Office, or the USPTO, for the entire time prior to issuance as a U.S. patent. Patent applications filed in countries outside of the United States are not typically published until at least 18 months from their first filing date. Similarly, publication of discoveries in the scientific or patent literature often lags behind actual discoveries. We cannot be certain that we or our licensors or co-owners were the first to invent, or the first to file, patent applications covering our drug candidates. We also may not know if our competitors filed patent applications for technology covered by our pending applications or if we were the first to invent the technology that is the subject of our patent applications. Competitors may have filed patent applications or received patents and may obtain additional patents and proprietary rights that block or compete with our patents.

Others may have filed patent applications or received patents that conflict with patents or patent applications that we own, have filed or have licensed, either by claiming the same methods, compounds or uses or by claiming methods, compounds or uses that could dominate those owned by or licensed to us. In addition, we may not be aware of all patents or patent applications that may affect our ability to make, use or sell any of our drug candidates. Any conflicts resulting from third-party patent applications and patents could affect our ability to obtain the necessary patent protection for our products or processes. If other companies or entities obtain patents with conflicting claims, we may be required to obtain licenses to these patents or to develop or obtain alternative technology. We may not be able to obtain any such licenses on acceptable terms or at all. Any failure to obtain such licenses could delay or prevent us from using discovery-related technology to pursue the development or commercialization of our drug candidates, which would adversely affect our business.

We cannot assure you that any of our patents have, or that any of our pending patent applications will mature into issued patents that will include, claims with a scope sufficient to protect the bempedoic acid / ezetimibe combination tablet or bempedoic acid or any other product candidates. Others have developed technologies that may be related or competitive to our approach, and may have filed or may file patent applications and may have received or may receive patents that may overlap or conflict with

our patent applications, either by claiming the same methods or formulations or by claiming subject matter that could dominate our patent position. The patent positions of biotechnology and pharmaceutical companies, including our patent position, involve complex legal and factual questions, and, therefore, the issuance, scope, validity and enforceability of any patent claims that we may obtain cannot be predicted with certainty. Patents, if issued, may be challenged, deemed unenforceable, invalidated, or circumvented. U.S. patents and patent applications may also be subject to interference proceedings, ex parte reexamination, inter partes review and post-grant review proceedings, supplemental examination and may be challenged in district court. Patents granted in certain other countries may be subjected to revocation, opposition or comparable proceedings lodged in various national and regional patent offices, and national courts. These proceedings could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such interference, re-examination, post-grant review, inter partes review, supplemental examination, opposition, or revocation proceedings may be costly. Thus, any patents that we may own or exclusively license may not provide any protection against competitors. Furthermore, an adverse decision in an interference proceeding can result in a third-party receiving the patent right sought by us, which in turn could affect our ability to develop, market or otherwise commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid.

Furthermore, the issuance of a patent, while presumed valid and enforceable, is not conclusive as to its validity or its enforceability and it may not provide us with adequate proprietary protection or competitive advantages against competitors with similar products. Competitors may also be able to design around our patents. Other parties may develop and obtain patent protection for more effective technologies, designs or methods. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by consultants, vendors, former employees and current employees. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States, and we may encounter significant problems in protecting our proprietary rights in these countries. If these developments were to occur, they could have a material adverse effect on our sales.

Furthermore, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. We expect to seek extensions of patent terms in the United States and, if available, in other countries where we have or are pursuing patent protection for our product candidates. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the normal expiration of the patent, but the total patent term including the restoration period must not exceed 14 years following FDA approval. However, the applicable authorities, including the FDA and the USPTO in the United States, and any equivalent regulatory authority in other countries, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If this occurs, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case.

Our ability to enforce our patent rights depends on our ability to detect infringement. It is difficult to detect infringers who do not advertise the components that are used in their products. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product. Any litigation to enforce or defend our patent rights, if any, even if we were to prevail, could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful.

In addition, proceedings to enforce or defend our patents could put our patents at risk of being invalidated, held unenforceable, or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. If, in any proceeding, a court invalidated or found unenforceable our patents covering the bempedoic acid / ezetimibe combination tablet or bempedoic acid, our financial position and results of operations would be materially and adversely impacted. In addition, if a court found that valid, enforceable patents held by third parties covered the bempedoic acid / ezetimibe combination tablet or bempedoic acid, our financial position and results of operations would also be materially and adversely impacted.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- any of our patents, or any of our pending patent applications, if issued, will include claims having a scope and patent term sufficient to protect the bempedoic acid / ezetimibe combination tablet or bempedoic acid;
- any of our pending patent applications will result in issued patents;
- we will be able to successfully commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved, before our relevant patents expire;
- we were the first to make the inventions covered by each of our patents and pending patent applications;
- we were the first to file patent applications for these inventions;
- others will not develop similar or alternative technologies that do not infringe our patents;
- any of our patents will be valid and enforceable;
- any patents issued to us will provide a basis for an exclusive market for our commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or product candidates that are separately patentable; or
- that our commercial activities or products, or those of our licensors, will not infringe upon the patents of others.

We rely upon unpatented trade secrets, unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we seek to protect, in part, by confidentiality agreements with our employees and our collaborators and consultants. We also have agreements with our employees and selected consultants that obligate them to assign their inventions to us. It is possible that technology relevant to our business will be independently developed by a person that is not a party to such an agreement. Furthermore, if the employees and consultants who are parties to these agreements breach or violate the terms of these agreements, we may not have adequate remedies for any such breach or violation, and we could lose our trade secrets through such breaches or violations. Further, our trade secrets could otherwise become known or be independently discovered by our competitors.

If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and products could be significantly diminished.

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific

collaborators, sponsored researchers, contract manufacturers, vendors and other advisors to protect our trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, we cannot guarantee that we have executed these agreements with each party that may have or have had access to our trade secrets.

Moreover, because we acquired certain rights from Pfizer, we must rely on Pfizer's practices, and those of its predecessors, with regard to parties that may have had access to our trade secrets related thereto before our incorporation. Any party with whom we or they have executed such an agreement may breach that agreement and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they disclose such trade secrets, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed, either intentionally or unintentionally, to or independently developed by a competitor or other third-party, our competitive position would be harmed.

We may infringe the intellectual property rights of others, which may prevent or delay our product development efforts and stop us from commercializing or increase the costs of commercializing the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved.

Our success will depend in part on our ability to operate without infringing the intellectual property and proprietary rights of third parties. We cannot assure you that our business, products and methods do not or will not infringe the patents or other intellectual property rights of third parties.

The pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may allege that the bempedoic acid / ezetimibe combination tablet or bempedoic acid or the use of our technologies infringe patent claims or other intellectual property rights held by them or that we are employing their proprietary technology without authorization. For example, we are aware of U.S. patents relating to compositions containing ezetimibe. Although we believe that our bempedoic acid / ezetimibe combination tablet would not infringe a claim of such patents, the owner of such patents may disagree and initiate a patent infringement action against us. Patent and other types of intellectual property litigation can involve complex factual and legal questions, and their outcome is uncertain. Any claim relating to intellectual property infringement that is successfully asserted against us may require us to pay substantial damages, including treble damages and attorney's fees if we are found to be willfully infringing another party's patents, for past use of the asserted intellectual property and royalties and other consideration going forward if we are forced to take a license. In addition, if any such claim were successfully asserted against us and we could not obtain such a license, we may be forced to stop or delay developing, manufacturing, selling or otherwise commercializing the bempedoic acid / ezetimibe combination tablet or bempedoic acid.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court, or redesign our products. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, intellectual property litigation or claims could force us to do one or more of the following:

- cease developing, selling or otherwise commercializing the bempedoic acid / ezetimibe combination tablet or bempedoic acid;

- pay substantial damages for past use of the asserted intellectual property;
- obtain a license from the holder of the asserted intellectual property, which license may not be available on reasonable terms, if at all; and
- redesign, or rename in the case of trademark claims, the bempedoic acid / ezetimibe combination tablet or bempedoic acid to avoid infringing the intellectual property rights of third parties, which may not be possible and, even if possible, could be costly and time-consuming.

Any of these risks coming to fruition could have a material adverse effect on our business, results of operations, financial condition and prospects.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

The United States has enacted the America Invents Act of 2011, which is wide-ranging patent reform legislation. The United States Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. There are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case.

We could become dependent on licensed intellectual property. If we were to lose our rights to licensed intellectual property, we may not be able to continue developing or commercializing the bempedoic acid / ezetimibe combination tablet or bempedoic acid or other product candidates, if approved.

In the future, we may enter into license(s) to third-party intellectual property that are necessary or useful to our business. Such license agreement(s) will likely impose various obligations upon us, and our licensor(s) may have the right to terminate the license thereunder in the event of a material breach or, in some cases, at will. Future licensor(s) may allege that we have breached our license agreement with them and accordingly seek to terminate our license or decide to terminate our license at will. If successful, this could result in our loss of the right to use the licensed intellectual property, which could materially adversely affect our ability to develop and commercialize a product candidate or product, if approved, as well as harm our competitive business position and our business prospects.

We do not seek to protect our intellectual property rights in all jurisdictions throughout the world and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents on product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some

countries outside the United States could be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing with us.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to emerging pharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Our employees have been previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we are not aware of any claims currently pending against us, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of the former employers of our employees. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If we fail in defending such claims, in addition to paying money claims, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid, which would materially adversely affect our commercial development efforts.

Risks Related to our Dependence on Third Parties

If a collaborative partner terminates or fails to perform its obligations under an agreement with us, the commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid could be delayed or terminated.

In January 2019, we entered into a license and collaboration agreement with DSE, pursuant to which DSE will be responsible for the commercialization of, if approved, the bempedoic acid / ezetimibe combination tablet and bempedoic acid in the DSE Territory. We may also enter into similar arrangements with other partners or collaborators to commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid, outside of the United States and Europe, or to further commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid in the broader cholesterol modifying market in the United States, if approved. If DSE or any of our future

collaborative partners does not devote sufficient time and resources to the collaboration arrangement with us, we may not realize the potential commercial benefits of the arrangement, and our results of operations may be materially adversely affected. In addition, if DSE or any such future collaboration partner were to breach or terminate its arrangements with us, the commercialization of the bempedoic acid / ezetimibe combination tablet or bempedoic acid could be delayed, curtailed or terminated because we may not have sufficient financial resources or capabilities to continue commercialization of the bempedoic acid / ezetimibe combination tablet or bempedoic acid on our own in such locations.

Pursuant to the collaboration arrangement with DSE, we will receive significant commercial and regulatory milestone payments, as well as tiered fifteen percent (15%) to twenty-five percent (25%) royalties on certain net DSE Territory sales. Similar to this collaboration arrangement, much of the potential revenue from future collaborations may consist of contingent payments, such as payments for achieving regulatory milestones or royalties payable on sales of drugs. The milestone and royalty revenue that we may receive under these collaborations will depend upon our collaborators' ability to successfully introduce, market and sell new products. In addition, collaborators may decide to enter into arrangements with third parties to commercialize products developed under collaborations using our technologies, which could reduce the milestone and royalty revenue that we may receive, if any. DSE and our future collaboration partners may fail to develop or effectively commercialize products using our products or technologies because they:

- decide not to devote the necessary resources due to internal constraints, such as limited personnel with the requisite expertise, limited cash resources or specialized equipment limitations, or the belief that other drug development programs may have a higher likelihood of obtaining marketing approval or may potentially generate a greater return on investment;
- decide to pursue other technologies or develop other product candidates, either on their own or in collaboration with others, including our competitors, to treat the same diseases targeted by our own collaborative programs;
- do not have sufficient resources necessary to carry the product candidate through clinical development, marketing approval and commercialization; or
- cannot obtain the necessary marketing approvals.

Competition may negatively impact a partner's focus on and commitment to the bempedoic acid / ezetimibe combination tablet or bempedoic acid and, as a result, could delay or otherwise negatively affect the commercialization of the bempedoic acid / ezetimibe combination tablet or bempedoic acid outside of the United States or in the broader cholesterol modifying market in the United States. If DSE and our future collaboration partners fail to develop or effectively commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid for any of these reasons, our sales of the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved, may be limited, which would have a material adverse effect on our operating results and financial condition.

We will be unable to directly control all aspects of our clinical studies due to our reliance on CROs and other third parties that assist us in conducting clinical studies.

We relied on CROs in our prior clinical studies, including our global pivotal Phase 3 clinical studies and our pivotal Phase 3 1002FDC-053 clinical study, and will continue to rely on CROs to conduct our CLEAR Outcomes CVOT, as well as any future clinical studies we may undertake. As a result, we will have less direct control over the conduct, timing and completion of these clinical studies and the management of data developed through the clinical studies than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may:

- have staffing difficulties;

- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

These factors may materially adversely affect the willingness or ability of third parties to conduct our clinical studies and may subject us to unexpected cost increases that are beyond our control.

Moreover, the FDA requires us to comply with standards, commonly referred to as Good Clinical Practices, for conducting, recording, and reporting the results of clinical studies to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical study participants are protected. Our reliance on third parties that we do not control does not relieve us of these responsibilities and requirements.

Problems with the timeliness or quality of the work of any CRO may lead us to seek to terminate our relationship with any such CRO and use an alternative service provider. Making this change may be costly and may delay our clinical studies, and contractual restrictions may make such a change difficult or impossible to effect. If we must replace any CRO that is conducting our clinical studies, our clinical studies may have to be suspended until we find another CRO that offers comparable services. The time that it takes us to find alternative organizations may cause a delay in the commercialization of the bempedoic acid / ezetimibe combination tablet or bempedoic acid or may cause us to incur significant expenses to replicate data that may be lost. Although we do not believe that any CRO on which we may rely will offer services that are not available elsewhere, it may be difficult to find a replacement organization that can conduct our clinical studies in an acceptable manner and at an acceptable cost. Any delay in or inability to complete our clinical studies could significantly compromise our ability to secure regulatory approval of the bempedoic acid / ezetimibe combination tablet or bempedoic acid and preclude our ability to commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid, thereby limiting or preventing our ability to generate revenue from its sales.

We rely completely on third-party suppliers to manufacture our clinical drug supplies for the bempedoic acid / ezetimibe combination tablet and bempedoic acid, and we intend to rely on third parties to produce commercial supplies of the bempedoic acid / ezetimibe combination tablet and bempedoic acid and preclinical, clinical and commercial supplies of any future product candidate.

We do not currently have, nor do we plan to acquire, the infrastructure or capability to internally manufacture our clinical drug supply of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, or any future product candidates, for use in the conduct of our preclinical studies and clinical studies, and we lack the internal resources and the capability to manufacture any product candidates on a clinical or commercial scale. In addition, we have no control over the production of ezetimibe for the bempedoic acid / ezetimibe combination tablet. The facilities used by our contract manufacturers to manufacture the active pharmaceutical ingredient and final drug for bempedoic acid, or any future product candidates, must be approved by the FDA and other comparable foreign regulatory agencies pursuant to inspections that would be conducted after submission of our NDA or relevant foreign regulatory submission to the applicable regulatory agency.

We do not control the manufacturing process of, and are completely dependent on, our contract manufacturers to comply with current Good Manufacturing Practices for manufacture of both active drug substances and finished drug products. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or applicable foreign regulatory agencies, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no direct control over our contract manufacturers' ability to maintain adequate quality control, quality assurance and qualified

personnel. Furthermore, all of our contract manufacturers are engaged with other companies to supply and/or manufacture materials or products for such companies, which exposes our manufacturers to regulatory risks for the production of such materials and products. As a result, failure to satisfy the regulatory requirements for the production of those materials and products may affect the regulatory clearance of our contract manufacturers' facilities generally. If the FDA or a comparable foreign regulatory agency does not approve these facilities for the manufacture of our product candidates or if it withdraws its approval in the future, we may need to find alternative manufacturing facilities, which would adversely impact our ability to develop, obtain regulatory approval for or market our product candidates.

If we do not establish successful collaborations, we may have to alter our development and commercialization plans for the bempedoic acid / ezetimibe combination tablet and bempedoic acid.

Our drug development programs and commercialization plans for the bempedoic acid / ezetimibe combination tablet and bempedoic acid will require substantial additional cash to fund expenses. We may develop and initially commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid in the United States without a partner. However, in order to pursue the broader cholesterol modifying market in the United States, we may also enter into a partnership or co-promotion arrangement with an established pharmaceutical company that has a larger sales force. In January 2019, we entered into a license and collaboration agreement with DSE, pursuant to which DSE will be responsible for the commercialization of, if approved, the bempedoic acid / ezetimibe combination tablet and bempedoic acid in the DSE Territory. We may enter into additional collaborative arrangements to develop and commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid outside of the United States and the DSE Territory. We will face significant competition in seeking appropriate collaborators and these collaboration agreements are complex and time-consuming to negotiate. We may not be able to negotiate collaborations on acceptable terms, or at all. If that were to occur, we may have to curtail the development or delay commercialization of the bempedoic acid / ezetimibe combination tablet or bempedoic acid in certain geographies, reduce the scope of our sales or marketing activities, reduce the scope of our commercialization plans, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities outside of the United States and the DSE Territory on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms, or at all.

Risks Related to General Business, Employee Matters and Managing Growth

We will need to develop and expand our company, and we may encounter difficulties in managing this development and expansion, which could disrupt our operations.

We expect that we will continue to increase our workforce and the scope of our operations, including as we build our commercial sales capabilities. To manage our anticipated development and expansion, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Also, our management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing these development activities. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. This may result in weaknesses in our infrastructure; or give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. The physical expansion of our operations may lead to significant costs and may divert financial resources from other projects, such as the development of the bempedoic acid / ezetimibe combination tablet or bempedoic acid. If our management is unable to effectively manage our expected development and expansion, our expenses may increase more than anticipated, our ability

to generate or increase our revenue could be reduced and we may not be able to implement our business strategy. Our future financial performance and our ability to commercialize the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if approved, and compete effectively will depend, in part, on our ability to effectively manage the future development and expansion of our company.

Our future success depends on our ability to retain members of our senior management team, and to attract, retain and motivate qualified personnel.

We are highly dependent on members of our senior management team. We have entered into employment agreements with these individuals, but any employee may terminate his or her employment with us. Although we do not have any reason to believe that we will lose the services of these individuals in the foreseeable future, the loss of the services of these individuals might impede the achievement of our research, development and commercialization objectives. We rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. Recruiting and retaining qualified scientific personnel and sales and marketing personnel will also be critical to our success. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific personnel from universities and research institutions. Failure to succeed in clinical studies may make it more challenging to recruit and retain qualified scientific personnel.

Our company lacks experience commercializing products, which may have a material adverse effect on our business.

We will need to transition from a company with a development focus to a company capable of supporting commercial activities. We intend to build a sales force but may be unsuccessful in making such a transition. These are our company's first NDAs and we have not yet demonstrated an ability to obtain marketing approval for or commercialize a product candidate. Therefore, our clinical development and regulatory approval process may involve more inherent risk, take longer, and cost more than it would if we were a company with a more significant operating history and had experience obtaining marketing approval for and commercializing a product candidate.

Our employees may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements or engaging in insider trading, which could significantly harm our business.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with the regulations of the FDA and applicable non-U.S. regulators, provide accurate information to the FDA and applicable non-U.S. regulators, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of, including trading on, information obtained in the course of clinical studies, which could result in regulatory sanctions and serious harm to our reputation. We have adopted a code of conduct, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or

unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

In order to satisfy our obligations as a publicly traded company, we may need to hire qualified accounting and financial personnel with appropriate public company experience.

As a public company, we need to establish and maintain effective disclosure and financial controls and our corporate governance practices that we have adopted. We may need to hire additional accounting and financial personnel with appropriate public company experience and technical accounting knowledge, and it may be difficult to recruit and maintain such personnel. Even if we are able to hire appropriate personnel, our existing operating expenses and operations will be impacted by the direct costs of their employment and the indirect consequences related to the diversion of management resources from product development efforts.

Risks Related to our Financial Position and Capital Requirements

We have not generated any revenue from product sales and may never be profitable.

Our ability to become profitable depends upon our ability to generate product revenue. To date, we have not generated any revenue from sales of the bempedoic acid / ezetimibe combination tablet or bempedoic acid, and we do not know when, or if, we will generate any such revenue. We do not expect to generate significant revenue, other than the revenue derived from the upfront payment in connection with the collaboration arrangement with DSE, unless and until we obtain marketing approval of, and begin to sell, the bempedoic acid / ezetimibe combination tablet and bempedoic acid. Our ability to generate revenue depends on a number of factors, including, but not limited to, our ability to:

- successfully complete our CLEAR Outcomes CVOT;
- commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved, by developing a sales force or entering into collaborations with third parties;
- realize the intended benefits of the collaboration and license arrangement with DSE; and
- achieve market acceptance of the bempedoic acid / ezetimibe combination tablet and bempedoic acid in the medical community and with third-party payors.

In addition, we expect to incur significant sales and marketing costs as we prepare to commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid. Even if the bempedoic acid / ezetimibe combination tablet and bempedoic acid are approved for commercial sale, and despite expending these costs, the bempedoic acid / ezetimibe combination tablet or bempedoic acid may not be commercially successful drugs. We may not achieve profitability soon after generating product sales, if ever. If we are unable to generate product revenue, we will not become profitable and may be unable to continue operations without continued funding.

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

We may seek additional cash resources through a combination of collaborations with third parties, strategic alliances, licensing arrangements, debt financings, royalty-based financings, private and public equity offerings or through other sources. To the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, your ownership interest in our company will be diluted. In addition, the terms of any such securities may include liquidation or

other preferences that materially adversely affect your rights as a stockholder. Debt financing, if available, would increase our fixed payment obligations. Debt or royalty-based financings 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 partnerships and licensing arrangements with third parties, such as the collaboration arrangement with DSE, we may have to relinquish valuable rights to the bempedoic acid / ezetimibe combination tablet or bempedoic acid, our intellectual property, future revenue streams or grant licenses on terms that are not favorable to us.

Our ability to use our net operating loss carryforwards may be subject to limitation.

At December 31, 2018, we had United States federal net operating loss carryforwards of approximately \$539.2 million and state net operating loss carryforwards of approximately \$526.6 million. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income may be limited. In general, an "ownership change" will occur if there is a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period. Similar rules may apply under state tax laws. As a result of prior equity issuances and other transactions in our stock, we have previously experienced "ownership changes" under section 382 of the Code and comparable state tax laws. We may also experience ownership changes in the future as a result of future transactions in our stock. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards or other pre-change tax attributes to offset United States federal and state taxable income is subject to limitations. The effect of the enactment of the TCJA was to reduce our corporate statutory income tax rate from 34% to 21%. This may cause a reduction in the economic benefit of our net operating loss carryforwards and other deferred tax assets available to the Company.

Complying with public company reporting and other obligations may strain our financial and managerial resources. Additionally, we are obligated to develop and maintain proper and effective internal control over financial reporting, but we may not complete our analysis of our internal control over financial reporting in a timely manner or these internal controls may not be determined to be effective, either of which may harm investor confidence in us and the value of our common stock.

As a public company, we are required to comply with applicable provisions of the Sarbanes-Oxley Act of 2002, as well as other rules and regulations promulgated by the SEC and the NASDAQ Stock Market LLC, or NASDAQ, which results in significant continuing legal, accounting, administrative and other costs and expenses. The listing requirements of the NASDAQ Global Market require that we satisfy certain corporate governance requirements relating to director independence, distributing annual and interim reports, stockholder meetings, approvals and voting, soliciting proxies, conflicts of interest and a code of conduct. Our management and other personnel need to devote a substantial amount of time to ensure that we comply with all of these requirements.

We are subject to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, and the related rules of the SEC that generally require our management and independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting. Section 404 requires an annual management assessment, as well as an opinion from our independent registered public accounting firm, on the effectiveness of our internal control over financial reporting.

We are in the costly and challenging process of evaluating and testing our internal controls for the purpose of providing the reports required by these rules. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the course of our review and testing, we may identify deficiencies and be unable to remediate them before we must provide the

required reports. Furthermore, if we have a material weakness in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. We or our independent registered public accounting firm may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting, which could harm our operating results, cause investors to lose confidence in our reported financial information and cause the trading price of our stock to fall. In addition, we are required to timely file accurate quarterly and annual reports with the SEC under the Securities Exchange Act of 1934, or the Exchange Act, as amended. In order to report our results of operations and financial statements on an accurate and timely basis, we depend on CROs to provide timely and accurate notice of their costs to us. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from the NASDAQ Global Market or other adverse consequences that would materially harm our business.

Risks Related to the Securities Markets and Investment in our Common Stock

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

At December 31, 2018, our executive officers, directors and entities affiliated with certain of our directors beneficially owned approximately 11.4% of our outstanding voting common stock. These stockholders have the ability to influence us through their ownership position. These stockholders may be able to determine the outcome of all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

We may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biotechnology and pharmaceutical companies have experienced significant stock price volatility in recent years.

For example, a purported securities class action lawsuit was filed in January 2016 naming us and certain of our officers as defendants. In December 2016, the federal district court granted our motion to dismiss with prejudice and entered judgment in our favor. In May 2017, the court denied plaintiffs' motion to alter or amend that judgment. On June 19, 2017, plaintiffs filed a notice of appeal to the Sixth Circuit Court of Appeals and on September 14, 2017, they filed their opening brief in support of the appeal. The appeal was fully briefed on December 7, 2017, and it was argued before the Sixth Circuit on March 15, 2018. On September 27, 2018, the Sixth Circuit issued an opinion in which it reversed the district court's dismissal and remanded for further proceedings. On October 11, 2018, we filed a petition for rehearing en banc and, on October 23, 2018, the Sixth Circuit of Appeals directed plaintiffs to respond to that petition. On December 3, 2018, the Sixth Circuit Court of Appeals denied our petition for en banc rehearing, and on December 11, 2018, the case was returned to the federal district court by mandate from the Sixth Circuit. On December 26, 2018, we filed our answer to the amended complaint.

Additionally, in December 2016, a purported derivative action was filed in Delaware against certain of our directors and officers. In February 2019, our company and defendants filed a motion to dismiss the derivative lawsuit. In May 2018, a purported securities class action lawsuit was filed naming us and certain of our officers as defendants. In November 2018, we filed a motion to dismiss and such motion was fully briefed in December 2018. In February 2019, the court granted our motion to dismiss with prejudice and entered judgment in our favor.

Any lawsuit to which we or our directors or officers are a party, with or without merit, may result in an unfavorable judgment. We also may decide to settle lawsuits on unfavorable terms. Any such negative outcome could result in payments of substantial damages or fines, damage to our reputation or adverse changes to our offerings or business practices. Any of these results could adversely affect our business. In addition, defending claims is costly and can impose a significant burden on our management. This proceeding and any others in which we may become involved could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

If securities or industry analysts cease publishing research or reports or publish misleading, inaccurate or unfavorable research about us, our business or our market, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. We only recently started receiving research coverage by securities and industry analysts. If one or more of the industry analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, or provides more favorable relative recommendations about our competitors, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price or trading volume to decline.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, even one that may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our certificate of incorporation and bylaws may delay or prevent an acquisition of us or a change in our management. These provisions include a classified board of directors, a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirors to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividend on our common stock and do not currently intend to do so in the foreseeable future. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. Therefore, the success of an investment in shares of our common stock will depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which you purchased them.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters are located in Ann Arbor, Michigan where we lease and occupy approximately 19,400 square feet of office space. We believe our current facilities will be sufficient to meet our needs until expiration.

Item 3. Legal Proceedings

On January 12, 2016, a purported stockholder of our company filed a putative class action lawsuit in the United States District Court for the Eastern District of Michigan, against us and Tim Mayleben, captioned *Kevin L. Dougherty v. Esperion Therapeutics, Inc., et al.* (No. 16-cv-10089). The lawsuit alleges that we and Mr. Mayleben violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 by allegedly failing to disclose in an August 17, 2015, public statement that the FDA would require a cardiovascular outcomes trial before approving our lead product candidate. The lawsuit seeks, among other things, compensatory damages in connection with an allegedly inflated stock price between August 18, 2015, and September 28, 2015, as well as attorneys' fees and costs. On May 20, 2016, an amended complaint was filed in the lawsuit and on July 5, 2016, we filed a motion to dismiss the amended complaint. On December 27, 2016, the court granted our motion to dismiss with prejudice and entered judgment in our favor. On January 24, 2017, the plaintiffs in this lawsuit filed a motion to alter or amend the judgment. In May 2017, the court denied the plaintiff's motion to alter or amend the judgment. On June 19, 2017, the plaintiffs filed a notice of appeal to the Sixth Circuit Court of Appeals and on September 14, 2017, they filed their opening brief in support of the appeal. The appeal was fully briefed on December 7, 2017, and it was argued before the Sixth Circuit on March 15, 2018. On September 27, 2018, the Sixth Circuit issued an opinion in which it reversed the district court's dismissal and remanded for further proceedings. On October 11, 2018, we filed a petition for rehearing en banc and, on October 23, 2018, the Sixth Circuit of Appeals directed plaintiffs to respond to that petition. On December 3, 2018, the Sixth Circuit denied our petition for en banc rehearing, and on December 11, 2018, the case was returned to the federal district court by mandate from the Sixth Circuit. On December 26, 2018, we filed our answer to the amended complaint. We are unable to predict the outcome of this matter and are unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

On December 15, 2016, a purported stockholder of our company filed a derivative lawsuit in the Court of Chancery of the State of Delaware against Tim Mayleben, Roger Newton, Mary McGowan, Nicole Vitullo, Dov Goldstein, Daniel Janney, Antonio Gotto Jr., Mark McGovern, Gilbert Omenn, Scott Braunstein, and Patrick Enright. Our company is named as a nominal defendant. The lawsuit alleges that the defendants breached their fiduciary duties to the company when they made or approved improper statements on August 17, 2015, regarding our lead product candidate's path to FDA approval, and failed to ensure that reliable systems of internal controls were in place at our company. On February 8, 2019, we and the defendants filed a motion to dismiss the derivative lawsuit. The lawsuit seeks, among other things, any damages sustained by us as a result of the defendants' alleged breaches of fiduciary duties, including damages related to the above-referenced securities class action, an order directing us to take all necessary actions to reform and improve our corporate governance and internal procedures, restitution from the defendants, and attorneys' fees and costs. We are unable to predict the outcome of this matter and are unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

On May 7, 2018, a purported stockholder of our company filed a putative class action lawsuit in the United States District Court for the Eastern District of Michigan, captioned *Kevin Bailey v. Esperion Therapeutics, Inc., et al.* (No. 18-cv-11438). An amended complaint was filed on October 22, 2018, against us and certain directors and officers. The amended complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 based on allegedly making false and misleading statements and omissions about the safety and tolerability of

bempedoic acid, and specifically facts and circumstances surrounding the Phase 3 trial results for bempedoic acid that we announced on May 2, 2018. On November 13, 2018, we filed a motion to dismiss the amended complaint, and that motion was fully briefed on December 18, 2018. On February 19, 2019, the court granted our motion to dismiss with prejudice and entered judgment in our favor. The lawsuit seeks, among other things, compensatory damages in connection with an allegedly inflated stock price between February 22, 2017, and May 22, 2018, as well as attorneys' fees and costs. We are unable to predict the ultimate outcome of this matter and are unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

In the future, we may become party to legal matters and claims arising in the ordinary course of business, the resolution of which we do not anticipate would have a material adverse impact on our financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities****Market Information**

Our common stock is listed on the NASDAQ Global Select Market under the symbol "ESPR".

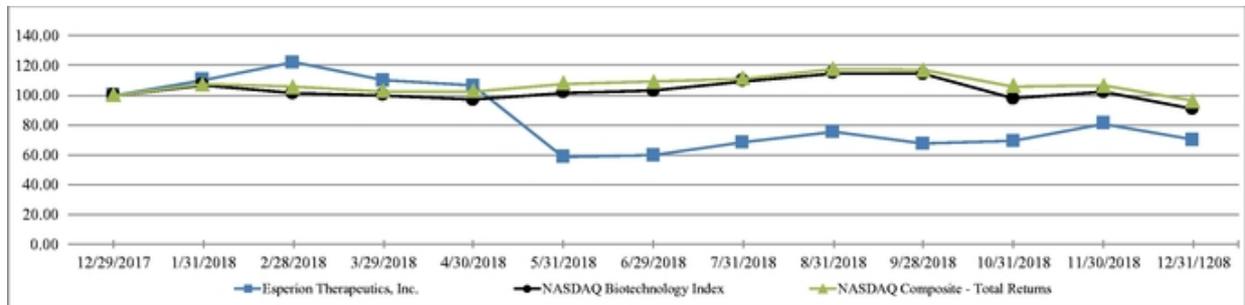
Stockholders

As of February 1, 2019, there were 8 stockholders of record, which excludes stockholders whose shares were held in nominee or street name by brokers.

Performance Graph

The following graph illustrates a comparison of the total cumulative stockholder return for our common stock since January 1, 2018, to two indices: the NASDAQ Composite Index and the NASDAQ Biotechnology Index. The graph assumes an initial investment of \$100 on January 1, 2018, in our common stock, the stocks comprising the NASDAQ Composite Index, and the stocks comprising the NASDAQ Biotechnology Index. Historical stockholder return is not necessarily indicative of the performance to be expected for any future periods.

**Comparison of 1 Year Cumulative Total Return*
Among Esperion Therapeutics, Inc., the NASDAQ Composite Index and
the NASDAQ Biotechnology Index**



* \$100 invested on January 1, 2018, in stock or index. Fiscal Year ending December 31.

The performance graph shall not be deemed to be incorporated by reference by means of any general statement incorporating by reference this Form 10-K into any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that we specifically incorporate such information by reference, and shall not otherwise be deemed filed under such acts.

Dividend Policy

We have never paid or declared any cash dividends on our common stock, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain all available funds and any future earnings to fund the development and expansion of our business. Any future determination to pay dividends will be at the discretion of our board of directors and will depend upon a number of factors, including our results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors our board of directors deems relevant.

Equity Compensation Plans

The information required by Item 5 of Form 10-K regarding equity compensation plans is incorporated herein by reference to Item 11 of Part III of this Annual Report.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6. Selected Financial Data

The selected financial data set forth below is derived from our audited financial statements and may not be indicative of future operating results. The following selected financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and the notes thereto included elsewhere in this report. The selected financial data in this section are not intended to replace our financial statements and the related notes. Our historical results are not necessarily indicative of our future results.

	Three Months Ended December 31,					Years Ended December 31,				
	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
	(in thousands, except share and per share data)									
Operating expenses:										
Research and development	\$ 49,473	\$ 33,439	\$ 24,881	\$ 7,956	\$ 6,200	\$ 171,488	\$ 147,603	\$ 57,868	\$ 29,802	\$ 25,302
General and administrative	11,176	5,257	4,404	5,278	3,180	33,097	21,379	18,282	20,238	10,922
Total operating expenses	60,649	38,696	29,285	13,234	9,380	204,585	168,982	76,150	50,040	36,224
Loss from operations	(60,649)	(38,696)	(29,285)	(13,234)	(9,380)	(204,585)	(168,982)	(76,150)	(50,040)	(36,224)
Total other income (expense)	610	805	329	112	(77)	2,775	1,994	1,172	256	(151)
Net loss	\$ (60,039)	\$ (37,891)	\$ (28,956)	\$ (13,122)	\$ (9,457)	\$ (201,810)	\$ (166,988)	\$ (74,978)	\$ (49,784)	\$ (36,375)
Net loss per common share (basic and diluted)	\$ (2.24)	\$ (1.44)	\$ (1.29)	\$ (0.58)	\$ (0.49)	\$ (7.54)	\$ (6.98)	\$ (3.33)	\$ (2.26)	\$ (2.22)
Weighted average shares outstanding (basic and diluted)	26,818,331	26,222,397	22,554,418	22,515,136	19,276,639	26,754,308	23,933,273	22,544,475	22,019,818	16,374,102

The table below presents a summary of our balance sheet data as of December 31, 2018, 2017, 2016, 2015 and 2014:

	As of December 31,				
	2018	2017	2016	2015	2014
	(in thousands)				
Balance Sheet Data:					
Cash and cash equivalents	\$ 36,973	\$ 34,468	\$ 38,165	\$ 77,336	\$ 85,038
Working capital	78,299	170,780	197,988	208,769	101,208
Investments	99,293	239,151	204,324	215,240	56,544
Total assets	143,451	277,835	245,213	295,572	143,276
Total long-term debt	—	—	1,022	2,688	4,231
Common stock	27	26	23	23	20
Accumulated deficit	(598,101)	(396,291)	(229,200)	(154,222)	(104,438)
Total stockholders' equity	79,118	244,691	228,602	287,259	133,554

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this report, including those set forth under Item 1A. "Risk Factors" and under "Forward-Looking Statements" in this Annual Report on Form 10-K.

Overview

Corporate Overview

We are the Lipid Management Company, a late-stage pharmaceutical company focused on developing and commercializing complementary, cost-effective, convenient, once-daily, oral therapies for the treatment of patients with elevated low density lipoprotein cholesterol, or LDL-C. Through scientific and clinical excellence, and a deep understanding of cholesterol biology, the experienced Lipid Management Team at Esperion is committed to developing new LDL-C lowering therapies that will make a substantial impact on reducing global cardiovascular disease, or CVD; the leading cause of death around the world. Bempedoic acid and our lead product candidate, the bempedoic acid / ezetimibe combination tablet, are targeted therapies that have been shown to significantly lower elevated LDL-C levels in patients with hypercholesterolemia, including patients inadequately treated with current lipid-modifying therapies.

The completed clinical development program for an LDL-C lowering indication for the bempedoic acid / ezetimibe combination tablet consisted of a single pivotal Phase 3 study (1002FDC-053) in patients with hypercholesterolemia and with atherosclerotic cardiovascular disease, or ASCVD, and/or heterozygous familial hypercholesterolemia, or HeFH, including high CVD risk primary prevention patients, whose LDL-C is not adequately controlled despite receiving maximally tolerated lipid-modifying background therapy. 1002FDC-053 initiated in November 2017, fully enrolled 382 patients in March 2018, and we reported top-line results in August 2018.

The completed global pivotal Phase 3 clinical development program for an LDL-C lowering indication for bempedoic acid consisted of four clinical studies in 3,621 high CVD risk patients with hypercholesterolemia and ASCVD and/or HeFH, or who are high CVD risk primary prevention, on optimized background lipid-modifying therapy and with elevated levels of LDL-C. These patients are on two distinct types of background lipid-modifying therapy: 1) patients on their maximally tolerated statin therapy, and 2) patients who are only able to tolerate less than the lowest approved daily starting dose of a statin, and can be considered statin intolerant. In March 2018, we reported top-line results from the first of the Phase 3 studies, Study 4 (1002-048). In May 2018, we reported top-line results from the 52-week long-term safety study, Study 1 (1002-040), and from Study 3 (1002-046). In October 2018, we reported top-line results from Study 2 (1002-047).

On February 20, 2019, we submitted the new drug application, or NDA, for bempedoic acid and on February 26, 2019, we submitted the NDA for the bempedoic acid / ezetimibe combination tablet to the Food and Drug Administration, or FDA, for LDL-C lowering indications. In addition, the European Medicines Agency, or EMA, completed formal validation of the Marketing Authorization Applications, or MAAs, for bempedoic acid and the bempedoic acid / ezetimibe combination tablet for LDL-C lowering indications. The MAAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet were submitted to the EMA on February 11, 2019.

We are also conducting a global cardiovascular outcomes trial, or CVOT,—known as **C**holesterol **L**owering via **B**empedoic Acid, an **A**CL-inhibiting **R**egimen (CLEAR) Outcomes, for bempedoic acid in 12,604 patients with hypercholesterolemia and high CVD risk and who can be considered statin intolerant. We initiated the CLEAR Outcomes CVOT in December 2016 and expect the study to be fully enrolled in 2019, and intend to use positive results from this CVOT to support submissions for a CV risk reduction indication in the U.S. and Europe by 2022.

We were incorporated in Delaware in January 2008, and commenced our operations in April 2008. Since our inception, we have focused substantially all of our efforts and financial resources on developing the bempedoic acid / ezetimibe tablet and bempedoic acid. We have funded our operations to date primarily through proceeds from sales of preferred stock, convertible promissory notes and warrants, public offerings of common stock and the incurrence of indebtedness. On January 2, 2019, we entered into a license and collaboration agreement with DSE. Pursuant to the agreement, we have granted DSE exclusive commercialization rights to bempedoic acid and the bempedoic acid / ezetimibe combination tablet in the European Economic Area and Switzerland, or the DSE Territory. Pursuant to the agreement, the consideration consists of an upfront cash payment of \$150 million as well as \$150 million cash payment to us upon the first commercial sales in the Territory. We are also eligible to receive a substantial additional regulatory milestone payment upon the grant of the marketing authorization in the European Union for the CV risk reduction label, depending on the range of relative risk reduction in the CLEAR Outcomes study. In addition, we are also eligible to receive sales milestone payments. Finally, we will receive tiered fifteen percent (15%) to twenty-five percent (25%) royalties on net DSE Territory sales. We have incurred losses in each year since our inception.

We have not commenced principal operations and do not have any products approved for sale. As of December 31, 2018, we have not generated any revenue. We have never been profitable and our net losses were \$201.8 million, \$167.0 million and \$75.0 million for the years ended December 31, 2018, 2017 and 2016, respectively. Substantially all of our net losses resulted from costs incurred in connection with research and development programs, general and administrative costs associated with our operations. We expect to continue to incur significant research and development expenses, and to incur significant additional sales, marketing and outsourced manufacturing expenses and operating losses for the foreseeable future. We expect our expenses to increase in connection with our ongoing activities, including, among others:

- completing the clinical development activities for the CLEAR Outcomes CVOT;
- seeking regulatory approval for the bempedoic acid / ezetimibe combination tablet and bempedoic acid;
- commercializing the bempedoic acid / ezetimibe combination tablet and bempedoic acid; and
- operating as a public company.

Accordingly, we may need additional financing to support our continuing operations and further the development of our product candidates. We may seek to fund our operations and further development activities through collaborations with third parties, strategic alliances, licensing arrangements, debt financings, public or private equity offerings or through other sources. Adequate additional financing may not be available to us on acceptable terms, or at all. Our failure to raise capital as and when needed would have a material adverse effect on our financial condition and our ability to pursue our business strategy or continue operations. We will need to generate significant revenues to achieve profitability, and we may never do so.

Product Overview

Through the complementary mechanisms of action of inhibition of cholesterol synthesis (bempedoic acid) and inhibition of cholesterol absorption (ezetimibe), the bempedoic acid / ezetimibe

combination tablet is our lead, non-statin, orally available, once-daily, LDL-C lowering therapy. Inhibition of ATP citrate lyase, or ACL, by bempedoic acid reduces cholesterol biosynthesis and lowers LDL-C by up-regulating the LDL receptor. Inhibition of Niemann-Pick C1-Like 1 by ezetimibe results in reduced absorption of cholesterol from the gastrointestinal tract, thereby reducing delivery of cholesterol to the liver, which in turn upregulates the LDL receptors. Phase 3 data demonstrated that this safe and well-tolerated combination results in a 35 percent lowering of LDL-C when used with maximally tolerated statins, a 43 percent lowering of LDL-C when used as a monotherapy, and a 34 percent reduction in high sensitivity C-reactive protein, or hsCRP. The bempedoic acid / ezetimibe combination tablet is being developed for patients at high CVD risk with hypercholesterolemia.

With a targeted mechanism of action, bempedoic acid is a first-in-class, complementary, orally available, once-daily ACL inhibitor that, reduces cholesterol biosynthesis and lowers LDL-C by up-regulating the LDL receptor. Similar to statins, bempedoic acid also reduces hsCRP, a key marker of inflammation associated with cardiovascular disease. Completed Phase 2 and Phase 3 studies conducted in almost 4,800 patients, and approximately 3,100 patients treated with bempedoic acid, have demonstrated an additional 20 percent LDL-C lowering when used with maximally tolerated statins, up to 30 percent LDL-C lowering as monotherapy, 35 percent LDL-C lowering in combination with ezetimibe when used with maximally tolerated statins and up to 48 percent LDL-C lowering in combination with ezetimibe as monotherapy. Bempedoic acid is being developed for patients at high CVD risk with hypercholesterolemia. We acquired the rights to bempedoic acid from Pfizer in 2008 are not obligated to make any royalty or milestone payments to Pfizer.

During the year ended December 31, 2018, we incurred \$121.7 million in expenses related to the four studies in our global pivotal Phase 3 LDL-C lowering program, our CLEAR Outcomes CVOT, our 1002FDC-053 study, our open-label extension study, our 1002-FDC-058 study and our Phase 2 (1002-39) clinical study of bempedoic acid when added-on to an injectable proprotein convertase subtilisin/kexin type 9 inhibitor, or PCSK9i, therapy in patients with hypercholesterolemia.

During the year ended December 31, 2017, we incurred \$111.8 million in expenses related to the four studies in our global pivotal Phase 3 LDL-C lowering program, our 1002FDC-053 study, our CLEAR Outcomes CVOT, our Phase 2 (1002-038) clinical study of the bempedoic acid / ezetimibe combination plus statin oral therapy, our Phase 2 (1002-39) clinical study of bempedoic acid when added-on to a PCSK9i, and other clinical pharmacology studies.

During the year ended December 31, 2016, we incurred \$36.2 million in expenses related to the four studies in our global pivotal Phase 3 LDL-C lowering program, our CLEAR Outcomes CVOT, our Phase 2 (1002-035) PK/PD clinical study of bempedoic acid in patients treated with atorvastatin 80 mg and our Phase 1 (1002-037) clinical pharmacology study to assess the safety and tolerability of bempedoic acid, as well as the effects of bempedoic acid on the PK of single doses of four high-dose statins, and other clinical pharmacology studies.

Financial Operations Overview

Revenue

As of December 31, 2018, we have not generated any revenue. In the future, we may never generate revenue from the sale of the bempedoic acid / ezetimibe combination tablet or bempedoic acid or other product candidates. Pursuant to the license and collaboration agreement with DSE, the consideration consists of an upfront cash payment to us of \$150 million in 2019 and we are eligible for substantial additional sales and regulatory milestone payments and royalties. If we fail to complete the development of the bempedoic acid / ezetimibe combination tablet or bempedoic acid or any other product candidates and secure approval from regulatory authorities, our ability to generate future revenue and our results of operations and financial position will be adversely affected.

Research and Development Expenses

Since our inception, we have focused our resources on our research and development activities, including conducting nonclinical, preclinical and clinical studies. Our research and development expenses consist primarily of costs incurred in connection with the development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, which include:

- expenses incurred under agreements with consultants, contract research organizations, or CROs, and investigative sites that conduct our preclinical and clinical studies;
- the cost of acquiring, developing and manufacturing clinical study materials, including the procurement of ezetimibe in our continued development of our bempedoic acid / ezetimibe combination tablet;
- employee-related expenses, including salaries, benefits, stock-based compensation and travel expenses;
- allocated expenses for rent and maintenance of facilities, insurance and other supplies; and
- costs related to compliance with regulatory requirements.

We expense research and development costs as incurred. To date, substantially all of our research and development work has been related to the bempedoic acid / ezetimibe combination tablet and bempedoic acid. Costs for certain development activities, such as clinical studies, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations or information provided to us by our vendors. Our direct research and development expenses consist principally of external costs, such as fees paid to investigators, consultants, central laboratories and CROs in connection with our clinical studies. We do not allocate acquiring and manufacturing clinical study materials, salaries, stock-based compensation, employee benefits or other indirect costs related to our research and development function to specific programs.

Our research and development expenses are expected to continue in the foreseeable future as they relate to our ongoing CLEAR Outcomes CVOT, our NDA and MAA submissions and any other development programs or additional indications we choose to pursue. Research and development expenses associated with our global pivotal Phase 3 LDL-C lowering program are expected to significantly decrease as we completed the program in the fourth quarter of 2018. We cannot determine with certainty the duration and completion costs associated with the ongoing or future clinical studies of the bempedoic acid / ezetimibe combination tablet and bempedoic acid. Also, we cannot conclude with certainty if, or when, we will generate revenue from the commercialization and sale of the bempedoic acid / ezetimibe combination tablet or bempedoic acid, if ever. We may never succeed in obtaining regulatory approval for the bempedoic acid / ezetimibe combination tablet or bempedoic acid. The duration, costs and timing associated with the development and commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid will depend on a variety of factors, including uncertainties associated with the results of our clinical studies and our ability to obtain regulatory approval. For example, if the FDA or another regulatory authority were to require us to conduct clinical studies beyond those that we currently anticipate will be required for the completion of clinical development or post-commercialization clinical studies of the bempedoic acid / ezetimibe combination tablet or bempedoic acid, or if we experience significant delays in enrollment in any of our clinical studies, we could be required to expend significant additional financial resources and time on the completion of clinical development or post-commercialization clinical studies of the bempedoic acid / ezetimibe combination tablet and bempedoic acid.

General and Administrative Expenses

General and administrative expenses primarily consist of salaries and related costs for personnel, including stock-based compensation, associated with our executive, accounting and finance, commercial, operational and other administrative functions. Other general and administrative expenses include facility-related costs, communication expenses and professional fees for legal, patent prosecution, protection and review, consulting and accounting services.

We anticipate that our general and administrative expenses will increase in the future in connection with the continued research and development and commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, increases in our headcount, expansion of our information technology infrastructure, and increased expenses associated with being a public company and complying with exchange listing and Securities and Exchange Commission, or SEC, requirements. These increases will likely include higher legal, compliance, accounting and investor and public relations expenses.

Other Income

Other income, net, primarily relates to interest income and the accretion or amortization of premiums and discounts earned on our cash, cash equivalents and investment securities, and also includes interest expense associated with our credit facility and non-cash interest costs associated with the amortization of the related debt discount, deferred issuance costs and final payment fee.

Critical Accounting Policies and Significant Judgments and Estimates

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and the disclosure of contingent assets and liabilities in our financial statements. We evaluate our estimates and judgments on an ongoing basis, including those related to accrued expenses and stock-based compensation. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described in more detail in Note 2 to our audited financial statements appearing elsewhere in this Annual Report on Form 10-K. We believe the following accounting policies to be most critical to understanding our results and financial operations.

Accrued Clinical Development Costs

As part of the process of preparing our financial statements we are required to estimate our accrued expenses. We base our accrued expenses related to clinical studies on estimates of patient enrollment and related expenses at clinical investigator sites as well as estimates for the services received and efforts expended pursuant to contracts with multiple research institutions and CROs that conduct and manage clinical studies on our behalf. We generally accrue expenses related to clinical studies based on contracted amounts applied to the level of patient enrollment and activity according to the protocol. If timelines or contracts are modified based upon changes in the clinical study protocol or scope of work to be performed, we modify our estimates of accrued expenses accordingly on a prospective basis. If we do not identify costs that we have begun to incur or if we underestimate or overestimate the level of services performed or the costs of these services, our actual expenses could differ from our estimates. We do not anticipate the future settlement of existing accruals to differ materially from our estimates.

Stock-Based Compensation

We typically grant stock-based compensation to new employees in connection with their commencement of employment and to existing employees in connection with annual performance reviews. We account for all stock-based compensation payments issued to employees, consultants and directors using an option-pricing model for estimating fair value. Accordingly, stock-based compensation expense is measured based on the estimated fair value of the awards on the date of grant. In accordance with authoritative guidance, the fair value of non-employee stock-based awards is remeasured as the awards vest, and the resulting value, if any, is recognized as expense during the period the related services are rendered.

Significant Factors, Assumptions and Methodologies Used in Determining Fair Value

We estimate the fair value of our stock-based awards to employees, consultants and directors using the Black-Scholes option-pricing model. The Black-Scholes model requires the input of subjective assumptions, including (a) the per share fair value of our common stock, (b) the expected stock price volatility, (c) the calculation of the expected term of the award, (d) the risk free interest rate and (e) expected dividends. Due to our limited operating history and a lack of company-specific historical and implied volatility data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies, which are publicly traded. When selecting these public companies on which we have based our expected stock price volatility, we selected companies with comparable characteristics to us, including enterprise value, risk profiles, position within the industry, and with historical share price information sufficient to meet the expected life of our stock-based awards. The historical volatility data was computed using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of our stock-based awards. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own stock price becomes available. We have estimated the expected life of our employee stock options using the "simplified" method, whereby, the expected life equals the arithmetic average of the vesting term and the original contractual term of the option. The risk-free interest rates for periods within the expected life of the option are based on the U.S. Treasury yield curve in effect during the period the options were granted. We have never paid, and do not expect to pay, dividends in the foreseeable future.

In accordance with the adoption of Accounting Standards Update, or ASU, 2016-09 on January 1, 2017, we elected to account for forfeitures as they occur. Prior to January 1, 2017, we were required to estimate forfeitures at the time of grant, and revise those estimates in subsequent periods if actual forfeitures differed from our estimates. We used historical data to estimate pre-vesting option forfeitures and recorded stock-based compensation expense only for those awards that were expected to vest. To the extent that actual forfeitures differed from our estimates, the difference was recorded as a cumulative adjustment in the period the estimates were revised.

Fair Value Estimate

We are required to estimate the fair value of the common stock underlying our stock-based awards when performing the fair value calculations with the Black-Scholes option-pricing model. All options to purchase shares of our common stock are intended to be granted with an exercise price per share no less than the fair value per share of our common stock underlying those options on the date of grant, based on the information known to us on the date of grant.

Recent Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board, or FASB, issued ASU 2016-01 which includes provisions to accounting for equity investments, financial liabilities under the fair value option,

and presentation and disclosure requirements for financial instruments. The updated guidance requires equity investments with determinable fair values to be measured at fair value with changes in fair value recognized in income. Equity investments without determinable fair values are to be measured at cost, less any impairment determined to be other than temporary. We adopted ASU 2016-01 effective January 1, 2018. The adoption of the ASU did not have a material impact on our balance sheets, statements of operations or statements of cash flows.

In February 2016, the FASB issued ASU 2016-02, which was amended by subsequent updates (collectively the lease standard or ASC 842), and is intended to improve financial reporting about leasing transactions. The updated guidance will require a lessee to recognize assets and liabilities for leases with lease terms of more than twelve months. The standard is effective for public companies for fiscal years beginning after December 15, 2018, and interim periods within those years. ASC 842 requires companies to use a modified retrospective approach to each lease that existed at the date of the initial application. Further, companies must elect whether the initial date of application is the beginning of the earliest comparative period presented in the financial statements or the beginning of the period of adoption, in which case companies would not restate comparative periods. We will adopt this guidance on January 1, 2019 and have chosen not to restate comparative periods and will recognize any cumulative adjustment to retained earnings on the date of adoption. We are finalizing the evaluation of the impact of ASC 842, and expect to recognize approximately \$1.0 million to \$1.3 million of lease assets and lease liabilities on the Company's balance sheets as of January 1, 2019, primarily related to the lease agreement for our principal executive office. The final impact of ASC 842 will depend on our lease commitments on the adoption date and subsequent reporting date. We do not believe the adoption of this standard will have a material impact on our statements of operations or statements of cash flows.

In May 2017, the FASB issued ASU 2017-09 which includes provisions to clarify when to account for a change to terms or conditions of a share-based payment award as a modification. Under the updated guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award changes as a result of the change in terms or conditions. We adopted ASU 2017-09 effective January 1, 2018. The adoption of the ASU did not have a material impact on our balance sheets, statements of operations or statements of cash flows.

In August 2018, the FASB issued ASU 2018-15 which includes provisions to clarify customer's accounting for implementation costs incurred in a cloud computing arrangement. Under the updated guidance, a customer in a cloud computing arrangement that is a service contract should follow the internal-use software guidance to determine how to account for costs incurred in implementation. The updated guidance also requires certain classification on the balance sheets, statements of operations and statements of cash flows as well as additional quantitative and qualitative disclosures. The standard is effective for public companies for fiscal years beginning after December 15, 2019, and interim periods within those years. Early adoption is permitted and entities can choose to adopt the new guidance prospectively or retrospectively. We do not believe the adoption of this standard will have a material impact on our balance sheets, statements of operations or statements of cash flows.

Results of Operations***Comparison of the Years Ended December 31, 2018 and 2017***

The following table summarizes our results of operations for the years ended December 31, 2018 and 2017:

	Year Ended December 31,		
	2018	2017	Change
	(in thousands)		
Operating Expenses:			
Research and development	\$ 171,488	\$ 147,603	\$ 23,885
General and administrative	33,097	21,379	11,718
Loss from operations	(204,585)	(168,982)	(35,603)
Other income, net	2,775	1,994	781
Net loss	\$ (201,810)	\$ (166,988)	\$ (34,822)

Research and development expenses

Research and development expenses for the year ended December 31, 2018, were \$171.5 million compared to \$147.6 million for the year ended December 31, 2017, an increase of \$23.9 million. The increase in research and development expenses was primarily related to clinical development costs for the bempedoic acid / ezetimibe combination tablet and bempedoic acid, including continued costs to support the completion of four global pivotal Phase 3 studies for bempedoic acid and the pivotal Phase 3 study for the bempedoic acid / ezetimibe combination tablet, the ongoing CLEAR Outcomes CVOT, and increases in our headcount and stock-based compensation expense.

General and administrative expenses

General and administrative expenses for the year ended December 31, 2018, were \$33.1 million compared to \$21.4 million for the year ended December 31, 2017, an increase of \$11.7 million. The increase in general and administrative expenses was primarily attributable to costs to support public company operations, including costs to support pre-commercialization activities, further increases in our headcount and stock-based compensation expense, and other costs to support our growth.

Other income, net

Other income, net for the year ended December 31, 2018, was \$2.8 million compared to \$2.0 million for the year ended December 31, 2017. This increase was primarily related to an increase in interest income earned on our cash, cash equivalents and investment securities and a reduction in expense for the amortization of premiums and discounts on our investments.

Results of Operations***Comparison of the Years Ended December 31, 2017 and 2016***

The following table summarizes our results of operations for the years ended December 31, 2017 and 2016:

	Year Ended December 31,		
	2017	2016	Change
	(in thousands)		
Operating Expenses:			
Research and development	\$ 147,603	\$ 57,868	\$ 89,735
General and administrative	21,379	18,282	3,097
Loss from operations	(168,982)	(76,150)	(92,832)
Other income, net	1,994	1,172	822
Net loss	\$ (166,988)	\$ (74,978)	\$ (92,010)

Research and development expenses

Research and development expenses for the year ended December 31, 2017, were \$147.6 million compared to \$57.9 million for the year ended December 31, 2016, an increase of \$89.7 million. The increase in research and development expenses was primarily related to the further clinical development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, including costs to support the global pivotal Phase 3 studies, the CLEAR Outcomes CVOT, and increases in our headcount and stock-based compensation expense.

General and administrative expenses

General and administrative expenses for the year ended December 31, 2017, were \$21.4 million compared to \$18.3 million for the year ended December 31, 2016, an increase of approximately \$3.1 million. The increase in general and administrative expenses was primarily attributable to costs to support public company operations, further increases in our headcount and stock-based compensation expense, and other costs to support our growth.

Other income, net

Other income, net for the year ended December 31, 2017, was \$2.0 million compared to \$1.2 million for the year ended December 31, 2016. This increase was primarily related to a reduction in expense for the amortization of premiums and discounts on our investments and a reduction in our interest expense related to our credit facility with Oxford Finance LLC.

Liquidity and Capital Resources

We have funded our operations to date primarily through proceeds from sales of preferred stock, convertible promissory notes and warrants, public offerings of common stock and the incurrence of indebtedness. In June 2014, we entered into a loan and security agreement (the credit facility) with Oxford Finance LLC whereby we received net proceeds of \$4.9 million from the issuance of secured promissory notes under a term loan as part of the facility, which was fully repaid in July 2018. In August 2017, we completed an underwritten public offering of 3,100,000 shares of common stock. We also granted the underwriters a 30-day option to purchase up to 465,000 additional shares of our common stock, which was exercised in full in September 2017. All of the shares were offered by us at a price to the public of \$49.00 per share for net proceeds of \$164.0 million. Pursuant to the license and collaboration agreement with DSE, the consideration consists of an upfront cash payment of

\$150 million in 2019 from DSE and we are eligible for substantial additional sales and regulatory milestone payments and royalties. As of December 31, 2018, we have not generated any revenue and we anticipate that we will continue to incur losses for the foreseeable future.

As of December 31, 2018, our primary sources of liquidity were our cash and cash equivalents and available-for-sale investments, which totaled \$37.0 million and \$99.3 million, respectively. We invest our cash equivalents and investments in highly liquid, interest-bearing investment-grade and government securities to preserve principal.

The following table summarizes the primary sources and uses of cash for the periods presented below:

	Year Ended December 31,	
	2018	2017
		(in thousands)
Cash used in operating activities	\$ (148,638)	\$ (131,302)
Cash provided by (used in) investing activities	140,449	(35,853)
Cash provided by financing activities	10,694	163,458
Net increase (decrease) in cash and cash equivalents	\$ 2,505	\$ (3,697)

Operating Activities

We have incurred, and expect to continue to incur, significant costs in the areas of research and development, regulatory and other clinical study costs, associated with our development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid and our operations.

Net cash used in operating activities totaled \$148.6 million and \$131.3 million for the years ended December 31, 2018 and 2017, respectively. The primary use of our cash was to fund the development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, adjusted for non-cash expenses such as stock-based compensation expense, depreciation and amortization and changes in working capital.

Investing Activities

Net cash provided by investing activities of \$140.4 million for the year ended December 31, 2018, consisted primarily of proceeds from the sale and maturities of highly liquid, interest bearing investment grade and government securities. Net cash used in investing activities of \$35.9 million for the year ended December 31, 2017, consisted primarily of purchases of highly liquid, interest bearing investment grade and government securities.

Financing Activities

Net cash provided by financing activities of \$10.7 million for the year ended December 31, 2018, related primarily to the proceeds from exercise of our common stock options. Net cash provided by financing activities of \$163.5 million for the year ended December 31, 2017, related primarily to the proceeds from our underwritten public offering of common stock.

Plan of Operations and Funding Requirements

We expect to continue to incur significant expenses and operating losses for the foreseeable future in connection with our ongoing CLEAR Outcomes CVOT, NDA and MAA submissions and commercial launch activities. Pursuant to the license and collaboration agreement with DSE, the consideration consists of an upfront cash payment of \$150 million in 2019 from DSE and we are eligible for substantial additional sales and regulatory milestone payments and royalties, including an

additional \$150 million upon first commercial sale in the DSE Territory. We estimate that current cash resources, and proceeds to be received in the future under the DSE collaboration agreement, are sufficient to fund operations through the expected approvals of the bempedoic acid / ezetimibe combination tablet and bempedoic acid and the commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if approved, by LDL-C lowering as a surrogate endpoint. We may, however, need to secure additional cash resources to continue to fund the commercialization and further development of the bempedoic acid / ezetimibe combination tablet and bempedoic acid. We have based these estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid and the extent to which we entered and may enter into collaborations with pharmaceutical partners regarding the development and commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid, we are unable to estimate the amounts of increased capital outlays and operating expenses associated with completing the development and commercialization of the bempedoic acid / ezetimibe combination tablet and bempedoic acid. Our future funding requirements will depend on many factors, including, but not limited to:

- our ability to successfully develop and commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid or other product candidates;
- the costs, timing and outcomes of our CLEAR Outcomes CVOT and other ongoing clinical studies of the bempedoic acid / ezetimibe combination tablet and bempedoic acid;
- the time and cost necessary to obtain regulatory approvals for the bempedoic acid / ezetimibe combination tablet and bempedoic acid, if at all;
- our ability to establish a sales, marketing and distribution infrastructure to commercialize the bempedoic acid / ezetimibe combination tablet and bempedoic acid or our ability to establish any future collaboration or commercialization arrangements on favorable terms, if at all;
- our ability to realize the intended benefits of our existing and future collaboration and partnerships;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and
- the implementation of operational and financial information technology.

Until such time, if ever, as we can generate substantial product revenues, we may finance our future cash needs through a combination of collaborations with third parties, strategic alliances, licensing arrangements, debt financings and equity offerings or other sources. We do not have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. 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 collaborations, strategic alliances or licensing arrangements with pharmaceutical partners or royalty-based financing arrangements, such as the collaboration arrangement with DSE, we may have to relinquish valuable rights to our technologies, future revenue streams or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or through collaborations, strategic alliances or licensing arrangements or royalty-based financing arrangements when needed, we may be required to delay, limit, reduce or terminate our future product development or future commercialization efforts or grant rights to develop and market the bempedoic acid / ezetimibe combination tablet or bempedoic acid that we would otherwise prefer to develop and market ourselves.

Contractual Obligations and Commitments

On July 6, 2018, we signed the first amendment of the lease for our principal executive office in Ann Arbor, Michigan. The amended lease is to increase the current 7,941 rentable square feet of office space by 11,471 rentable square feet. The lease has a term of 60 months and provides for fixed monthly rent of \$19,412 until the end of the 12th month, with scheduled increases on an annual basis and/or as provided in the lease agreement, and also provides for certain rent adjustments to be paid as determined by the landlord. In addition, on May 14, 2018, we provided notice of early lease termination for our second Ann Arbor lease of 5,500 square feet to end our tenancy effective November 15, 2018.

The following table summarizes our future minimum contractual obligations as of December 31, 2018:

	<u>Total</u>	<u>Less than 1 Year</u>	<u>1 - 3 Years</u>	<u>3 - 5 Years</u>	<u>More than 5 Years</u>
Operating leases	\$ 1,169	\$ 234	\$ 719	\$ 216	\$ —
Total	<u>\$ 1,169</u>	<u>\$ 234</u>	<u>\$ 719</u>	<u>\$ 216</u>	<u>\$ —</u>

There have been no material changes to our contractual obligations and commitments outside the ordinary course of business from those disclosed above.

Off-Balance Sheet Arrangements

We do not currently have, nor did we have during the periods presented, any off-balance sheet arrangements as defined by Securities and Exchange Commission rules.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We had cash and cash equivalents and available-for-sale investments of approximately \$37.0 million and \$99.3 million, respectively, at December 31, 2018. The primary objectives of our investment activities are to preserve principal, provide liquidity and maximize income without significantly increasing risk. Our primary exposure to market risk relates to fluctuations in interest rates which are affected by changes in the general level of U.S. interest rates. Given the short-term nature of our cash equivalents, we believe that a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operation. We do not have any foreign currency or other derivative financial instruments.

We do not believe that our cash, cash equivalents and available-for-sale investments have significant risk of default or illiquidity. While we believe our cash and cash equivalents do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits.

We contract with CROs and investigational sites globally. We are therefore subject to fluctuations in foreign currency rates in connection with these agreements. We do not hedge our foreign currency exchange rate risk.

Inflation generally affects us by increasing our cost of labor and clinical study costs. We do not believe that inflation has had a material effect on our results of operations during the year ended December 31, 2018.

Item 8. Financial Statements and Supplementary Data

The financial statements required to be filed pursuant to this Item 8 are appended to this report. An index of those financial statements is found in Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities and Exchange Act of 1934 is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our President and Chief Executive Officer, who is our principal executive officer, and our Chief Financial Officer, who is our principal financial officer, to allow timely decisions regarding required disclosure.

As of December 31, 2018, our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934). Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our principal executive officer and principal financial officer have concluded based upon the evaluation described above that, as of December 31, 2018, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company's principal executive officer and principal financial officer and effected by the company's board of preparation of financial statements for external purposes in accordance with GAAP and directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of our company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our company's assets that could have a material effect on the financial statements.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our principal executive officer and principal financial officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2018, based on criteria for effective internal control over financial reporting established in Internal Control—Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2018, based on those criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2018, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Esperion Therapeutics, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Esperion Therapeutics, Inc.'s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Esperion Therapeutics, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the balance sheets of Esperion Therapeutics, Inc. as of December 31, 2018 and 2017, and the related statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and our report dated February 28, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Detroit, Michigan

February 28, 2019

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2019 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2019 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2019 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2019 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

Item 14. Principal Accounting Fees and Services

The information required by this Item is incorporated herein by reference to the information that will be contained in our proxy statement related to the 2019 Annual Meeting of Stockholders, which we intend to file with the Securities and Exchange Commission within 120 days of the end of our fiscal year pursuant to General Instruction G(3) of Form 10-K.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) Financial Statements:

Report of Independent Registered Public Accounting Firm	F-2
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Statements of Operations and Comprehensive Loss	F-4
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(2) Financial Statement Schedules:

All financial statement schedules have been omitted because they are not applicable, not required or the information required is shown in the financial statements or the notes thereto.

(3) Exhibits. The exhibits filed as part of this Annual Report on Form 10-K are set forth on the Exhibit Index included herein. The Exhibit Index is incorporated herein by reference.

Item 16. Form 10-K Summary.

None.

Exhibit List

<u>Exhibit No.</u>	<u>Exhibit Index</u>
3.1	<u>Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Amendment No. 2 to the Registration Statement on Form S-1, File No. 333-188595, filed on June 12, 2013).</u>
3.2	<u>Amended and Restated By-laws of the Registrant (incorporated by reference to Exhibit 3.4 to the Registrant's Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-188595, filed on June 7, 2013).</u>
4.1	<u>Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Amendment No. 2 to the Registration Statement on Form S-1, File No. 333-188595, filed on June 12, 2013).</u>
4.2	<u>Form of Warrant to Purchase Preferred Stock dated September 4, 2012 (incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-1, File No. 333-188595, filed on May 14, 2013).</u>
4.3	<u>Investor Rights Agreement by and between the Registrant and certain of its stockholders dated April 28, 2008 (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-1, File No. 333-188595, filed on May 14, 2013).</u>
4.4	<u>Amendment No. 1 to Investor Rights Agreement by and between the Registrant and certain of its stockholders dated April 11, 2013 (incorporated by reference to Exhibit 4.5 to the Registrant's Registration Statement on Form S-1, File No. 333-188595, filed on May 14, 2013).</u>
4.5	<u>Warrant dated June 30, 2014 issued to Oxford Finance LLC (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, File No. 001-35986, filed on July 2, 2014).</u>
10.1*	<u>License Agreement between Pfizer Inc. and the Registrant dated April 28, 2008 and amended on November 17, 2010 (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1, File No. 333-188595, filed on May 14, 2013).</u>
10.2	<u>Termination Agreement, dated December 2, 2015, by and between the Registrant and Michigan Land Bank Fast Track Authority (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-35986, filed on December 3, 2015).</u>
10.3	<u>Valley Ranch Business Park Lease by and between the Registrant and McMullen SPE, LLC, dated February 4, 2014 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-35986, filed on February 7, 2014).</u>
10.4	<u>Form of Officer Indemnification Agreement entered into between the Registrant and its officers (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1, File No. 333-188595, filed on May 14, 2013).</u>
10.5	<u>Form of Director Indemnification Agreement entered into between the Registrant and its directors (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1, File No. 333-188595, filed on May 14, 2013).</u>

- 10.6# [2008 Incentive Stock Option and Restricted Stock Plan and forms of agreements thereunder \(incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1, File No. 333-188595, filed on May 14, 2013\).](#)
- 10.7# [Amended and Restated 2013 Stock Option and Incentive Plan and forms of agreements thereunder \(incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q, File No. 001-35986, filed on November 3, 2016\).](#)
- 10.8# [Senior Executive Cash Bonus Plan \(incorporated by reference to Exhibit 10.11 to the Registrant's Amendment No. 1 to the Registration Statement on Form S-1, File No. 333-188595, filed on June 7, 2013\).](#)
- 10.9 [Loan and Security Agreement, dated June 30, 2014, by and between the Registrant and Oxford Finance LLC \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-35986, filed on July 2, 2014\).](#)
- 10.10# [Employment Agreement, dated May 14, 2015, between the Registrant and Tim M. Mayleben \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, File No. 001-35986, filed on May 20, 2015\).](#)
- 10.11# [Employment Agreement, dated May 14, 2015, between the Registrant and Narendra D. Lalwani \(incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-35986, filed on August 6, 2015\).](#)
- 10.12#** [Employment Agreement by and between the Registrant and Richard B. Bartram dated May 14, 2015](#)
- 10.13#** [Employment Agreement by and between the Registrant and Mark Glickman dated March 14, 2018](#)
- 10.14# [2017 Inducement Equity Plan and form of award agreement thereunder \(incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8, File No. 333-218084, filed on May 18, 2017\).](#)
- 10.15 [First Amendment to Valley Ranch Business Park Lease, dated July 6, 2018, between the Registrant and Blackbird Ann Arbor, LLC \(incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, File No. 001-35986, filed on August 2, 2018\).](#)
- 10.16+** [License and Collaboration Agreement by and between Daiichi Sankyo Europe GmbH and the Company, dated as of January 2, 2019.](#)
- 21.1 [Subsidiaries of the Registrant \(incorporated by reference to Exhibit 21.1 to the Registrant's Registration Statement on Form S-1, File No. 333-188595, filed on May 14, 2013\).](#)
- 23.1** [Consent of Ernst & Young LLP](#)
- 31.1** [Certification of Principal Executive Officer pursuant to Rule 13a-14\(a\) and Rule 15d-14\(a\) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2** [Certification of Principal Financial Officer pursuant to Rule 13a-14\(a\) and Rule 15d-14\(a\) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)

32.1*** [Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

101.INS** XBRL Instance Document.
101.SCH** XBRL Taxonomy Extension Schema Document
101.CAL** XBRL Taxonomy Extension Calculation Document
101.DEF** XBRL Taxonomy Extension Definition Linkbase Document
101.LAB** XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE** XBRL Taxonomy Extension Presentation Link Document.

- (#) Management contract or compensatory plan or arrangement.
- (*) Confidential treatment has been granted by the Securities and Exchange Commission as to certain portions.
- (**) Filed herewith.
- (***) The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.
- (†) Application has been made to the Securities and Exchange Commission for confidential treatment of certain provisions. Omitted material for which confidential treatment has been requested has been filed separately with the Securities and Exchange Commission.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ DANIEL JANNEY</u> Daniel Janney	Director	February 28, 2019
<u>/s/ MARK E. MCGOVERN, M.D.</u> Mark E. McGovern, M.D.	Director	February 28, 2019
<u>/s/ ROGER S. NEWTON, PH.D., FAHA, FACN</u> Roger S. Newton, Ph.D., FAHA, FACN	Director	February 28, 2019
<u>/s/ JAY SHEPARD</u> Jay Shepard	Director	February 28, 2019
<u>/s/ NICOLE VITULLO</u> Nicole Vitullo	Director	February 28, 2019

**Esperion Therapeutics, Inc.
Index to the Financial Statements**

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Esperion Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Esperion Therapeutics, Inc. (the Company) as of December 31, 2018 and 2017, and the related statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2008.
Detroit, Michigan
February 28, 2019

Esperion Therapeutics, Inc.**Balance Sheets****(in thousands, except share data)**

	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 36,973	\$ 34,468
Short-term investments	99,050	165,731
Prepaid clinical development costs	5,275	2,072
Other prepaid and current assets	1,334	1,653
Total current assets	<u>142,632</u>	<u>203,924</u>
Property and equipment, net	520	435
Intangible assets	56	56
Long-term investments	243	73,420
Total assets	<u>\$ 143,451</u>	<u>\$ 277,835</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 44,893	\$ 20,375
Current portion of long-term debt	—	1,045
Accrued clinical development costs	16,039	10,506
Other accrued liabilities	3,401	1,218
Total current liabilities	<u>64,333</u>	<u>33,144</u>
Total liabilities	<u>64,333</u>	<u>33,144</u>
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized and no shares issued or outstanding as of December 31, 2018 and December 31, 2017	—	—
Common stock, \$0.001 par value; 120,000,000 shares authorized as of December 31, 2018 and December 31, 2017; 26,824,859 shares issued and outstanding at December 31, 2018 and 26,304,669 shares issued and outstanding at December 31, 2017	27	26
Additional paid-in capital	677,511	641,801
Accumulated other comprehensive loss	(319)	(845)
Accumulated deficit	(598,101)	(396,291)
Total stockholders' equity	<u>79,118</u>	<u>244,691</u>
Total liabilities and stockholders' equity	<u>\$ 143,451</u>	<u>\$ 277,835</u>

See accompanying notes to the financial statements.

Esperion Therapeutics, Inc.**Statements of Operations and Comprehensive Loss****(in thousands, except share and per share data)**

	Year Ended December 31,		
	2018	2017	2016
Operating expenses:			
Research and development	\$ 171,488	\$ 147,603	\$ 57,868
General and administrative	33,097	21,379	18,282
Total operating expenses	204,585	168,982	76,150
Loss from operations	(204,585)	(168,982)	(76,150)
Other income, net	2,775	1,994	1,172
Net loss	\$ (201,810)	\$ (166,988)	\$ (74,978)
Net loss per common share (basic and diluted)	\$ (7.54)	\$ (6.98)	\$ (3.33)
Weighted-average shares outstanding (basic and diluted)	26,754,308	23,933,273	22,544,475
Other comprehensive gain (loss):			
Unrealized gain (loss) on investments	\$ 526	\$ (673)	\$ 310
Total comprehensive loss	\$ (201,284)	\$ (167,661)	\$ (74,668)

See accompanying notes to the financial statements.

Esperion Therapeutics, Inc.

Statements of Stockholders' Equity

(in thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance December 31, 2015	22,518,907	\$ 23	\$ 441,940	\$ (154,222)	\$ (482)	\$ 287,259
Early exercise of stock options and vesting of restricted stock	—	—	9	—	—	9
Exercise of stock options	27,757	—	45	—	—	45
Vesting of restricted stock units	8,749	—	—	—	—	—
Stock-based compensation	—	—	15,957	—	—	15,957
Other comprehensive gain	—	—	—	—	310	310
Net loss	—	—	—	(74,978)	—	(74,978)
Balance December 31, 2016	22,555,413	23	457,951	(229,200)	(172)	228,602
Adoption of accounting standard 2016-09	—	—	103	(103)	—	—
Issuance of common stock from public offering, net of issuance costs (\$226)	3,565,000	3	163,975	—	—	163,978
Exercise of stock options	115,483	—	1,167	—	—	1,167
Exercise of warrants	62,525	—	—	—	—	—
Vesting of restricted stock units	6,248	—	—	—	—	—
Stock-based compensation	—	—	18,605	—	—	18,605
Other comprehensive loss	—	—	—	—	(673)	(673)
Net loss	—	—	—	(166,988)	—	(166,988)
Balance December 31, 2017	26,304,669	26	641,801	(396,291)	(845)	244,691
Exercise of stock options	356,809	1	11,742	—	—	11,743
Exercise of warrants	159,944	—	—	—	—	—
Vesting of restricted stock units	3,437	—	—	—	—	—
Stock-based compensation	—	—	23,968	—	—	23,968
Other comprehensive gain	—	—	—	—	526	526
Net loss	—	—	—	(201,810)	—	(201,810)
Balance December 31, 2018	<u>26,824,859</u>	<u>\$ 27</u>	<u>\$ 677,511</u>	<u>\$ (598,101)</u>	<u>\$ (319)</u>	<u>\$ 79,118</u>

See accompanying notes to the financial statements.

Esperion Therapeutics, Inc.**Statements of Cash Flows****(in thousands)**

	Year Ended December 31,		
	2018	2017	2016
Operating activities			
Net loss	\$ (201,810)	\$ (166,988)	\$ (74,978)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation expense	265	258	252
Amortization (accretion) of premiums and discounts on investments	(217)	334	1,014
Stock-based compensation expense	23,968	18,605	15,957
Changes in assets and liabilities:			
Prepays and other assets	(2,884)	(1,731)	139
Accounts payable	24,446	15,758	3,888
Other accrued liabilities	7,594	2,462	5,998
Net cash used in operating activities	(148,638)	(131,302)	(47,730)
Investing activities			
Purchases of investments	(25,481)	(219,577)	(197,230)
Proceeds from sales/maturities of investments	166,081	183,743	207,442
Purchase of property and equipment	(151)	(19)	(94)
Net cash provided by (used in) investing activities	140,449	(35,853)	10,118
Financing activities			
Proceeds from issuance of common stock, net of issuance costs	—	164,000	—
Proceeds from exercise of common stock options	11,743	1,167	45
Payments on long-term debt	(1,049)	(1,709)	(1,604)
Net cash provided by (used in) financing activities	10,694	163,458	(1,559)
Net increase (decrease) in cash and cash equivalents	2,505	(3,697)	(39,171)
Cash and cash equivalents at beginning of period	34,468	38,165	77,336
Cash and cash equivalents at end of period	\$ 36,973	\$ 34,468	\$ 38,165
Supplemental disclosure of cash flow information:			
Purchase of property and equipment not yet paid	\$ 199	\$ —	\$ —
Offering costs not yet paid	\$ —	\$ 22	\$ —

See accompanying notes to the financial statements.

Esperion Therapeutics, Inc.

Notes to Financial Statements

1. The Company and Basis of Presentation

The Company is the Lipid Management Company, a late-stage pharmaceutical company focused on developing and commercializing complementary, cost-effective, convenient, once-daily, oral therapies for the treatment of patients with elevated low density lipoprotein cholesterol ("LDL-C"). Through scientific and clinical excellence, and a deep understanding of cholesterol biology, the experienced Lipid Management Team at Esperion is committed to developing new LDL-C lowering therapies that will make a substantial impact on reducing global cardiovascular disease ("CVD"); the leading cause of death around the world. Bempedoic acid and the Company's lead product candidate, the bempedoic acid / ezetimibe combination tablet, are targeted therapies that have been shown to significantly lower elevated LDL-C levels in patients with hypercholesterolemia, including patients inadequately treated with current lipid-modifying therapies.

The completed clinical development program for an LDL-C lowering indication for the bempedoic acid / ezetimibe combination tablet consisted of a single pivotal Phase 3 clinical study (1002FDC-053) in patients with hypercholesterolemia and with atherosclerotic cardiovascular disease ("ASCVD") and/or heterozygous familial hypercholesterolemia ("HeFH"), including high CVD risk primary prevention patients, whose LDL-C is not adequately controlled despite receiving maximally tolerated lipid-modifying background therapy. 1002FDC-053 initiated in November 2017, fully enrolled 382 patients in March 2018, and the Company reported top-line results in August 2018.

The completed global pivotal Phase 3 clinical development program for an LDL-C lowering indication for bempedoic acid consisted of four clinical studies in 3,621 high CVD risk patients with hypercholesterolemia and ASCVD and/or HeFH, or who are high CVD risk primary prevention, on optimized background lipid-modifying therapy and with elevated levels of LDL-C. These patients are on two distinct types of background lipid-modifying therapy: 1) patients on their maximally tolerated statin therapy, and 2) patients who are only able to tolerate less than the lowest approved daily starting dose of a statin, and can be considered statin intolerant. In March 2018, the Company reported top-line results from the first of the Phase 3 studies, Study 4 (1002-048). In May 2018, the Company reported top-line results from the 52-week long-term safety study, Study 1 (1002-040), and from Study 3 (1002-046). In October 2018, the Company reported top-line results from Study 2 (1002-047).

On February 20, 2019, the Company submitted the new drug application ("NDA") for bempedoic acid and on February 26, 2019, the Company submitted the NDA for the bempedoic acid / ezetimibe combination tablet to the Food and Drug Administration ("FDA") for LDL-C lowering indications. In addition, the European Medicines Agency ("EMA") completed formal validation of the Marketing Authorization Applications ("MAAs") for bempedoic acid and the bempedoic acid / ezetimibe combination tablet for LDL-C lowering indications. The MAAs for bempedoic acid and the bempedoic acid / ezetimibe combination tablet were submitted to the EMA on February 11, 2019.

The Company is also conducting a global cardiovascular outcomes trial ("CVOT")—known as Cholesterol Lowering via Bempedoic Acid, an ACL-inhibiting Regimen (CLEAR) Outcomes, for bempedoic acid in 12,604 patients with hypercholesterolemia and high CVD risk and who can be considered statin intolerant. The Company initiated the CLEAR Outcomes CVOT in December 2016 and expects the study to be fully enrolled in 2019, and intends to use positive results from this CVOT to support submissions for a CV risk reduction indication in the U.S. and Europe by 2022.

The Company's primary activities since incorporation have been conducting research and development activities, including nonclinical, preclinical and clinical testing, performing business and financial planning, recruiting personnel, and raising capital. Accordingly, the Company has not

Esperion Therapeutics, Inc.

Notes to Financial Statements (Continued)

1. The Company and Basis of Presentation (Continued)

commenced principal operations and is subject to risks and uncertainties which include the need to research, develop, and clinically test potential therapeutic products; obtain regulatory approvals for its products and commercialize them, if approved; expand its management and scientific staff; and finance its operations with an ultimate goal of achieving profitable operations.

The Company has sustained operating losses since inception and expects such losses to continue over the foreseeable future. While management believes current cash resources and future cash received from the Company's collaboration agreement with Daiichi Sankyo Europe GmbH ("DSE"), entered into on January 2, 2019, will fund operations for the foreseeable future, management may continue to fund operations and advance the development of the Company's product candidates through a combination of collaborations with third parties, strategic alliances, licensing arrangements, debt financings, royalty-based financings, and private and public and equity offerings or through other sources. If adequate funds are not available, the Company may not be able to continue the development of its current or future product candidates, or to commercialize its current or future product candidates, if approved.

Follow On Offerings

On August 15, 2017, the Company completed an underwritten public offering of 3,100,000 shares of common stock. The Company also granted the underwriters a 30-day option to purchase up to 465,000 additional shares of its common stock which was exercised in full in September 2017. All the shares were offered by the Company at a price to the public of \$49.00 per share. The aggregate net proceeds received by the Company from the offering were \$164.0 million, net of underwriting discounts and commissions and expenses payable by the Company.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, expenses and related disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company invests its excess cash in bank deposits, money market accounts, and short-term investments. The Company considers all highly liquid investments with an original maturity of 90 days or less at the time of purchase to be cash equivalents. Cash equivalents are reported at fair value.

Investments

Investments are considered to be available-for-sale and are carried at fair value. Unrealized gains and losses, if any, are reported as a separate component of stockholders' equity. The cost of investments classified as available-for-sale are adjusted for the amortization of premiums and accretion of discounts to maturity and recorded in other income, net. Realized gains and losses, if any, are determined using the specific identification method and recorded in other income, net. Investments with original maturities beyond 90 days at the date of purchase and which mature at, or less than

Esperion Therapeutics, Inc.

Notes to Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

twelve months from, the balance sheet date are classified as current. Investments with a maturity beyond twelve months from the balance sheet date are classified as long-term.

Concentration of Credit Risk

Cash, cash equivalents, and marketable securities consist of financial instruments that potentially subject the Company to concentrations of credit risk. The Company has established guidelines for investment of its excess cash and believes the guidelines maintain safety and liquidity through diversification of counterparties and maturities.

Segment Information

The Company views its operations and manages its business in one operating segment, which is the business of researching, developing and commercializing therapies for the treatment of patients with elevated LDL-C.

Fair Value of Financial Instruments

The Company's cash, cash equivalents and investments are carried at fair value. Financial instruments, including other prepaid and current assets, accounts payable and accrued liabilities are carried at cost, which approximates fair value. Debt is carried at amortized cost, which approximates fair value.

Property and Equipment, Net

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, generally three to ten years. Leasehold improvements are amortized over the lesser of the lease term or the estimated useful lives of the related assets.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss would be recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. The impairment loss, if recognized, would be based on the excess of the carrying value of the impaired asset over its respective fair value. No impairment losses have been recorded through December 31, 2018.

Research and Development

Research and development expenses consist of costs incurred to further the Company's research and development activities and include salaries and related benefits, costs associated with clinical activities, nonclinical activities, regulatory activities, manufacturing activities to support clinical activities, research-related overhead expenses and fees paid to external service providers that conduct certain research and development, clinical, and manufacturing activities on behalf of the Company. Research and development costs are expensed as incurred.

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****2. Summary of Significant Accounting Policies (Continued)****Accrued Clinical Development Costs**

Outside research costs are a component of research and development expense. These expenses include fees paid to clinical research organizations and other service providers that conduct certain clinical and product development activities on behalf of the Company. Depending upon the timing of payments to the service providers, the Company recognizes prepaid expenses or accrued expenses related to these costs. These accrued or prepaid expenses are based on management's estimates of the work performed under service agreements, milestones achieved and experience with similar contracts. The Company monitors each of these factors and adjusts estimates accordingly.

Income Taxes

The Company utilizes the liability method of accounting for income taxes as required by ASC 740, Income Taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and the tax basis of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company has incurred operating losses since inception. Accordingly, it is not more likely than not that the Company will realize a tax benefit from its deferred tax assets and as such, it has recorded a full valuation allowance.

Warrants

The Company accounts for its warrants issued in connection with its various financing transactions based upon the characteristics and provisions of the instrument. Warrants classified as additional-paid-in-capital are recorded on the Company's balance sheet at their fair value on the date of issuance. The warrants are measured using the Black-Scholes option-pricing model subsequent to the pricing of the Company's IPO and a Monte Carlo valuation model for previous periods which are based, in part, upon inputs where there is little or no market data, requiring the Company to develop its own independent assumptions (see Note 4).

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the provisions of ASC 718, Compensation—Stock Compensation. Accordingly, compensation costs related to equity instruments granted are recognized over the requisite service periods of the awards on a straight-line basis at the grant-date fair value calculated using a Black-Scholes option-pricing model. In accordance with the adoption of Accounting Standards Update ("ASU") 2016-09 on January 1, 2017, the Company accounts for forfeitures as they occur. Prior to January 1, 2017, under the provisions of ASC 718, the Company was required to include an estimate of the number of awards that will be forfeited in calculating compensation costs. Any changes to the estimated forfeiture rates were accounted for prospectively. Stock-based compensation arrangements with non-employees are recognized at the grant-date fair value and then re-measured at each reporting period. Expense is recognized during the period the related services are rendered.

Recent Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-01 which includes provisions to accounting for equity investments, financial liabilities under the fair value option,

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****2. Summary of Significant Accounting Policies (Continued)**

and presentation and disclosure requirements for financial instruments. The updated guidance requires equity investments with determinable fair values to be measured at fair value with changes in fair value recognized in income. Equity investments without determinable fair values are to be measured at cost, less any impairment determined to be other than temporary. The Company adopted ASU 2016-01 effective January 1, 2018. The adoption of the ASU did not have a material impact to the Company's balance sheets, statements of operations or statements of cash flows.

In February 2016, the FASB issued ASU 2016-02, which was amended by subsequent updates (collectively the "lease standard" or "ASC 842"), and is intended to improve financial reporting about leasing transactions. The updated guidance will require a lessee to recognize assets and liabilities for leases with lease terms of more than twelve months. The standard is effective for public companies for fiscal years beginning after December 15, 2018, and interim periods within those years. ASC 842 requires companies to use a modified retrospective approach to each lease that existed at the date of the initial application. Further, companies must elect whether the initial date of application is the beginning of the earliest comparative period presented in the financial statements or the beginning of the period of adoption, in which case companies would not restate comparative periods. The Company will adopt this guidance on January 1, 2019, and has chosen not to restate comparative periods and will recognize any cumulative adjustment to retained earnings on the date of adoption. The Company is finalizing the evaluation of the impact of ASC 842, and expects to recognize approximately \$1.0 million to \$1.3 million of lease assets and lease liabilities on the Company's balance sheets as of January 1, 2019, primarily related to the lease agreement for the Company's principal executive office. The final impact of ASC 842 will depend on the Company's lease commitments on the adoption date and subsequent reporting date. The Company does not believe the adoption of this standard will have a material impact on the Company's statements of operations or statements of cash flows.

In May 2017, the FASB issued ASU 2017-09 which includes provisions to clarify when to account for a change to terms or conditions of a share-based payment award as a modification. Under the updated guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award changes as a result of the change in terms or conditions. The Company adopted ASU 2017-09 effective January 1, 2018. The adoption of the ASU did not have a material impact to the Company's balance sheets, statements of operations or statements of cash flows.

In August 2018, the FASB issued ASU 2018-15 which includes provisions to clarify customer's accounting for implementation costs incurred in a cloud computing arrangement. Under the updated guidance, a customer in a cloud computing arrangement that is a service contract should follow the internal-use software guidance to determine how to account for costs incurred in implementation. The updated guidance also requires certain classification on the balance sheets, statements of operations and statements of cash flows as well as additional quantitative and qualitative disclosures. The standard is effective for public companies for fiscal years beginning after December 15, 2019, and interim periods within those years. Early adoption is permitted and entities can choose to adopt the new guidance prospectively or retrospectively. The Company does not believe the adoption of this standard to have a material impact to the Company's balance sheets, statements of operations or statements of cash flows.

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****3. Debt****Credit Facility**

In June 2014, the Company entered into a loan and security agreement (the "Credit Facility") with Oxford Finance LLC which provided for borrowings of \$5.0 million under the term loan (the "Term A Loan"). On June 30, 2014, the Company received proceeds of \$5.0 million from the issuance of secured promissory notes under the Term A Loan. The secured promissory notes issued under the Credit Facility were due on July 1, 2018, and were collateralized by substantially all of the Company's personal property, other than its intellectual property.

The Company was obligated to make monthly, interest-only payments on the Term A Loan until July 1, 2015, and, thereafter, paid 36 consecutive, equal monthly installments of principal and interest from August 1, 2015, through July 1, 2018. The Term A Loan bore interest at an annual rate of 6.40%. In addition, a final payment equal to 8.0% of the Term A Loan was due upon the earlier of the maturity date or prepayment of the term loan. The Company recognized the final payment as interest expense using the effective interest method over the life of the Credit Facility. The Term A Loan was fully repaid in July 2018.

In connection with the borrowing of the Term A Loan, the Company issued a warrant to purchase 8,230 shares of common stock at an exercise price of \$15.19 (see Note 4). The warrant resulted in a debt discount of \$0.1 million which was amortized into interest expense using the effective interest method over the life of the Term A Loan. In addition, the Company incurred debt issuance costs of \$0.1 million in connection with the borrowing of the Term A Loan. The debt issuance costs were capitalized and included in long-term debt on the condensed balance sheet at the inception of the Term A Loan, and were amortized to interest expense using the effective interest method over the same term. As of December 31, 2018, there was no remaining unamortized discount and debt issuance costs associated with the debt.

During the years ended December 31, 2018, 2017 and 2016, the Company recognized less than \$0.1 million, \$0.2 million and \$0.4 million of interest expense, respectively. During the years ended December 31, 2018, 2017 and 2016, the Company made cash interest payments related to the Credit Facility of \$0.4 million, which included the final payment equal to 8% of the Term A Loan, \$0.1 million and \$0.2 million, respectively.

4. Warrants

In connection with the Credit Facility entered into in June 2014, the Company issued a warrant to purchase 8,230 shares of common stock at an exercise price of \$15.19. The warrant will terminate on the earlier of June 30, 2019, and the closing of a merger or consolidation transaction in which the Company is not the surviving entity. The warrant was recorded at fair value of \$0.1 million to additional-paid-in-capital in accordance with ASC 815-10 based upon the allocation of the debt proceeds.

Upon the closing of the Company's IPO, all warrants exercisable for 1,940,000 shares of Series A preferred stock, at an exercise price of \$1.00 per share (unadjusted for stock splits), were automatically converted into warrants exercisable for 277,690 shares of common stock, at an exercise price of \$6.99 per share. During the year ended December 31, 2018, the remaining 177,123 warrants were net exercised for 159,944 shares of the Company's common stock. During the year ended December 31, 2017, 71,237 warrants were net exercised for 62,525 shares of the Company's common stock. During the

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****4. Warrants (Continued)**

year ended December 31, 2015, 29,330 warrants were net exercised for 25,445 shares of the Company's common stock.

As of December 31, 2018, the Company had warrants outstanding that were exercisable for a total of 8,230 shares of common stock at a weighted-average exercise price of \$15.19 per share.

5. Commitments and Contingencies

In February 2014, the Company entered into an operating lease agreement for its principal executive offices located in Ann Arbor, Michigan commencing in April 2014, with a term of 63 months. The Company's lease provides for fixed monthly rent for the term of the lease, with monthly rent increasing every 12 months subsequent to the first three months of the lease, and also provides for certain rent adjustments to be paid as determined by the landlord. On July 6, 2018, the Company entered into the first amendment of the lease for the Company's principal executive office in Ann Arbor, Michigan. The amended lease is to increase the current 7,941 rentable square feet of office space by 11,471 rentable square feet, together with the right to use common areas and facilities in common with the landlord and other tenants. The term of the lease commences with respect to all of the space in the leased premises on the later to occur of (i) the date upon which landlord delivers the premises to the Company under the terms of the lease with the delivery conditions set forth in the lease satisfied and (ii) November 1, 2018 (the "Lease Commencement Date"). The term of the lease shall end 60 months after the Lease Commencement Date. Under the terms of the lease, following the first month (during which the base rent is \$0) and the second month (during which the base rent is \$15,990), the base rent, subject to certain adjustments, for the leased premises will start at approximately \$19,412 per month, plus certain operating expenses and taxes, and shall increase on an annual basis and/or as otherwise provided in the lease agreement.

In August 2015, the Company entered into an operating lease agreement to increase its office space and support its clinical development operations located in Ann Arbor, Michigan, commencing September 2015, with a term of 49 months. The Company's lease provides for fixed monthly rent for the term of the lease, with monthly rent increasing every 12 months subsequent to the first month of the lease. On May 14, 2018, the Company provided notice of early lease termination for its second Ann Arbor lease of 5,500 square feet to end its tenancy effective November 15, 2018.

The total rent expense for the years ended December 31, 2018, 2017 and 2016, was approximately \$0.3 million, \$0.2 million, and \$0.2 million, respectively. The following table summarizes the Company's future minimum lease payments as of December 31, 2018:

	<u>Total</u>	<u>Less than 1 Year</u>	<u>1 - 3 Years</u> <small>(in thousands)</small>	<u>3 - 5 Years</u>	<u>More than 5 Years</u>
Operating lease	\$ 1,169	\$ 234	\$ 719	\$ 216	\$ —
Total	<u>\$ 1,169</u>	<u>\$ 234</u>	<u>\$ 719</u>	<u>\$ 216</u>	<u>\$ —</u>

Legal Proceedings

On January 12, 2016, a purported stockholder of the company filed a putative class action lawsuit in the United States District Court for the Eastern District of Michigan, against the Company and Tim

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****5. Commitments and Contingencies (Continued)**

Mayleben, captioned *Kevin L. Dougherty v. Esperion Therapeutics, Inc., et al.* (No. 16-cv-10089). The lawsuit alleges that the Company and Mr. Mayleben violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 by allegedly failing to disclose in an August 17, 2015, public statement that the FDA would require a cardiovascular outcomes trial before approving the Company's lead product candidate. The lawsuit seeks, among other things, compensatory damages in connection with an allegedly inflated stock price between August 18, 2015, and September 28, 2015, as well as attorneys' fees and costs. On May 20, 2016, an amended complaint was filed in the lawsuit and on July 5, 2016, the Company filed a motion to dismiss the amended complaint. On December 27, 2016, the court granted the Company's motion to dismiss with prejudice and entered judgment in the Company's favor. On January 24, 2017, the plaintiffs in this lawsuit filed a motion to alter or amend the judgment. In May 2017, the court denied the plaintiff's motion to alter or amend the judgment. On June 19, 2017, the plaintiffs filed a notice of appeal to the Sixth Circuit Court of Appeals and on September 14, 2017, they filed their opening brief in support of the appeal. The appeal was fully briefed on December 7, 2017, and it was argued before the Sixth Circuit on March 15, 2018. On September 27, 2018, the Sixth Circuit issued an opinion in which it reversed the district court's dismissal and remanded for further proceedings. On October 11, 2018, the Company filed a petition for rehearing en banc and, on October 23, 2018, the Sixth Circuit Court of Appeals directed plaintiffs to respond to that petition. On December 3, 2018, the Sixth Circuit denied the Company's petition for en banc rehearing, and on December 11, 2018, the case was returned to the federal district court by mandate from the Sixth Circuit. On December 26, 2018, the Company filed an answer to the amended complaint. The Company is unable to predict the outcome of this matter and is unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

On December 15, 2016, a purported stockholder of the Company filed a derivative lawsuit in the Court of Chancery of the State of Delaware against Tim Mayleben, Roger Newton, Mary McGowan, Nicole Vitullo, Dov Goldstein, Daniel Janney, Antonio Gotto Jr., Mark McGovern, Gilbert Omenn, Scott Braunstein, and Patrick Enright. The Company is named as a nominal defendant. The lawsuit alleges that the defendants breached their fiduciary duties to the Company when they made or approved improper statements on August 17, 2015, regarding the Company's lead product candidate's path to FDA approval, and failed to ensure that reliable systems of internal controls were in place at the Company. On February 8, 2019, the Company and defendants filed a motion to dismiss the derivative lawsuit. The lawsuit seeks, among other things, any damages sustained by the Company as a result of the defendants' alleged breaches of fiduciary duties, including damages related to the above-referenced securities class action, an order directing the Company to take all necessary actions to reform and improve its corporate governance and internal procedures, restitution from the defendants, and attorneys' fees and costs. The Company is unable to predict the outcome of this matter and is unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

On May 7, 2018, a purported stockholder of the Company filed a putative class action lawsuit in the United States District Court for the Eastern District of Michigan, captioned *Kevin Bailey v. Esperion Therapeutics, Inc., et al.* (No. 18-cv-11438). An amended complaint was filed on October 22, 2018, against the Company and certain directors and officers. The amended complaint alleges violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 based on allegedly making false and misleading statements and omissions about the safety and tolerability of

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****5. Commitments and Contingencies (Continued)**

bempedoic acid, and specifically facts and circumstances surrounding the Phase 3 trial results for bempedoic acid that the Company announced on May 2, 2018. On November 13, 2018, the Company filed a motion to dismiss the amended complaint, and that motion was fully briefed on December 18, 2018. On February 19, 2019, the court granted the Company's motion to dismiss with prejudice and entered judgment in the Company's favor. The lawsuit seeks, among other things, compensatory damages in connection with an allegedly inflated stock price between February 22, 2017, and May 22, 2018, as well as attorneys' fees and costs. The Company is unable to predict the ultimate outcome of this matter and is unable to make a meaningful estimate of the amount or range of loss, if any, that could result from an unfavorable outcome.

6. Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2018	2017
	(in thousands)	
Lab equipment	\$ 232	\$ 232
Computer equipment	51	114
Software	205	206
Furniture and fixtures	719	568
Leasehold improvements	309	159
Subtotal	1,516	1,279
Less accumulated depreciation and amortization	996	844
Property and equipment, net	<u>\$ 520</u>	<u>\$ 435</u>

Depreciation expense was \$0.3 million, \$0.3 million, and \$0.3 million for the years ended December 31, 2018, 2017 and 2016, respectively.

7. Other Accrued Liabilities

Other accrued liabilities consist of the following:

	December 31,	
	2018	2017
	(in thousands)	
Accrued compensation	\$ 1,833	\$ 582
Accrued professional fees	1,228	153
Accrued franchise and property taxes	44	38
Accrued interest	—	397
Accrued other	296	48
Total other accrued liabilities	<u>\$ 3,401</u>	<u>\$ 1,218</u>

Esperion Therapeutics, Inc.

Notes to Financial Statements (Continued)

8. Investments

The following table summarizes the Company's cash equivalents and investments:

	December 31, 2018			Estimated Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
(in thousands)				
Cash equivalents:				
Money market funds	\$ 34,526	\$ —	\$ —	\$ 34,526
Short-term investments:				
Certificates of deposit	3,873	—	(7)	3,866
U.S. treasury notes	44,897	—	(142)	44,755
U.S. government agency securities	50,598	—	(169)	50,429
Long-term investments:				
Certificates of deposit	244	—	(1)	243
Total	\$ 134,138	\$ —	\$ (319)	\$ 133,819

	December 31, 2017			Estimated Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
(in thousands)				
Cash equivalents:				
Money market funds	\$ 27,302	\$ —	\$ —	\$ 27,302
U.S. treasury notes	2,999	—	—	2,999
Short-term investments:				
Certificates of deposit	12,429	1	(13)	12,417
U.S. treasury notes	97,537	—	(225)	97,312
U.S. government agency securities	56,143	—	(141)	56,002
Long-term investments:				
Certificates of deposit	3,863	—	(10)	3,853
U.S. treasury notes	27,983	—	(209)	27,774
U.S. government agency securities	42,041	—	(248)	41,793
Total	\$ 270,297	\$ 1	\$ (846)	\$ 269,452

At December 31, 2018, remaining contractual maturities of available-for-sale investments classified as current on the balance sheet were less than 12 months, and remaining contractual maturities of available-for-sale investments classified as long-term were less than two years.

During the years ended December 31, 2018, 2017 and 2016, other income, net in the statements of operations includes interest income on available-for-sale investments of \$2.6 million, \$2.5 million and \$2.6 million. Other income, net in the statements of operations includes income for the accretion of premiums and discounts on investments of \$0.2 million during the year ended December 31, 2018 and expense for the amortization of premiums and discounts on investments of \$0.3 million and \$1.0 million during the years ended December 31, 2017 and 2016, respectively.

There were no unrealized gains or losses on investments reclassified from accumulated other comprehensive loss to other income, net in the statements of operations during the year ended December 31, 2018.

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****9. Fair Value Measurements**

The Company follows accounting guidance that emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." Fair value measurements are defined on a three level hierarchy:

- Level 1 inputs: Quoted prices for identical assets or liabilities in active markets;
- Level 2 inputs: Observable inputs other than Level 1 prices, such as quoted market prices for similar assets or liabilities or other inputs that are observable or can be corroborated by market data; and
- Level 3 inputs: Unobservable inputs that are supported by little or no market activity and require the reporting entity to develop assumptions that market participants would use when pricing the asset or liability.

The following table presents the Company's financial assets and liabilities that have been measured at fair value on a recurring basis:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		(in thousands)		
December 31, 2018				
Assets:				
Money market funds	\$ 34,526	\$ 34,526	\$ —	\$ —
Investments:				
Certificates of deposit	4,109	4,109	—	—
U.S. treasury notes	44,755	44,755	—	—
U.S. government agency securities	50,429	—	50,429	—
Total assets at fair value	<u>\$ 133,819</u>	<u>\$ 83,390</u>	<u>\$ 50,429</u>	<u>\$ —</u>
December 31, 2017				
Assets:				
Money market funds	\$ 27,302	\$ 27,302	\$ —	\$ —
Available-for-sale securities:				
Certificates of deposit	16,270	16,270	—	—
U.S. treasury notes	128,085	128,085	—	—
U.S. government agency securities	97,795	—	97,795	—
Total assets at fair value	<u>\$ 269,452</u>	<u>\$ 171,657</u>	<u>\$ 97,795</u>	<u>\$ —</u>

There were no transfers between Levels 1, 2 or 3 during the years ended December 31, 2018 or December 31, 2017.

10. Stock Compensation**2017 Inducement Equity Plan**

In May 2017, the Company's board of directors approved the 2017 Inducement Equity Plan (the "2017 Plan"). The number of shares of common stock available for awards under the 2017 Plan was set to 750,000, with any shares of common stock that are forfeited, cancelled, held back upon the exercise

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****10. Stock Compensation (Continued)**

or settlement of an award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of common stock, or otherwise terminated (other than by exercise) under the 2017 Plan added back to the shares of common stock available for issuance under the 2017 Plan. The 2017 Plan provides for the granting of stock options, stock appreciation rights, restricted stock awards, restricted stock units ("RSUs"), unrestricted stock awards and dividend equivalent rights.

2013 Stock Option and Incentive Plan

In May 2015, the Company's stockholders approved the amended and restated 2013 Stock Option and Incentive Plan (as amended, the "2013 Plan") which, among other things, increased the number of shares of common stock reserved for issuance thereunder. The number of shares of common stock available for awards under the 2013 Plan was increased by 923,622 shares from 2,051,378 shares to 2,975,000 shares, plus (i) shares of common stock that are forfeited, cancelled, held back upon the exercise or settlement of an award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of common stock or otherwise terminated (other than by exercise) under the 2013 Plan and the Company's 2008 Incentive Stock Option and Restricted Stock Plan are added back to the shares of common stock available for issuance under the 2013 Plan, and (ii) on January 1, 2016, and each January 1, thereafter, the number of shares of common stock reserved and available for issuance under the 2013 Plan will be cumulatively increased by 2.5% of the number of shares of common stock outstanding on the immediately preceding December 31, or such lesser number of shares of common stock determined by the compensation committee. The 2013 Plan provides for the granting of stock options, stock appreciation rights, restricted stock awards, RSUs, unrestricted stock awards, cash-based awards, performance share awards and dividend equivalent rights.

2008 Stock Option and Restricted Stock Plan

In April 2008, the Company adopted the 2008 Plan, administered by the Board of Directors or a committee appointed by the Board of Directors. The 2008 Plan provides for the granting of stock options and restricted stock to employees and nonemployees of the Company. Options granted under the 2008 Plan may either be incentive stock options, restricted stock awards or nonqualified stock options. Stock options and restricted stock grants may be granted to employees, directors and consultants. Stock awards under the 2008 Plan may be granted for up to ten years from the adoption of the 2008 Plan at prices no less than 100 percent of the fair value of the shares on the date of the grant as determined by (i) the closing price of the Company's common stock on any national exchange, (ii) the National Association of Securities Dealers Inc. Automated Quotation System ("NASDAQ"), if so authorized for quotation as a NASDAQ security, or (iii) by reasonable application of a reasonable valuation method. The valuation methods utilized by the Company are consistent with the AICPA Technical Practice Aid.

The Company incurs stock-based compensation expense related to stock options and RSUs. The fair value of RSUs is determined by the closing market price of the Company's common stock on the date of grant. The fair value of stock options is calculated using a Black-Scholes option-pricing model. The Company accounts for stock-based compensation in accordance with the provisions of ASC 718, Compensation—Stock Compensation. Accordingly, compensation costs related to equity instruments granted are recognized over the requisite service periods of the awards on a straight-line basis at the

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****10. Stock Compensation (Continued)**

grant-date fair value. In accordance with the adoption of ASU 2016-09, effective January 1, 2017, the Company accounts for forfeitures as they occur. Prior to January 1, 2017, under the provisions of ASC 718, the Company was required to include an estimate of the number of awards that will be forfeited in calculating compensation costs. Any changes to the estimated forfeiture rates were accounted for prospectively.

Under the 2017 Plan, 2013 Plan and the 2008 Plan the vesting of options granted or restricted awards given will be determined individually with each option grant. Generally, 25 percent of the granted amount will vest upon the first anniversary of the option grant with the remainder vesting ratably on the first day of each calendar quarter for the following three years. Stock options have a 10-year life and expire if not exercised within that period, or if not exercised within 90 days of cessation of providing service to the Company.

The following table summarizes the activity relating to the Company's options to purchase common stock for the year ended December 31, 2018:

	<u>Number of Options</u>	<u>Weighted-Average Exercise Price Per Share</u>	<u>Weighted-Average Remaining Contractual Term (Years)</u>	<u>Aggregate Intrinsic Value (in thousands)</u>
Outstanding at December 31, 2017	4,159,151	\$ 28.13	7.39	\$ 165,385
Granted	1,890,177	\$ 56.63		
Forfeited or cancelled (vested and unvested)	(388,796)	\$ 41.18		
Exercised	(356,809)	\$ 32.91		
Outstanding at December 31, 2018	<u>5,303,723</u>	\$ 37.01	7.42	\$ 83,473

The following table summarizes information about the Company's stock option plan as of December 31, 2018:

	<u>Number of Options</u>	<u>Weighted-Average Exercise Price Per Share</u>	<u>Weighted-Average Remaining Contractual Term (Years)</u>	<u>Aggregate Intrinsic Value (in thousands)</u>
Vested and expected to vest at December 31, 2018	<u>5,303,723</u>	\$ 37.01	7.42	\$ 83,473
Exercisable at December 31, 2018	<u>2,866,429</u>	\$ 28.82	6.04	\$ 65,112

The total intrinsic value of stock options exercised during the years ended December 31, 2018, 2017 and 2016, was \$12.1 million, \$4.0 million and \$0.4 million, respectively.

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****10. Stock Compensation (Continued)**

The following table shows the weighted-average assumptions used to compute the stock-based compensation costs for the stock options granted to employees and non-employees during each of the three years ending December 31, 2018, using the Black-Scholes option-pricing model:

	Year ended December 31,		
	2018	2017	2016
Risk-free interest rate	2.75%	2.04%	1.47%
Dividend yield	—	—	—
Weighted-average expected life of options (years)	6.21	6.19	6.22
Volatility	72%	73%	71%

The risk-free interest rate assumption was based on the United States Treasury's rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued. The assumed dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future. The weighted-average expected life of the options was calculated using the simplified method as prescribed by the Securities and Exchange Commission Staff Accounting Bulletin No. 107 ("SAB No. 107"). This decision was based on the lack of relevant historical data due to the Company's limited historical experience. In addition, due to the Company's limited historical data, the estimated volatility also reflects the application of SAB No. 107, incorporating the historical volatility of comparable companies whose share prices are publicly available.

The weighted-average grant-date fair values of stock options granted during the years ended December 31, 2018, 2017 and 2016, were \$37.56, \$15.99 and \$9.78, respectively. During the years ended December 31, 2018, 2017 and 2016, the Company recognized stock-based compensation expense related to stock options of \$23.4 million, \$18.2 million and \$15.6 million, respectively.

As of December 31, 2018, there was approximately \$66.4 million of unrecognized compensation cost related to unvested options, which will be recognized over a weighted-average period of approximately 3.2 years.

The following table summarizes the activity relating to the Company's RSUs for the year ended December 31, 2018:

	Number of RSUs	Weighted-Average Fair Value Per Share
Outstanding and unvested at December 31, 2017	10,003	\$ 57.54
Granted	37,600	\$ 66.32
Forfeited or expired	(6,691)	\$ 54.16
Vested	(3,437)	\$ 57.54
Outstanding and unvested at December 31, 2018	<u>37,475</u>	<u>\$ 66.96</u>

During the years ended December 31, 2018, 2017 and 2016, the Company recognized approximately \$0.6 million, \$0.4 million and \$0.4 million, respectively, of stock-based compensation expense recognized related to RSUs. As of December 31, 2018, there was approximately \$2.0 million of unrecognized stock-based compensation expense related to unvested RSUs, which will be recognized over a weighted-average period of approximately 3.1 years.

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****11. Employee Benefit Plan**

During 2008, the Company adopted the Esperion Therapeutics, Inc. 401(k) Plan (the "401(k) Plan"), which qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating employees may defer a portion of their pretax earnings. The Company may, at its sole discretion, contribute for the benefit of eligible employees. Company contributions to the 401(k) Plan during the years ended December 31, 2018, 2017 and 2016, were \$0.3 million, \$0.3 million and \$0.2 million, respectively.

12. Income Taxes

There was no provision for income taxes for the years ended December 31, 2018, 2017 and 2016, because the Company has incurred operating losses since inception. At December 31, 2018, the Company concluded that it is not more likely than not that the Company will realize the benefit of its deferred tax assets due to its history of losses. Accordingly, a full valuation allowance has been applied against the net deferred tax assets.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 ("TCJA") was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a corporate tax rate decrease from 34% to 21% effective for tax years beginning after December 31, 2017, the transition of U.S. Tax from a worldwide to a territorial system, and potential additional limitations on deductions related to interest expense and executive compensation. The Company recorded a reduction to its gross deferred tax assets of \$50.4 million in 2017, the period in which the legislation was enacted. The reduction in the Company's gross deferred tax assets was fully offset by an equal reduction in the Company's valuation allowance, resulting in no additional net income tax expense from the tax law change. The Company concluded on SAB 118 and finalized its reduction to gross deferred tax assets during 2018. As the gross reduction of the deferred tax assets were offset by a full valuation allowance, no net adjustment was required from the Company's previous provisional estimate during 2018.

On January 1, 2017, upon the Company's adoption of ASU 2016-09, the Company recognized approximately \$4.5 million of deferred tax assets that were not previously recognized on the Company's balance sheet under the prior accounting guidance. The increase in the deferred tax assets was fully offset by an increase in the Company's valuation allowance.

As of December 31, 2018, 2017 and 2016, the Company had deferred tax assets, before valuation allowance, of approximately \$152.2 million, \$99.8 million and \$75.3 million, respectively. Realization of the deferred assets is dependent upon future taxable income, if any, the amount and timing of which are uncertain. Accordingly, the net deferred tax assets have been fully offset by a valuation allowance. As of December 31, 2018, 2017 and 2016, the Company had federal net operating loss ("NOL") carryforwards of approximately \$539.2 million, \$347.4 million and \$196.4 million, respectively. The federal NOL carryforwards will expire at various dates beginning in 2028, if not utilized. The Company filed certain amended state tax returns for tax years 2012-2015 during 2017 that resulted in increasing the Company's state NOL carryforward. As of December 31, 2018, 2017 and 2016, the Company had state NOL carryforwards of approximately \$526.6 million, \$327.8 million and \$18.1 million, respectively. The state NOL carryforwards will expire at various dates beginning in 2022, if not utilized.

Esperion Therapeutics, Inc.**Notes to Financial Statements (Continued)****12. Income Taxes (Continued)**

A reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate is as follows:

	December 31,		
	2018	2017	2016
Federal income tax (benefit) at statutory rate	(21.0)%	(34.0)%	(34.0)%
Change in tax rate	0.0%	29.6%	0.1%
Permanent items	(0.5)%	0.1%	0.9%
Other	0.5%	(0.9)%	0.2%
Amended Tax Returns	0.0%	(4.5)%	0.0%
Change in valuation allowance	21.0%	9.7%	32.8%
Effective income tax rate	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

If the Company experiences a greater than 50 percentage point aggregate change in ownership of certain significant stockholders over a three-year period, a Section 382 ownership change could be deemed to have occurred. If a section 382 change occurs, the Company's future utilization of the net operating loss carryforwards and credits as of the ownership change will be subject to an annual limitation under Section 382 of the Internal Revenue Code of 1986, as amended, and similar state provisions. Such an annual limitation may result in the expiration of net operating losses before utilization.

The Company's reserves related to taxes are based on a determination of whether and how much of a tax benefit taken by the Company in its tax filings or positions is more likely than not to be realized following resolution of any potential contingencies present related to the tax benefit. The Company recognized no material adjustment for unrecognized income tax benefits. Through December 31, 2018, the Company had no unrecognized tax benefits or related interest and penalties accrued.

Significant components of the Company's deferred tax assets are summarized in the table below:

	December 31,	
	2018	2017
	(in thousands)	
Deferred tax assets:		
Federal and state operating loss carryforwards	\$ 138,299	\$ 88,637
Equity compensation	13,542	10,809
Temporary differences	341	402
Total deferred tax assets	<u>152,182</u>	<u>99,848</u>
Valuation allowance	(152,182)	(99,848)
Net deferred tax assets	<u>\$ —</u>	<u>\$ —</u>

13. Net Loss Per Common Share

Basic net loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents.

Esperion Therapeutics, Inc.

Notes to Financial Statements (Continued)

13. Net Loss Per Common Share (Continued)

Diluted net loss per share is computed by dividing net loss by the weighted-average number of common stock equivalents outstanding for the period determined using the treasury-stock method. For purposes of this calculation, warrants for common stock, stock options and unvested restricted stock and RSUs are considered to be common stock equivalents and are only included in the calculation of diluted net loss per share when their effect is dilutive.

The shares outstanding at the end of the respective periods presented below were excluded from the calculation of diluted net loss per share due to their anti-dilutive effect:

	December 31, 2018	December 31, 2017	December 31, 2016
Warrants for common stock	8,230	185,353	256,590
Common shares under option	5,303,723	4,159,151	3,255,987
Unvested RSUs	37,475	10,003	16,251
Total potential dilutive shares	<u>5,349,428</u>	<u>4,354,507</u>	<u>3,528,828</u>

14. Selected Quarterly Financial Data (Unaudited)

The following table summarizes the unaudited quarterly financial data for the last two years:

	2018			
	March 31	June 30	September 30	December 31
	(in thousands, except share and per share data)			
Operating expenses:				
Research and development	\$ 40,940	\$ 39,524	\$ 41,551	\$ 49,473
General and administrative	5,954	6,956	9,011	11,176
Total operating expenses	46,894	46,480	50,562	60,649
Loss from operations:	(46,894)	(46,480)	(50,562)	(60,649)
Other income, net	764	750	651	610
Net loss	<u>\$ (46,130)</u>	<u>\$ (45,730)</u>	<u>\$ (49,911)</u>	<u>\$ (60,039)</u>
Net loss per common share (basic and diluted)	\$ (1.73)	\$ (1.71)	\$ (1.86)	\$ (2.24)
Weighted-average shares outstanding (basic and diluted)	26,605,189	26,786,796	26,804,026	26,818,331

Esperion Therapeutics, Inc.

Notes to Financial Statements (Continued)

14. Selected Quarterly Financial Data (Unaudited) (Continued)

	2017			
	March 31	June 30	September 30	December 31
	(in thousands, except share and per share data)			
Operating expenses:				
Research and development	\$ 35,860	\$ 38,248	\$ 40,056	\$ 33,439
General and administrative	5,029	5,412	5,681	5,257
Total operating expenses	40,889	43,660	45,737	38,696
Loss from operations:	(40,889)	(43,660)	(45,737)	(38,696)
Other income, net	348	323	518	805
Net loss	\$ (40,541)	\$ (43,337)	\$ (45,219)	\$ (37,891)
Net loss per common share (basic and diluted) ⁽¹⁾	\$ (1.80)	\$ (1.92)	\$ (1.86)	\$ (1.44)
Weighted-average shares outstanding (basic and diluted)	22,563,152	22,591,326	24,311,844	26,222,397

- (1) Due to the use of weighted average shares outstanding for each quarter for calculating net loss per common share, the sum of the quarterly net loss per common share amounts may not equal the net loss per common share amount for the full year.

15. Subsequent Events

Collaboration and License Agreement with Daiichi Sankyo Europe GmbH

On January 2, 2019, the Company entered into a License and Collaboration Agreement (the "Agreement") with Daiichi Sankyo Europe GmbH ("DSE"). Pursuant to the Agreement, the Company granted DSE exclusive commercialization rights to bempedoic acid and the bempedoic acid / ezetimibe combination tablet in the European Economic Area and Switzerland (the "DSE Territory"). DSE will be responsible for commercialization in the DSE Territory. The Company will be responsible for clinical development, regulatory and manufacturing activities for the licensed products globally, including the DSE Territory.

Pursuant to the agreement, the consideration consists of an upfront cash payment of \$150 million as well as \$150 million cash payment to the Company upon first commercial sales in the DSE Territory. The Company is also eligible to receive a substantial additional regulatory milestone payment upon the grant of the marketing authorization in the European Union for the CV risk reduction label, depending on the range of relative risk reduction in the CLEAR Outcomes study. In addition, the Company is eligible to receive additional sales milestone payments. Finally, the Company will receive tiered fifteen percent (15%) to twenty-five percent (25%) royalties on net DSE Territory sales.

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made as of the 14th day of May, 2015 by and between Esperion Therapeutics, Inc., a Delaware corporation (the “Company”), and Richard Bartram (the “Executive”). Except with respect to the Restrictive Covenants (as defined below), this Agreement supersedes, amends and restates in all respects all prior agreements between the Executive and the Company regarding the subject matter herein.

1. **Employment Term.** The Company and the Executive desire to continue their employment relationship, pursuant to this Agreement commencing as of the date hereof and continuing in effect until terminated by either party in accordance with this Agreement (the “Term”). The Executive’s employment with the Company will continue to be “at will,” meaning that the Executive’s employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement. If the Executive’s employment with the Company is terminated for any reason during the Term, the Company shall pay or provide to the Executive (or to his authorized representative or estate) any earned but unpaid base salary, unpaid expense reimbursements, accrued but unused vacation and any vested benefits the Executive may have under any employee benefit plan of the Company (the “Accrued Benefit”).

2. **Position; Duties.** During the Term, the Executive will serve as Vice President, Finance, and will have such powers and duties as may from time to time be prescribed by the Company’s Chief Executive Officer (“CEO”). The Executive shall devote his full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the CEO and/or engage in religious, charitable or other community activities as long as such services and activities are disclosed to and approved by the CEO and do not interfere with the Executive’s performance of his duties to the Company.

3. **Compensation and Related Matters.**

(a) **Base Salary.** During the Term, the Executive’s annual base salary will be \$185,000, subject to redetermination by the Company’s Board of Directors (the “Board”) or the Compensation Committee of the Board (the “Compensation Committee”). The annual base salary in effect at any given time is referred to herein as “Base Salary.” The Base Salary will be payable in a manner that is consistent with the Company’s usual payroll practices for senior executives.

(b) **Bonus.** During the Term, the Executive will be eligible to be considered for annual cash bonus as determined by the Board or the Compensation Committee. The annual bonus will be targeted at 30% of the Executive’s Base Salary (the “Target Bonus”). The actual bonus is discretionary and will be subject to the CEO’s assessment of the Executive’s performance as well as business conditions of the Company. The Executive’s bonus, if any, will be paid by March 15 following the applicable bonus year. To earn a bonus, the Executive must be employed by the Company on the day such bonus is paid.

(c) PTO: During the Term, the Executive is eligible to earn up to four weeks of paid-time-off (“PTO”), to be accrued on a pro rata basis and subject to the terms and conditions of the Company’s policies and procedures relating to PTO.

(d) Other Benefits. During the Term, the Executive will be entitled to continue to participate in the Company’s employee benefit plans, subject to the terms and the conditions of such plans and to the Company’s ability to amend and modify such plans.

(e) Equity. The Executive’s equity compensation shall be governed by the terms and conditions of the Company’s Stock Option and Incentive Plan, as may be amended, and the applicable stock option and/or restricted stock agreements (collectively the “Equity Documents”). Provided and notwithstanding anything to the contrary in the Equity Documents, Section 5 of this Agreement shall apply in the event of a Sale Event.

(f) Reimbursement of Business Expenses. The Company shall reimburse the Executive for travel, entertainment, business development and other expenses reasonably and necessarily incurred by the Executive in connection with the Company’s business. Expense reimbursement shall be subject to such policies the Company may adopt from time to time, including policies related to remote working arrangements and associated travel.

4. Certain Definitions.

(a) Sale Event. A Sale Event shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) Terminating Event. A “Terminating Event” shall mean (i) Termination by the Company other than for Cause at any time; or (ii) Termination by the Executive for Good Reason on or within the twelve (12) month period commencing with a Sale Event (such 12-month period, the “Sale Event Period”), both as set forth in this Section 4(b):

(i) Termination by the Company Other Than For Cause. Termination by the Company of the Executive’s employment for any reason other than for Cause, death or Disability. For purposes of this Agreement, “Cause” shall mean, as determined by the Board:

(A) conviction (including a guilty or no contest plea) on a felony indictment or for any misdemeanor involving moral turpitude that adversely affects the Company;

- (B) participation in a fraud or act of dishonesty against the Company;
- (C) material breach of Executive's duties to the Company, that has not been cured to the reasonable satisfaction of the Board, within thirty (30) days following written notice to Executive (provided that no such notice and cure period will be required if such a breach is not subject to cure);
- (D) intentional and material damage to the Company's property; or
- (E) material breach of this Agreement or other written agreement with the Company or written policy of the Company.

(ii) Termination by the Executive for Good Reason within the Sale Event Period. Termination by the Executive of the Executive's employment with the Company for Good Reason within the Sale Event Period. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following, the occurrence of any of the following events:

- (A) a material diminution in the Executive's position, responsibilities, authority or duties;
- (B) a material diminution in the Executive's base salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or
- (C) a material change in the geographic location at which the Executive is required to provides services to the Company, not including business travel and short-term assignments.

"Good Reason Process" shall mean that (i) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) the Executive terminates his employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

A Terminating Event shall not be deemed to have occurred pursuant to this Section 4(b) as a result of: (i) the ending of the Executive's employment due to the Executive's death or Disability, (ii) Executive's resignation for any reason, other than for Good Reason within the Sale Event Period, (iii) the Company's termination of the employment relationship for Cause; or

(iv) solely as a result of the Executive being or becoming an employee of any direct or indirect successor to the business or assets of the Company rather than continuing as an employee of the Company following a Sale Event. For purposes hereof, the Executive will be considered "Disabled" if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from his duties to the Company on a full-time basis for 180 calendar days in the aggregate in any 12-month period.

5. Sale Event; Accelerated Vesting; Severance During the Sale Event Period. In the event of a Sale Event all stock options and other stock-based awards with time-based vesting held by the Executive shall immediately accelerate and become fully exercisable or nonforfeitable as of the date of the Sale Event. In addition, in the event a Terminating Event occurs within the Sale Event Period, subject to the Executive signing and complying with a separation agreement in a form and manner satisfactory to the Company containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property and non-disparagement and reaffirmation of the Restrictive Covenants (the "Separation Agreement and Release") and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the following shall occur:

(a) the Company shall pay to the Executive an amount equal to the sum of (i) 1 times the Executive's Base Salary in effect immediately prior to the Terminating Event (or the Executive's Base Salary in effect immediately prior to the Sale Event, if higher), and (ii) the Executive's Target Bonus; and

(b) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a lump sum cash payment in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for twelve (12) months after the Date of Termination.

The amounts payable under Section 5(a) and (b), as applicable, shall be paid out in a lump sum within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amounts shall be paid in the second calendar year no later than the last day of the 60-day period.

6. Severance Outside the Sale Event Period. In the event a Terminating Event occurs at any time other than during the Sale Event Period, subject to the Executive signing the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the following shall occur:

(a) the Company shall pay to the Executive an amount equal to nine (9) months of the Executive's annual Base Salary in effect immediately prior to the Terminating Event;

(b) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the

Company shall pay to the Executive a monthly cash payment for nine (9) months or the Executive's COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company.

The amounts payable under Section 6(a) and (b), as applicable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over nine (9) months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the severance shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

7. **Restrictive Covenants.** The terms of the Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement dated January 15, 2014 (the "Restrictive Covenants"), appended as Exhibit A, continue to be in full force and effect and are incorporated by reference as material terms of this Agreement. The Executive hereby reaffirms the Restrictive Covenants as material terms of this Agreement.

(a) **Third-Party Agreements and Rights.** The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(b) **Litigation and Regulatory Cooperation.** During and after the Executive's employment, the Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 7(b).

(c) Relief. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 7, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company. In addition, in the event the Executive breaches the Restrictive Covenants during a period when he is receiving Severance, the Company shall have the right to suspend or terminate the Severance. Such suspension or termination shall not limit the Company's other options with respect to relief for such breach and shall not relieve the Executive of his duties under this Agreement.

8. Additional Limitation

(a) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, the following provisions shall apply:

(i) If the Severance Payments, reduced by the sum of (A) the Excise Tax and (B) the total of the federal, state, and local income and employment taxes payable by the Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, the Executive shall be entitled to the full amount of Severance Payments.

(ii) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (A) the Excise Tax and (B) the total of the federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the Severance Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the Threshold Amount. In such event, the Severance Payments shall be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

(b) For the purposes of this Section 8, "Threshold Amount" shall mean three times the Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by the Executive with respect to such excise tax.

(c) The determination as to which of the alternative provisions of Section 8(a) above shall apply to the Executive shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. For purposes of determining which of the alternative provisions of Section 8(a) above shall apply, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

9. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's "separation from service" within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death.

(b) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive’s termination of employment, then such payments or benefits shall be payable only upon the Executive’s “separation from service.” The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

10. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Notice and Date of Termination.

(a) Notice of Termination. The Executive’s employment with the Company may be terminated by the Company or the Executive at any time and for any reason. During the Term, any purported termination of the Executive’s employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with this Section 11. For purposes of this Agreement, a “Notice of Termination” shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. “Date of Termination” shall mean: (i) if the Executive’s employment is terminated by his death, the date of his death; (ii) if the Executive’s employment is terminated on account of Executive’s Disability or by the Company for Cause, the date on which Notice of Termination is given; (iii) if the Executive’s employment is terminated by the Company without Cause the date on which a Notice of Termination is given; (iv) if the Executive’s employment is terminated by the Executive for any reason except for Good Reason during a Sale Event Period, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive’s employment is terminated by the Executive with Good Reason during a Sale Event Period, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

12. No Mitigation. The Company agrees that, if the Executive’s employment by the Company is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 5 or Section 6 hereof. Further, the amount of any payment provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer.

13. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the Superior Court of the State of Michigan and the United States District Court in Michigan. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

14. Integration. This Agreement constitutes the entire agreement between the parties with respect to compensation, severance pay, benefits and accelerated vesting and supersedes in all respects all prior agreements between the parties concerning such subject matter, including without limitation the Former Employment Agreement and any offer letter or employment agreement relating to the Executive's employment relationship with the Company. Provided, and notwithstanding the foregoing, the Restrictive Covenants and any other agreement relating to confidentiality, noncompetition, nonsolicitation or assignment of inventions shall not be superseded by this Agreement and the Executive acknowledges and agrees that any such agreement shall remain in full force and effect.

15. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after a Terminating Event but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

16. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any Section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight carrier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company, or to the Company at its main office, attention of the Board of Directors.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

20. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 7 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such agreement and this Agreement, the terms of this Agreement shall govern and Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall Executive be entitled to payments or benefits pursuant to Section 5 and Section 6 of this Agreement.

21. Governing Law. This is a Michigan contract and shall be construed under and be governed in all respects by the laws of the State of Michigan, without giving effect to the conflict of laws principles.

22. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

23. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

24. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

ESPERION THERAPEUTICS, INC.

By: /s/ Tim M. Mayleben

Name: Tim M. Mayleben

Title: President and CEO

EXECUTIVE:

/s/ Richard Bartram

Richard Bartram

Vice President, Finance

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made as of the 14th day of March, 2018 by and between Esperion Therapeutics, Inc., a Delaware corporation (the “Company”), and Mark Glickman (the “Executive”).

1. **Employment Term.** The Company and the Executive desire to enter into an employment relationship, pursuant to this Agreement commencing as of the date hereof and continuing in effect until terminated by either party in accordance with this Agreement (the “Term”). The Executive’s employment with the Company will be “at will,” meaning that the Executive’s employment may be terminated by the Company or the Executive at any time and for any reason subject to the terms of this Agreement. If the Executive’s employment with the Company is terminated for any reason during the Term, the Company shall pay or provide to the Executive (or to his authorized representative or estate) any earned but unpaid base salary, unpaid expense reimbursements, accrued but unused vacation and any vested benefits the Executive may have under any employee benefit plan of the Company (the “Accrued Benefit”).

2. **Position; Duties.** During the Term, the Executive will serve as Chief Commercial Officer, and will have such powers and duties as may from time to time be prescribed by the Company’s Chief Executive Officer (“CEO”). The Executive shall devote his full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the CEO, and/or engage in religious, charitable or other community activities as long as such services and activities are disclosed to and approved by the CEO and do not interfere with the Executive’s performance of his duties to the Company.

3. **Compensation and Related Matters.**

(a) **Base Salary.** During the Term, the Executive’s annual base salary will be \$430,000.00, subject to redetermination by the Company’s Board of Directors (the “Board”) or the Compensation Committee of the Board (the “Compensation Committee”). The annual base salary in effect at any given time is referred to herein as “Base Salary.” The Base Salary will be payable in a manner that is consistent with the Company’s usual payroll practices for senior executives.

(b) **Bonus.** During the Term, the Executive will be eligible to be considered for annual cash bonus as determined by the Board or the Compensation Committee from time to time. The annual bonus will be targeted at 40% of the Executive’s Base Salary (the “Target Bonus”). The actual bonus is discretionary and will be subject to the CEO’s assessment of the Executive’s performance as well as business conditions of the Company. The Executive’s bonus, if any, will be paid by March 15 following the applicable bonus year. To earn a bonus, the Executive must be employed by the Company on the day such bonus is paid.

(c) **PTO:** During the Term, the Executive is eligible to earn up to five weeks of paid-time-off (“PTO”), to be accrued on a pro rata basis and subject to the terms and conditions of the Company’s policies and procedures relating to PTO.

(d) Other Benefits. During the Term, the Executive will be entitled to continue to participate in the Company's employee benefit plans, subject to the terms and the conditions of such plans and to the Company's ability to amend and modify such plans.

(e) Equity. The Executive's equity compensation shall be governed by the terms and conditions of the Company's Stock Option and Incentive Plan, as may be amended, and the applicable stock option and/or restricted stock agreements (collectively the "Equity Documents").

(f) Reimbursement of Business Expenses. The Company shall reimburse the Executive for travel, entertainment, business development and other expenses reasonably and necessarily incurred by the Executive in connection with the Company's business. Expense reimbursement shall be subject to such policies the Company may adopt from time to time, including policies related to remote working arrangements and associated travel.

4. Certain Definitions.

(a) Sale Event. A Sale Event shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) Terminating Event. A "Terminating Event" shall mean (i) Termination by the Company other than for Cause at any time; or (ii) Termination by the Executive for Good Reason on or within the twelve (12) month period commencing with a Sale Event (such 12-month period, the "Sale Event Period"), both as set forth in this Section 4(b):

(i) Termination by the Company Other Than For Cause. Termination by the Company of the Executive's employment for any reason other than for Cause, death or Disability. For purposes of this Agreement, "Cause" shall mean, as determined by the Board:

(A) conviction (including a guilty or no contest plea) on a felony indictment or for any misdemeanor involving moral turpitude that adversely affects the Company;

(B) participation in a fraud or act of dishonesty against the Company;

(C) material breach of Executive's duties to the Company, that has not been cured to the reasonable satisfaction of the Board, within thirty (30) days following written notice to Executive (provided that no such notice and cure period will be required if such a breach is not subject to cure);

(D) intentional and material damage to the Company's property; or

(E) material breach of this Agreement or other written agreement with the Company or written policy of the Company.

(ii) Termination by the Executive for Good Reason within the Sale Event Period. Termination by the Executive of the Executive's employment with the Company for Good Reason within the Sale Event Period. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following, the occurrence of any of the following events:

(A) a material diminution in the Executive's position, responsibilities, authority or duties;

(B) a material diminution in the Executive's base salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or

(C) a material change in the geographic location at which the Executive is required to provide services to the Company, not including business travel and short-term assignments.

"Good Reason Process" shall mean that (i) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) the Executive terminates his employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

A Terminating Event shall not be deemed to have occurred pursuant to this Section 4(b) as a result of: (i) the ending of the Executive's employment due to the Executive's death or Disability, (ii) Executive's resignation for any reason, other than for Good Reason within the Sale Event Period, (iii) the Company's termination of the employment relationship for Cause; or (iv) solely as a result of the Executive being or becoming an employee of any direct or indirect successor to the business or assets of the Company rather than continuing as an employee of the Company following a Sale Event. For purposes hereof, the Executive will be considered

“Disabled” if, as a result of the Executive’s incapacity due to physical or mental illness, the Executive shall have been absent from his duties to the Company on a full-time basis for 180 calendar days in the aggregate in any 12-month period.

5. Sale Event; Accelerated Vesting; Severance During the Sale Event Period. In the event a Terminating Event occurs within the Sale Event Period, subject to the Executive signing and complying with a separation agreement in a form and manner satisfactory to the Company containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property and non-disparagement and reaffirmation of the Restrictive Covenants (the “Separation Agreement and Release”) and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the following shall occur:

(a) the Company shall pay to the Executive an amount equal to the sum of (i) one (1) times the Executive’s Base Salary in effect immediately prior to the Terminating Event (or the Executive’s Base Salary in effect immediately prior to the Sale Event, if higher), and (ii) the Executive’s Target Bonus; and

(b) if the Executive was participating in the Company’s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a lump sum cash payment in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for twelve (12) months after the Date of Termination.

The amounts payable under Section 5(a) and (b), as applicable, shall be paid out in a lump sum within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the amounts shall be paid in the second calendar year no later than the last day of the 60-day period.

6. Severance Outside the Sale Event Period. In the event a Terminating Event occurs at any time other than during the Sale Event Period, subject to the Executive signing the Separation Agreement and Release and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination, the following shall occur:

(a) the Company shall pay to the Executive an amount equal to nine (9) months of the Executive’s annual Base Salary in effect immediately prior to the Terminating Event;

(b) if the Executive was participating in the Company’s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for nine (9) months or the Executive’s COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company.

The amounts payable under Section 6(a) and (b), as applicable, shall be paid out in substantially equal installments in accordance with the Company’s payroll practice over nine (9) months

commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the severance shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

7. **Restrictive Covenants.** The terms of the Employee Non-Competition, Non-Solicitation, Confidentiality and Assignment Agreement (the “Restrictive Covenants”), appended as Exhibit A, are incorporated by reference as material terms of this Agreement. The Executive hereby agrees to the Restrictive Covenants as material terms of this Agreement.

(a) **Third-Party Agreements and Rights.** The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive’s use or disclosure of information or the Executive’s engagement in any business. The Executive represents to the Company that the Executive’s execution of this Agreement, the Executive’s employment with the Company and the performance of the Executive’s proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive’s work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(b) **Litigation and Regulatory Cooperation.** During and after the Executive’s employment, the Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive’s full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive’s employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive’s performance of obligations pursuant to this Section 7(b).

(c) **Relief.** The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 7, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the

Company. In addition, in the event the Executive breaches the Restrictive Covenants during a period when he is receiving Severance, the Company shall have the right to suspend or terminate the Severance. Such suspension or termination shall not limit the Company's other options with respect to relief for such breach and shall not relieve the Executive of his duties under this Agreement.

8. Additional Limitation.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, the following provisions shall apply:

(i) If the Severance Payments, reduced by the sum of (A) the Excise Tax and (B) the total of the federal, state, and local income and employment taxes payable by the Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, the Executive shall be entitled to the full amount of Severance Payments.

(ii) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (A) the Excise Tax and (B) the total of the federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the Severance Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the Threshold Amount. In such event, the Severance Payments shall be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

(b) For the purposes of this Section 8, "Threshold Amount" shall mean three times the Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by the Executive with respect to such excise tax.

(c) The determination as to which of the alternative provisions of Section 8(a) above shall apply to the Executive shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. For purposes of determining which of the alternative provisions of Section 8(a) above shall apply, the Executive shall be deemed to pay federal income taxes at the highest

marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

9. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's "separation from service" within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death.

(b) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

10. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Notice and Date of Termination.

(a) **Notice of Termination.** The Executive's employment with the Company may be terminated by the Company or the Executive at any time and for any reason. During the Term, any purported termination of the Executive's employment (other than by reason of death) shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with this Section 11. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) **Date of Termination.** "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of Executive's Disability or by the Company for Cause, the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause the date on which a Notice of Termination is given; (iv) if the Executive's employment is terminated by the Executive for any reason except for Good Reason during a Sale Event Period, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive with Good Reason during a Sale Event Period, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

12. No Mitigation. The Company agrees that, if the Executive's employment by the Company is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 5 or Section 6 hereof. Further, the amount of any payment provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer.

13. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the Superior Court of the State of Michigan and the United States District Court in Michigan. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

14. **Integration.** This Agreement constitutes the entire agreement between the parties with respect to compensation, severance pay, benefits and accelerated vesting and supersedes in all respects all prior agreements between the parties concerning such subject matter, including without limitation any offer or employment agreement relating to the Executive's employment relationship with the Company. Provided, and notwithstanding the foregoing, the Restrictive Covenants and any other agreement relating to confidentiality, noncompetition, nonsolicitation or assignment of inventions shall not be superseded by this Agreement and the Executive acknowledges and agrees that any such agreement shall remain in full force and effect.

15. **Successor to the Executive.** This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after a Terminating Event but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

16. **Enforceability.** If any portion or provision of this Agreement (including, without limitation, any portion or provision of any Section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. **Waiver.** No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. **Notices.** Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight carrier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company, or to the Company at its main office, attention of the Board of Directors.

19. **Amendment.** This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

20. **Effect on Other Plans and Agreements.** An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 7 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or

otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such agreement and this Agreement, the terms of this Agreement shall govern and Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall Executive be entitled to payments or benefits pursuant to Section 5 and Section 6 of this Agreement.

21. Governing Law. This is a Michigan contract and shall be construed under and be governed in all respects by the laws of the State of Michigan, without giving effect to the conflict of laws principles.

22. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

23. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

24. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

ESPERION THERAPEUTICS, INC.

By: /s/ Tim M. Mayleben
Name: Tim M. Mayleben
Title: President & Chief Executive Officer

EXECUTIVE:

/s/ Mark Glickman
Mark Glickman
Chief Commercial Officer

*** INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

LICENSE AND COLLABORATION AGREEMENT

by and between

DAIICHI SANKYO EUROPE GMBH

and

ESPERION THERAPEUTICS, INC.

JANUARY 2, 2019

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

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Schedule 10.2	Disclosure Schedule
Schedule 10.2.5	Esperion Patent Rights

DRAFT LICENSE AND COLLABORATION AGREEMENT

THIS LICENSE AND COLLABORATION AGREEMENT (this “**Agreement**”), entered into as of January 2, 2019 (the “**Effective Date**”), is entered into by and between Daiichi Sankyo Europe GmbH, a corporation organized and existing under the laws of Germany (“**DSE**”) and Esperion Therapeutics, Inc., a corporation organized and existing under the laws of the state of Delaware (“**Esperion**”).

RECITALS

WHEREAS, Esperion owns or otherwise controls certain technology and information relating to Bempedoic Acid and the Licensed Products;

WHEREAS, DSE is a pharmaceutical company that conducts research, development, manufacturing and commercialization of pharmaceutical products; and

WHEREAS, Esperion desires to grant to DSE exclusive rights to commercialize products containing Bempedoic Acid in the DSE Territory developed by Esperion, and DSE desires to undertake such commercialization activities, each in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, covenants and conditions contained in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS

Unless specifically set forth to the contrary herein, the following terms, whether used in the singular or plural, shall have the respective meanings set forth below:

- 1.1. “**Acquired Business**” has the meaning set forth in Section 14.15.3 (Acquired Programs).
- 1.2. “**Acquirer**” has the meaning set forth in Section 14.15.2 (Future Acquisition of a Party or its Business).
- 1.3. “**Action**” has the meaning set forth in Section 14.4 (Jurisdiction).

1.4. “**Affiliate**” means, with respect to a Person, any other Person which controls, is controlled by, or is under common control with the applicable Person. For purposes of this definition, “control” shall mean: (a) in the case of corporate entities, direct or indirect ownership of at least fifty percent (50%) of the stock or shares entitled to vote for the election of directors, or otherwise having the power to control or direct the affairs of such Person; and (b) in the case of non-corporate entities, direct or indirect ownership of at least fifty percent (50%) of the equity interest or the power to direct the management and policies of such non-corporate entities.

- 1.5. “**Agreement**” has the meaning set forth in the Preamble.
- 1.6. “**Alliance Manager**” has the meaning set forth in Section 6.1.4.(a) (Alliance Managers).
- 1.7. “**Bankrupt Party**” has the meaning set forth in Section 8.6 (Bankruptcy and Section 365(n)).
- 1.8. “**Bankruptcy Code**” has the meaning set forth in Section 8.6 (Bankruptcy and Section 365(n)).
- 1.9. “**Bempedoic Acid**” shall mean 8-Hydroxy-2,2,14,14-tetramethylpentadecanedioic acid.
- 1.10. “**BIA**” has the meaning set forth in Section 8.6 (Bankruptcy and Section 365(n)).
- 1.11. “**Board**” has the meaning set forth in Section Error! Reference source not found. (Standstill Term).

1.12. “**Calendar Quarter**” means the respective periods of three (3) consecutive calendar months ending on March 31, June 30, September 30 and December 31 of each calendar year, provided that (a) the first Calendar Quarter of the Term shall begin on the Effective Date and end on the first to occur of March 31, June 30, September 30 or December 31 thereafter and the last Calendar Quarter of the Term shall end on the last day of the Term and (b) the first Calendar Quarter of a Royalty Term for a Licensed Product in a country shall begin on the First Commercial Sale of a Licensed Product in such country and end on the first to occur of March 31, June 30, September 30 or December 31 thereafter and the last Calendar Quarter of a Royalty Term shall end on the last day of such Royalty Term.

1.13. “**Calendar Year**” means each successive period of twelve (12) months commencing on January 1 and ending on December 31, provided that (a) the first Calendar Year of the Term shall begin on the Effective Date and end on the first December 31 thereafter and the last Calendar Year of the Term shall end on the last day of the Term and (b) the first Calendar Year of a Royalty Term for a Licensed Product in a country shall begin on the First Commercial Sale of a Licensed Product in such country and end on the first December 31 thereafter and the last Calendar Year of the Term shall end on the last day of such Royalty Term.

- 1.14. “**CCAA**” has the meaning set forth in Section 8.6 (Bankruptcy and Section 365(n)).

1.15. “**Change of Control**” shall mean any of the following events: (a) any Person becomes the “beneficial owner” (as such term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended, and Rule 13d-3 thereunder (or, in each case, any successor thereto), it being understood that a Person shall not be deemed to have “beneficial ownership” of (x) any securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of its Affiliates until such tendered securities are accepted for purchase or

exchange thereunder, or (y) any securities if beneficial ownership in respect thereof (i) arises solely as a result of a revocable proxy delivered in response to a proxy or consent solicitation made pursuant to the applicable rules and regulations under the Exchange Act, and (ii) is not also then reportable on Schedule 13D or Schedule 13G (or any successor schedule) under the Exchange Act, directly or indirectly, of a majority of the total voting power represented by all classes of capital stock then outstanding of Esperion normally entitled to vote in elections of directors; (b) (i) Esperion reorganizes, consolidates or comes under common control with, or merges into another corporation or entity, or (ii) any corporation or entity reorganizes, consolidates or comes under common control with, or merges into Esperion, in either event of the foregoing clauses (i) or (ii), where stockholders of Esperion immediately prior to the consummation of such transaction hold less than fifty percent (50%) of the securities outstanding of the surviving entity normally entitled to vote in elections of directors immediately following consummation of such transaction; or (c) Esperion conveys, transfers or leases all or substantially all of its assets to any Person other than a directly or indirectly wholly owned Affiliate of Esperion.

1.16. “cGMP” or “current Good Manufacturing Practices” means the then-current standards for manufacturing activities for biological or therapeutic products, as appropriate, as set forth in the FD&C Act, and applicable regulations promulgated thereunder, as amended from time to time, and such standards of good manufacturing practice as are required by other Governmental Authorities in countries in which Licensed Products are intended to be manufactured or sold.

1.17. “CLEAR Outcome Study” means the Clinical Study conducted by or on behalf of Esperion pursuant to the protocol entitled “A Randomized, Double-blind, Placebo-controlled Study to Assess the Effects of Bempedoic Acid (ETC-1002) on the Occurrence of Major Cardiovascular Events in Patients with, or at high risk for, Cardiovascular Disease who are Statin Intolerant”.

1.18. “Clinical Study” or “Clinical Studies” means a human clinical study conducted on human subjects, including any Phase 1 Clinical Study, Phase 2 Clinical Study or Phase 3 Clinical Study that involves a test product, drug or device and that either is subject to requirements for prior submission to a Regulatory Authority or is not subject to requirements for prior submission to a Regulatory Authority but the results of which are intended to be submitted later to, or held for inspection by, a Regulatory Authority as part of an application for a research permit or Regulatory Approval, and includes studies relating to the safety, tolerability, pharmacological activity, pharmacokinetics, dose ranging or efficacy of the product, drug or device.

1.19. “Co-Chairpersons” has the meaning set forth in [Section 6.1.3](#) (JCC Co-Chairpersons).

1.20. “Commercialization” or “Commercialize” means any and all activities directed to marketing, promoting, distributing, importing, exporting, using, offering to sell, selling or having sold a product, but excluding for the avoidance of doubt, Developing and Manufacturing

and including, for avoidance of doubt, the establishment and maintenance of patient registries or similar patient advocacy activities and programs.

1.21. “Commercially Reasonable Efforts” means, with respect to a Party’s obligations that relate to the achievement of an objective related to a Licensed Product, at any given time as the case may be, efforts reasonably used by a similarly situated entity in the pharmaceutical industry of similar resources and expertise as such Party, for such similar entity’s own products (including internally developed, acquired and in-licensed products) of a similar modality with similar commercial potential at a similar stage in their lifecycle (assuming continuing development of such product), taking into consideration all Relevant Factors.

1.22. “Competing Infringement” has the meaning set forth in Section 12.3.1 (Notice of Infringement).

1.23. “Competing Program” has the meaning set forth in Section 14.15.3 (Acquired Programs).

1.24. “Confidential Information” means any and all confidential or proprietary information and data, including Esperion Technology, and Joint Technology, and all other scientific, pre-clinical, clinical, regulatory, manufacturing, marketing, financial and commercial information or data, whether communicated in writing or orally or by any other method, which is provided by one Party to the other Party in connection with this Agreement. Esperion Technology is the Confidential Information of Esperion. Joint Technology and the terms of this Agreement are the Confidential Information of both Parties.

1.25. “Control”, “Controls” or “Controlled by” means, with respect to any intellectual property right (including any Patent Right or Know-How), the possession of (whether by ownership or license, other than pursuant to this Agreement) the ability of a Person or its Affiliates to assign, transfer, or grant access to, or to grant a license or sublicense of, such right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party existing at the time such Person would be required hereunder to assign, transfer or grant another Person such access or license or sublicense. Notwithstanding the foregoing, with respect to any Patent Right, Know-How or other intellectual property right acquired or in-licensed for which a Party would be required to make payments to any Third Party in connection with the license or access granted to the other Party under this Agreement, such intellectual property will be treated as “Controlled” by the licensing Party to the extent that, and only to the extent that and for so long as, the other Party agrees and does promptly pay to the licensing Party all such applicable payments to such Third Party arising out of the grant and exercise of the license to the other Party hereunder.

1.26. “Cost of Goods” means, with respect to the supply of Licensed Product: (a) where Esperion or its Affiliates Manufacture such Licensed Product, the reasonable internal and external costs incurred by Esperion and its Affiliates in Manufacturing such Licensed Product, including the fully allocated cost of Manufacture of such Licensed Product, consisting of direct material and direct labor costs (including direct material and direct labor costs incurred for facility start-up for such Licensed Product), plus overhead directly attributable to the

Manufacture of such Licensed Product (including all directly incurred Manufacturing variances, inventory write-offs and a reasonable allocation of related Manufacturing administrative, freight, distribution, facilities operations and facilities depreciation costs for such Licensed Product, all calculated in accordance with GAAP), and (b) where such Licensed Product is Manufactured by a Third Party manufacturer, the actual fees paid by Esperion to the Third Party for the Manufacture and supply of such Licensed Product. For the avoidance of doubt, such Cost of Goods shall not include a mark-up or profit for Esperion.

1.27. “**Cover**”, “**Covers**” or “**Covered**” means, with respect to a particular subject matter at issue and the relevant Patent Right, that, but for a license granted to a Party or a Third Party under a claim included in such Patent Right, the manufacture, use, sale, offer or sale or importation by such Party of the subject matter at issue would infringe such claim or, in the case of a Patent Right that is a patent application, would infringe a claim in such patent application if it were to issue as a patent in a particular country or countries.

1.28. “**Development**,” “**Developing**” or “**Develop**” means under this Agreement, with respect to Licensed Products, the development activities conducted before or after obtaining Regulatory Approval that are reasonably related to or leading to the development, preparation and submission of data and information to a Regulatory Authority for the purpose of obtaining, supporting or expanding a Regulatory Approval, including but not limited to all activities related to pharmacokinetic profiling, design and conduct of pre-clinical development, non-clinical development, pre-clinical studies, *in vitro* studies, Clinical Studies, other studies and scientific activities ordinarily conducted in the pharmaceutical industry in the EMA territory and other countries of the DSE Territory as a prerequisite to or in connection with a Clinical Study, regulatory affairs, statistical analysis, report writing and regulatory filing creation and submission, including (i) Post-Approval Studies and (ii) studies that will result in an amendment to the indication included in the product labelling for the Licensed Product, but excluding for the avoidance of doubt, Research and Manufacturing and the conduct of Selected Clinical Activities .

1.29. “**DOJ**” means the U.S. Department of Justice.

1.30. “**DSE**” has the meaning set forth in the Preamble.

1.31. “**DSE Indemnitees**” has the meaning set forth in Section 11.2 (General Indemnification by Esperion).

1.32. “**DSE Know-How**” means Know-How Controlled by DSE or any of its Affiliates during the Term, that arises out of the performance of obligations or exercise of rights hereunder, and that is necessary or useful to the Development, Manufacture or Commercialization of the Licensed Products, but excluding Joint Know-How.

1.33. “**DSE Patent Rights**” means any Patent Rights Controlled by DSE or its Affiliates on the Effective Date or during the Term, that Cover inventions that arise out of the performance of obligations or exercise of rights hereunder, and that are reasonably necessary or

useful to the Development, Manufacture or Commercialization of the Licensed Products, but excluding Joint Patent Rights.

1.34. “**DSE Technology**” means DSE Know-How and DSE Patent Rights.

1.35. “**DSE Territory**” means Andorra, Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy (incl. Vatican City), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovenia, Slovakia, Spain, Sweden, Switzerland and United Kingdom.

1.36. “**DSE Territory Commercialization Plan**” has the meaning set forth in Section 4.2.1 (DSE Territory Commercialization Plan).

1.37. “**DSE Territory Promotional Materials**” has the meaning set forth in Section 4.3.2 (DSE Advertising and Promotion).

1.38. “**Effective Date**” has the meaning set forth in the Preamble.

1.39. “**EMA**” means the European Medicines Agency and any successor Governmental Authority having substantially the same function.

1.40. “**Esperion**” has the meaning set forth in the Preamble.

1.41. “**Esperion Global Development Plan**” has the definition set forth in Section 2.1.1 (Esperion Global Development Plans).

1.42. “**Esperion Indemnitees**” has the meaning set forth in Section 11.1 (General Indemnification by DSE).

1.43. “**Esperion Know-How**” means Know-How Controlled by Esperion or its Affiliates on the Effective Date or during the Term that is reasonably necessary or useful to the Development, Manufacture or Commercialization of the Licensed Products, but excluding Joint Know-How.

1.44. “**Esperion Patent Rights**” means any Patent Right Controlled by Esperion or its Affiliates on the Effective Date or during the Term that is reasonably necessary or useful to the Development, Manufacture or Commercialization of the Licensed Products in the Field and in the DSE Territory, but excluding Joint Patent Rights. The Esperion Patent Rights existing as of the Effective Date are those Patent Rights identified on Schedule 10.2.5 (Esperion Patent Rights). Schedule 10.2.5 (Esperion Patent Rights) shall be amended from time to time at the initiative of Esperion or the reasonable request of DSE to reflect the then-current status of the Esperion Patent Rights including by adding or deleting Patent Rights as required for accuracy and completeness.

1.45. “**Esperion Technology**” means Esperion Know-How and Esperion Patent Rights.

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

1.46. “**Esperion Territory**” means worldwide, excluding the DSE Territory.

1.47. “**Esperion Third Party Agreements**” means such agreements between Esperion and a Third Party pursuant to which Esperion Controls Know-How or Patent Rights reasonably necessary or useful to Develop, Manufacture or Commercialize Licensed Products, as set forth in **Schedule 1.47**.

1.48. “**Esperion Trademarks**” means any and all trademarks pertaining to the Licensed Products that are owned by Esperion and set forth in **Schedule 1.48**, excluding any Esperion house marks and the name “Esperion.”

1.49. “**FD&C Act**” means the United States Federal Food, Drug and Cosmetic Act, as amended.

1.50. “**FDA**” means the United States Food and Drug Administration and any successor Governmental Authority having substantially the same function.

1.51. “**Field**” means the use of Licensed Product in humans.

1.52. “**First Commercial Sale**” means, with respect to a country, the first sale for end use or consumption of Licensed Product in such country, except for named patient sales, compassionate use or other patient access programs, after all Regulatory Approvals legally required for such sale have been granted by the Regulatory Authority of such country.

1.53. “**Fiscal Quarter**” means the respective periods of three (3) consecutive calendar months ending on June 30, September 30, December 31 and March 31, of each calendar year.

1.54. “**Fiscal Year**” means each successive period of twelve (12) months commencing on April 1 and ending on March 31, provided that the first Fiscal Year of the Term shall begin on the Effective Date and end on the first March 31 thereafter and the last Fiscal Year of the Term shall end on the last day of the Term.

1.55. “**FTC**” means the U.S. Federal Trade Commission.

1.56. “**GAAP**” means generally accepted accounting principles as practiced in the United States, consistently applied.

1.57. “**GCP**” or “**Good Clinical Practices**” means all applicable good clinical practice standards for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of clinical trials, including, as applicable, (i) as set forth in the European Commission Directive 2001/20/EC of April 4, 2001 relating to the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use, and brought into law by the European Commission Directive 2005/28/EC of April 8, 2005 laying down the principles and detailed guidelines for good clinical practice for investigational medicinal products, both as amended or replaced with equivalent regulations from time to time; (ii) the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for

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[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Human Use (“**ICH**”), Harmonised Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95) and any other guidelines for good clinical practice for clinical trials on medicinal products in the European Union; (iii) the Declaration of Helsinki (1964) as last amended at the 59th World Medical Association (WMA) General Assembly in October 2008 and any further amendments or clarifications thereto; (iv) the United States Code of Federal Regulations, Title 21, Parts 50 (“*Protection of Human Subjects*”), 56 (“*Institutional Review Boards*”) and 312 (“*Investigational New Drug Application*”), as may be amended from time to time; and (v) the equivalent Applicable Laws in any relevant country or jurisdiction, each as may be amended and applicable from time to time and in each case, that provide for, among other things, assurance that the clinical data and reports results are credible and accurate and protect the rights, integrity, and confidentiality of trial subjects.

1.58. “**Generic Product**” means, with respect to Licensed Product in a country, a pharmaceutical product that is approved for use in such country by a Regulatory Authority through a regulatory pathway referencing or relying on clinical data, or any findings of safety or efficacy therein, including the pathways set forth in Article 6 of Regulation (EC) 726/2004 and Article 10 of Directive 2001/83/EC, that are first submitted by Esperion or its Affiliates or Sublicensees for obtaining Regulatory Approval for Licensed Product, in each case other than any Licensed Product that has been Developed under this Agreement by Esperion or any of its Affiliates or Sublicensees or Commercialized by DSE or any of its Affiliates or Sublicensees in such country.

1.59. “**Global Branding Strategy**” has the meaning set forth in **Section 4.3.1** (Global Branding).

1.60. “**Global Clinical Study**” means, with respect to any Licensed Product, a Clinical Study included in the Esperion Global Development Plan for such Licensed Product. As of the Effective Date, the Global Clinical Studies are listed on **Schedule 1.60**. **Schedule 1.60** shall be amended from time to time at the initiative of Esperion or the reasonable request of DSE to reflect the then-current status of the Global Clinical Studies being planned or executed.

1.61. “**Governmental Authority**” means any applicable government authority, court, tribunal, arbitrator, agency, department, legislative body, commission or other instrumentality of (a) any government of any country or territory, (b) any nation, state, province, region, county, city or other political subdivision thereof or (c) any supranational body.

1.62. “**ICH**” has the meaning set forth in **Section 1.57** (Definition of “GCP” or “Good Clinical Practices”).

1.63. “**IFRS**” means International Financial Reporting Standards, consistently applied.

1.64. “**Infringement Action**” has the meaning set forth in Section 12.3.2 (Infringement Actions).

1.65. “**IND**” means an Investigational New Drug Application, as defined in the FD&C Act, together with any rules and regulations promulgated thereunder, or similar application or

submission that is required to be filed with any Regulatory Authority anywhere in the world before beginning clinical testing of an investigational drug or biological product in human subjects.

1.66. “**Indemnitee**” has the meaning set forth in Section 11.3 (Indemnification Procedure).

1.67. “**Infringement Action**” has the meaning set forth in Section 12.3.2 (Right to Enforce).

1.68. “**Invent**” means the act of invention by inventors, as determined in accordance with the applicable patent laws.

1.69. “**Investor**” has the meaning set forth in Section 14.1.1 (Standstill Term).

1.70. “**Joint Collaboration Committee**” or “**JCC**” means the joint committee as more described in Section 6.1 (Joint Collaboration Committee).

1.71. “**Joint Know-How**” means any Know-How that is discovered, made or developed jointly in connection with the activities undertaken under this Agreement by one or more employees of Esperion or its Affiliates (or a Third Party acting on any of their behalf) and one or more employees of DSE or its Affiliates (or a Third Party acting on any of their behalf).

1.72. “**Joint Patent Rights**” means any Patent Right that is Invented jointly in connection with the activities undertaken under this Agreement by one or more employees of Esperion or its Affiliates (or a Third Party acting on any of their behalf) together with one or more employees of DSE or its Affiliates (or a Third Party acting on any of their behalf).

1.73. “**Joint Technology**” means Joint Know-How and Joint Patent Rights.

1.74. “**Know-How**” means all chemical or biological materials and other tangible materials, inventions, improvements, practices, discoveries, developments, data, information, technology, methods, protocols, formulas, knowledge, know-how, trade secrets, processes, assays, skills, experience, techniques and results of experimentation and testing, including pharmacological, toxicological and pre-clinical and clinical data and analytical and quality control data, in all cases, whether or not proprietary or patentable, in written, electronic or any other form now known or hereafter developed, including any physical embodiments of any of the foregoing; but excluding in any event any Patent Right and Trademarks.

1.75. “**Laws**” means all applicable laws, statutes, rules, regulations, orders, judgments, injunctions, ordinances or other pronouncements having the binding effect of law of any Governmental Authority, including if either Party is or becomes subject to a legal obligation to a Regulatory Authority or other Governmental Authority (such as a corporate integrity agreement or settlement agreement with a Governmental Authority).

1.76. “**Licensed Patents**” means Esperion Patent Rights and Joint Patent Rights.

1.77. “Licensed Product” means pharmaceutical agent which includes Bempedoic Acid in any formulation, in any presentation and in any strength, including but not limited to the Licensed Product described in **Schedule 1.77**.

1.78. “Local Law” has the meaning set forth in Section 12.1.1 (Inventorship).

1.79. “Losses” has the meaning set forth in Section 11.1 (General Indemnification by DSE).

1.80. “Loss of Market Exclusivity” means, with respect to any Licensed Product and on a country-by-country basis, that (i) a Generic Product has been launched (i.e. being sold) in the relevant country; and (ii) [***] Generic Products have, in the aggregate, obtained a market share in such country in a Calendar Year greater than [***], as such Generic Product sales are evidenced by creditable independent market data or other evidence of similar credibility.

1.81. “Manufacturing” or **“Manufacture”** means, as applicable, all activities associated with the production, manufacture, process of formulating, processing, purifying, filling, finishing, packaging, labeling, shipping, importing and storage of Licensed Products, including process development, process validation, stability testing, manufacturing scale-up, pre-clinical, clinical and commercial manufacture and analytical development, product characterization, quality assurance and quality control development, testing and release.

1.82. “Manufacturing Subcontract” has the meaning set forth in Section 5.1.2 (Subcontracting).

1.83. “Material Communications” means written, telephonic or in-person communications from or with any Regulatory Authority concerning any of the following: key product quality attributes (e.g., purity) of Licensed Products, safety findings affecting a Licensed Product (e.g., Serious Adverse Events, emerging safety signals), clinical or non-clinical findings affecting patient safety, lack of efficacy, receipt or denial of Regulatory Approval, the design of Clinical Studies or the need for additional non-clinical studies (e.g., additional toxicology or carcinogenicity studies).

1.84. “Net Sales” means, with respect to a Licensed Product, the aggregate gross invoiced sales prices from sales of all units of such Licensed Product sold by a Party and its Related Parties to independent Third Parties in accordance with IFRS after deducting, if not previously deducted, from the amount invoiced or received:

- (a) [***];
- (b) [***];
- (c) [***];
- (d) [***];

- (e) [***];
- (f) [***];
- (g) [***];
- (h) [***]; and
- (i) [***].

In the case of any sale or other disposal for value, such as barter or counter-trade, of a Licensed Product, or part thereof, other than in an arm's length transaction exclusively for cash, Net Sales shall be calculated [***].

Notwithstanding the foregoing, the following will not be included in Net Sales for a Party: [***].

1.85. “**Non-Bankrupt Party**” has the meaning set forth in Section 8.6 (Bankruptcy and Section 365(n)).

1.86. “**Offeror**” has the meaning set forth in Section Error! Reference source not found. (Standstill Term).

1.87. “**Out-of-Pocket Costs**” means, with respect to certain activities hereunder, direct expenses paid or payable by either Party or its Affiliates to Third Parties and specifically identifiable and incurred (and invoiced) to conduct such activities for Licensed Product, as applicable, including payments to contract personnel; provided, however, that [***] will not be considered Out-of-Pocket Costs.

1.88. “**Party**” means DSE or Esperion.

1.89. “**Patent Challenge**” has the meaning set forth in Section 13.2.3 (Challenges of Patent Rights).

1.90. “**Patent Rights**” means (a) all issued patents (including any extensions, restorations by any existing or future extension or registration mechanism (including patent term adjustments, patent term extensions, supplemental protection certificates or the equivalent thereof), substitutions, confirmations, re-registrations, re-examinations, reissues, patents and patent claims maintained after post grant examination (including *inter partes* review, post grant review or opposition proceeding) and patents of addition); (b) patent applications (including all provisional applications, substitutions, requests for continuation, continuations, continuations-in-part, divisionals and renewals); (c) inventor's certificates; and (d) all equivalents of the foregoing in any country of the world.

1.91. “**Paying Party**” has the meaning set forth in Section 9.9 (Taxes).

1.92. “**PDA Formulation Project**” has the meaning set forth in Section 2.2.1 (Product Development Activities).

1.93. “**PDA Indication Project**” has the meaning set forth in Section 2.2.1 (Product Development Activities).

1.94. “**PDA New Product Project**” has the meaning set forth in Section 2.2.1(Product Development Activities).

1.95. “**Person**” means any natural person, corporation, unincorporated organization, partnership, association, sole proprietorship, joint stock company, joint venture, limited liability company, trust or government, or Governmental Authority, or any other similar entity.

1.96. “**Post-Approval Study**” means all studies required as a condition to the grant of Regulatory Approval for the Licensed Product, such as confirmatory trials or PASS (post approval safety study).

1.97. “**Pricing and Reimbursement Approval**” means, with respect to a Licensed Product, the receipt by DSE or a Related Party of DSE of authorization for reimbursement or funding of such Licensed Product in the national health service or insurance from the national-level Governmental Authority responsible for authorizing reimbursement for and/or determining pricing for, pharmaceutical products in such country, national or supranational, as the case may be, regulatory jurisdiction.

1.98. “**Product Development Activities**” means the Development activities to be performed under the Esperion Global Development Plan for a PDA Formulation Project, a PDA Indication Project or a PDA New Product Project.

1.99. “**Receiving Party**” has the meaning set forth in Section 9.9 (Taxes).

1.100. “**Regulatory Approval**” means any and all approvals, licenses, registrations or authorizations of any Regulatory Authority that are necessary for the marketing and sale of a product in a country or group of countries, including a marketing authorization application filed with (a) the EMA under the centralized EMA filings procedure or (b) if the centralized EMA filing procedure is not used, a Regulatory Authority in any country in the DSE Territory, in each case (clauses (a) and (b)), including all additions, amendments, supplements, extensions and modifications thereto, but excluding Pricing and Reimbursement Approvals.

1.101. “**Regulatory Authority**” means any Governmental Authority involved in granting approvals for the Development, Manufacturing, Commercialization, reimbursement or pricing of Licensed Products, including the EMA.

1.102. “**Regulatory Documentation**” means all applications, registrations, licenses, authorizations and approvals, all correspondence submitted to or received from Regulatory Authorities within the DSE Territory (including minutes and official contact reports relating to any communications with any Regulatory Authority) and all supporting documents, relating to

the Licensed Product, and all data contained in any of the foregoing, including all clinical trial applications, Regulatory Approvals and applications therefor, regulatory drug lists, advertising and promotion documents, adverse event files and complaint files.

1.103. “Regulatory Exclusivity” means, with respect to a Licensed Product in a country, any exclusive marketing right, data exclusivity right or other status conferred by any Governmental Authority with respect to such Licensed Product in such country, other than a Patent Right, that limits or prohibits a Person from (i) relying on pivotal safety or efficacy data generated by or for the Parties with respect to a Licensed Product in an application for Regulatory Approval of a Generic Product or (ii) Commercializing a Licensed Product or a Generic Product.

1.104. “Related Party” means a Party’s Affiliates and permitted Sublicensees.

1.105. “Relevant Factors” means all relevant factors that may affect the Development or Commercialization of a Licensed Product, including (as applicable), [***] and any other relevant scientific, technical, operational and commercial factors.

1.106. “Responsible Party” has the meaning set forth in Section 12.3.3 (Control; Cooperation).

1.107. “Research” means activities related to the design, discovery, generation, identification, profiling, characterization, production, process development, or cell line development of drug candidates and products, and shall include but not be limited to any activity involving or related to the alteration of the molecular structure of Bempedoic Acid.

1.108. “Safety Concern” means, with respect to any Licensed Product, (a) any safety concern required to be reported under 21 C.F.R. § 312.32(c)(1)(iii) (“Findings from animal or in vitro testing”) if an IND with respect to such Licensed Product was open at the time of the observation or (b) a material toxicity or material drug safety issue or a Serious Adverse Event reasonably related to a Licensed Product.

1.109. “SDEA” has the meaning set forth in Section 3.8 (Pharmacovigilance).

1.110. “Selected Clinical Activities” means any clinical activities, including but not limited to, post-marketing clinical trials and investigator-initiated clinical studies, that are to be conducted in the DSE Territory under the oversight or sponsorship of DSE pursuant to a protocol approved by the JCC as set forth in Section 4.1.4 (Selected Clinical Activities).

1.111. “Shares of Then Outstanding Capital Stock” shall mean, at any time, the issued and outstanding shares of Common Stock at such time, as well as all capital stock issued and outstanding as a result of any stock split, stock dividend, reclassification or similar transaction relating to Common Stock or distributable, on a pro rata basis, to all holders of Common Stock.

1.112. “Serious Adverse Event” means an adverse drug experience or circumstance that results in any of the following outcomes (a) death, (b) life-threatening event, (c) inpatient

hospitalization or prolongation of existing hospitalization, (d) persistent or significant disability or incapacity or substantial disruption of the ability to conduct normal life functions, (e) a congenital anomaly/birth defect, (f) significant intervention required to prevent permanent impairment or damage or (g) a medical event that may not result in death, be life-threatening or require hospitalization but, based on appropriate medical judgment, that may jeopardize the patient or subject and may require medical or surgical intervention to prevent one of the outcomes described in clauses (a) through (e).

1.113. “**Standstill Term**” has the meaning set forth in Section 14.1.1 (Standstill Term).

1.114. “**Sublicensee**” means a Third Party to whom a Party grants a direct or indirect sublicense under any Esperion Technology, DSE Technology or Joint Technology, as the case may be, to Commercialize a Licensed Product in the Field pursuant to Section 8.1.2 (DSE Sublicense Rights), Section 8.2.2 (Esperion Sublicense Rights) or the last sentence of Section 12.1.2 (Ownership).

1.115. “**Sued Party**” has the meaning set forth in Section 12.4 (Third Party Claims).

1.116. “**Supply Agreement**” has the meaning set forth in Section 5.1.1 (General).

1.117. “**Term**” has the meaning set forth in Section 13.1 (Term).

1.118. “**Territory**” means (a) the Esperion Territory and (b) the DSE Territory.

1.119. “**Third Party**” means a Person other than a Party and its Affiliates.

1.120. “**Trademark**” means any trademark, trade name, service mark, service name, brand, domain name, trade dress, logo, slogan or other indicia of origin or ownership, including the goodwill and activities associated with each of the foregoing.

1.121. “**United States**” means the United States of America and its territories, possessions and commonwealths.

1.122. “**U.S. Bankruptcy Code**” has the meaning set forth in Section 8.6 (Bankruptcy and Section 365(n)).

1.123. “**Valid Claim**” means any claim of a Licensed Patent that (i) has been granted by a patent granting authority, that is in force, and that has not been surrendered, abandoned, revoked or held invalid or unenforceable by a decision taken by an administrative or civil court in a jurisdiction, or (ii) a pending claim in a Licensed Patent application, with the provision that any claim that has been pending for more than [***] years following the first substantive response from the patent office in a country, shall cease to be a Valid Claim in that country unless and until it becomes a granted claim fulfilling the requirements under (i) above.

2. DEVELOPMENT

2.1. Licensed Products.

2.1.1. Overview; Esperion Global Development Plan. Esperion shall be and remain solely responsible for undertaking[***] all Development activities for the Licensed Products globally, including any Post- Approval Studies relating to the Licensed Products in any jurisdiction, including the DSE Territory. Without limiting the generality of the foregoing, subject to the terms and conditions of this Agreement, from and after the Effective Date, Esperion shall (i) be solely responsible for undertaking the Development of each Licensed Product through to completion pursuant to the development plan attached hereto as **Schedule 2.1.1** (the “Esperion Global Development Plan”), as amended from time to time by Esperion and as applicable to the Territory as of the Effective Date, which sets forth, among other things, development plans applicable to the Territory mutually agreed by the Parties prior to the Effective Date of this Agreement for each Licensed Product, and (ii) subject to the oversight of the JCC, timely undertake and complete Product Development Activities set forth in the Esperion Global Development Plan in support of seeking Regulatory Approvals of the Licensed Products in the Territory in accordance with the timelines provided in the Esperion Global Development Plan. For avoidance of doubt, unless otherwise agreed by the Parties, DSE shall have no responsibility or right to undertake or perform, itself or with or through its Affiliates or any Third Parties, any Development of the Licensed Products in any jurisdiction or to contribute financially to any Development of the Licensed Products in the Territory other than as provided for in mutually agreed development plans therefore.

2.1.2. Diligence; Compliance. Esperion shall use Commercially Reasonable Efforts to undertake and complete Development for each Licensed Product, in each case pursuant to the applicable Esperion Global Development Plan for such Licensed Product (including, for clarity, pursuing Regulatory Approval of the Licensed Products in the DSE Territory). Esperion shall conduct all Development activities in good scientific manner and in compliance with applicable Law, using sufficient effort and resources, and with personnel with sufficient skills and experience and sufficient equipment to efficiently and expeditiously carry out its obligations pursuant to any such Esperion Global Development Plan. The Esperion Global Development Plan shall be updated from time-to-time to remain an accurate reflection of all planned Development activities for each Licensed Product. Any Development activities set forth in each Esperion Global Development Plan shall at all times be designed to be in compliance with all applicable Laws and in accordance with professional and ethical standards customary in the pharmaceutical industry.

2.1.3. Performance. Notwithstanding anything to the contrary in this **Section 2.1.3** (Performance), Esperion shall not be obligated to undertake or continue any Clinical Study to the extent (a) a Regulatory Authority or independent safety data review board for such Clinical Study has required or recommended termination or suspension of such Clinical Study or (b) Esperion believes in good faith that termination or suspension

of such Clinical Study is warranted because of safety or tolerability risks or the lack of suitable risk benefit ratio to the study subjects. In the event that Esperion determines not to undertake or continue any activity under a Esperion Global Development Plan in accordance with the immediately preceding sentence, Esperion shall promptly notify DSE of such determination, and shall also consult with DSE prior to making such determination.

2.2. Product Development.

2.2.1. Product Development Activities. Esperion may undertake, and DSE may, from time-to-time, propose to the JCC that Esperion undertakes, Product Development Activities directed to the Development of: (i) [***].

2.2.2. Decision about Product Development Activities. Any proposed amendments to the Esperion Global Development Plan shall be finalized and provided to the Parties by the JCC no later than [***]. Esperion shall consider and approve or reject each proposed amendment to the Esperion Global Development Plan described in this Section 2.2 (Product Development) within [***] days of receipt of such proposed amendment from the JCC. All such proposals as approved by the Parties shall be and constitute a part of the applicable Esperion Global Development Plan no later than [***] and such Product Development Activities shall commence no sooner than [***].

2.2.3. Acknowledgement. [***]

2.3. Records, Reports and Information Sharing.

2.3.1. General. Esperion shall maintain current and accurate records of all Development conducted by or on behalf of it in relation to each Licensed Product and all data and other information resulting from such work (which records shall include, as applicable, books, records, reports, research notes, charts, graphs, comments, computations, analyses, recordings, photographs, computer programs and documentation thereof (e.g., samples of materials and other graphic or written data generated in connection with such Development activities)).

2.3.2. Scientific Records. Esperion shall maintain complete and accurate records of all Development, Manufacturing and other scientific activities conducted during the Term in furtherance of the activities contemplated by this Agreement. Such records shall be complete and accurate and shall properly reflect all such activities undertaken and results achieved in sufficient detail and in sound scientific manner appropriate for patent and regulatory purposes. Without limiting the foregoing or being limited thereby, Esperion agrees to retain all such records for the time required by applicable Laws, and allow for auditing by Regulatory Authorities of all such records.

2.3.3. Development Activities Reports. Esperion shall provide to the JCC [***], a confidential written progress report that summarizes for each Licensed Product: [***]. In addition to the foregoing, Esperion shall promptly share with DSE all material

developments and information that it comes to possess relating to the Development of any Licensed Product, including Safety Concerns and study reports and data generated from Global Clinical Studies, including but not limited to patient-level data, of any such Licensed Product.

2.3.4. Confidentiality. All information exchanged by the Parties under this Section 2 shall be deemed to be Confidential Information of the disclosing Party and maintained in accordance with Section 7 (Confidentiality and Publication) of this Agreement.

2.3.5. Access to Records. At any time during the Term, DSE shall have the right to review all records relating to such Development undertaken by Esperion with respect to each Licensed Product, at reasonable times, and upon prior written request.

2.4. Third Parties. Esperion shall be entitled to utilize the services of Third Parties to perform Development activities under this Section 2.4 (Third Parties), provided that (a) Esperion shall require that such Third Party operates in a manner consistent with this Section 2.4 (Third Parties), (b) Esperion shall remain at all times fully liable for its respective responsibilities and the acts and omissions of such Third Parties engaged by it under this Agreement, and (c) DSE shall make reasonable efforts to share, through the JCC, information regarding any prior experience with specific Third Parties that are anticipated to be engaged to perform work under the applicable Esperion Global Development Plan. Esperion shall require that any Third Party agreement entered into pursuant to this Section 2.4 (Third Parties) include [***] provided that, [***]. Esperion shall [***] Esperion shall be solely responsible for the direction of and communications with such Third Parties.

3. REGULATORY MATTERS

3.1. Ownership of Regulatory Filings. Esperion will own all Regulatory Approvals and related Regulatory Documentation submitted to any Regulatory Authority with respect to any Licensed Product in the DSE Territory; provided, that within [***] days after receipt of the Regulatory Approvals for the Licensed Product in the DSE Territory (as determined on a regulatory jurisdiction-by-regulatory jurisdiction basis), Esperion shall assign such Regulatory Approvals for such regulatory jurisdictions to DSE or its designated Affiliates, and DSE or its designated Affiliates shall retain ownership of each such Regulatory Approvals. Together with such assignment of such Regulatory Approvals, Esperion shall provide DSE with full registration dossiers of Licensed Product in the DSE Territory in eCTD format as well as complete electronic copies of all other necessary Regulatory Documentation available to Esperion, such as, but not limited to, Regulatory Approval application assessment reports and all Material Communication. After such assignment to DSE, DSE or its designated Affiliates will: (i) maintain the Regulatory Approvals, including by complying with all obligations of the Marketing Authorisation Holder in accordance with Directive 2001/83/EC with respect to the Regulatory Approvals, (ii) enable and authorize Esperion to make additional submissions to Regulatory Authorities (including to amend labelling for Licensed Products as described

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herein) and (iii) obtain such other approvals as may be required for Esperion to perform its Development obligations hereunder in a timely manner.

3.2. Responsibility for Regulatory Matters.

3.2.1. Prior to Regulatory Approval Assignment. Esperion will be solely responsible[***] for all regulatory matters relating to such Licensed Product in each jurisdiction in the DSE Territory prior to assignment of Regulatory Approvals in the DSE Territory (as determined on a regulatory jurisdiction-by-regulatory jurisdiction basis), including (i) overseeing, monitoring and coordinating all regulatory actions, communications and filings with, and submissions to, each Regulatory Authority with respect to the Licensed Products; (ii) interfacing, corresponding and meeting with each Regulatory Authority with respect to the Licensed Products; (iii) seeking and maintaining all Regulatory Approvals for the Licensed Products; and (iv) maintaining and submitting all records required to be maintained or required to be submitted to any Regulatory Authority with respect to the Licensed Products. Esperion shall provide DSE with a reasonable opportunity to review and comment on the following documents pertaining to the Regulatory Approval application, which application is anticipated to be filed by Esperion with respect to the Licensed Product at a first time on or before [***] regarding the EMA territory: [***]. Esperion shall consider any comments made by DSE in good faith; provided, that DSE shall complete such review, and provide any comments, as soon as reasonably practicable but no later than [***] business days after such documents are made available by Esperion.

The Parties acknowledge and agree that the indication to be sought for the Licensed Product in the DSE Territory in connection with the initial Regulatory Approval shall be substantially as follows:

[***]

3.2.2. Following Regulatory Approval Assignment. Upon assignment by Esperion to DSE of the Regulatory Approvals for a Licensed Product in the DSE Territory as provided in Section 3.1 (Ownership of Regulatory Filings), Esperion will be solely responsible[***] for all Post-Approval Studies (including, to the extent DSE performs such activities, the direct costs reasonably incurred by DSE in connection with such performance), and DSE will be solely responsible[***] for all other regulatory matters relating to any Licensed Product in the DSE Territory, including (i) overseeing, monitoring and coordinating all regulatory actions, communications and filings with, and submissions to, each such Regulatory Authority with respect to such Licensed Product; (ii) interfacing, corresponding and meeting with each such Regulatory Authority in the DSE Territory with respect to such Licensed Product; (iii) maintaining all such Regulatory Approvals in the DSE Territory with respect to such Licensed Products; and (iv) maintaining and submitting all records required to be maintained or required to be submitted to such Regulatory Authority in the DSE Territory with respect to such Licensed Product. DSE shall provide Esperion a reasonable opportunity to review and

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comment on any Regulatory Documentation, communications, filings and/or submissions being proposed for filing in the DSE Territory by DSE and DSE shall consider any comments made by Esperion in good faith; provided, that Esperion shall complete such review, and provide any comments, as soon as reasonably practicable but no later than [***] business days after such documents are made available by DSE. Further, for a period of [***] years following the submission of Regulatory Documentation to the EMA requesting a change to the product labelling for the Licensed Product to include reference to the results of the CLEAR Outcome Study as described below, Esperion shall [***] provide to DSE reasonable support and assistance of its expert personnel (e.g. Clinical, Statistics etc.) in connection with developing answers to questions and advice sought by DSE in connection with the regulatory matters relating to any Licensed Product in the DSE Territory, including with respect to communications with and submissions to Regulatory Authorities. Promptly following completion of the CLEAR Outcome Study, as and to the extent supported by the results generated in the CLEAR Outcome Study, Esperion will [***] prepare and submit an application for Regulatory Approval to Regulatory Authorities within the DSE Territory to amend the labeling for the Licensed Product, and be responsible, if any, for Post-Approval Studies (including [***]), so that the indications for use are similar to the following:

[***]

Without limiting the foregoing, Esperion shall use continuous diligent efforts, and will, [***] to negotiate with Regulatory Authorities in the DSE Territory to obtain such label amendment. Esperion shall also consult with DSE in connection with such activities and shall take any suggestions or requests from DSE into good faith consideration in planning and executing such activities.

3.3. Communications with Regulatory Authorities.

3.3.1. Prior to Regulatory Approval Assignment. Prior to assignment by Esperion to DSE of a Regulatory Approval for a Licensed Product as provided in Section 3.1 (Ownership of Regulatory Filings), Esperion will own and respond to all communications with each Regulatory Authority relating to the Licensed Products. Within [***] business days after receipt of any Material Communication from such Regulatory Authority with respect to such Licensed Product, Esperion will provide DSE with a brief written description of the principal issues raised in such Material Communication with such Regulatory Authority. Upon DSE's reasonable request after receiving a notice from Esperion in accordance with the immediately preceding sentence, Esperion will provide to DSE complete copies of such correspondence of any such Material Communication within a reasonable period of time

3.3.2. Following Regulatory Approval Assignment. Without limiting the Esperion activities described under Section 3.2.2 (Following Regulatory Approval Assignment), following the assignment by Esperion to DSE of a Regulatory Approval for a Licensed Product as provided in Section 3.1 (Ownership of Regulatory Filings), as determined on a regulatory jurisdiction-by-regulatory jurisdiction basis, within [***]

business days after receipt of any Material Communication from such Regulatory Authority with respect to such Licensed Product, DSE will provide Esperion with a brief written description of the principal issues raised in such Material Communication with such Regulatory Authority. Upon Esperion's reasonable request after receiving a notice from DSE in accordance with the immediately preceding sentence, DSE will provide to Esperion complete copies of such correspondence of any such Material Communication within a reasonable period of time. DSE will allow Esperion a reasonable opportunity to review and comment on DSE's proposed response to any Material Communications with such Regulatory Authority with respect to such Licensed Product, and DSE will reasonably consider all comments timely provided by Esperion in connection therewith; provided, that Esperion's opportunity to review and comment on any such Material Communication shall not materially delay DSE's submission of any such Material Communication to such Regulatory Authority.

3.4. Meetings with Regulatory Authorities.

3.4.1. Prior to Regulatory Approval Assignment. Prior to assignment by Esperion to DSE of a Regulatory Approval for a Licensed Product as provided in Section 3.1 (Ownership of Regulatory Filings), as determined on a regulatory jurisdiction-by-regulatory jurisdiction basis, Esperion shall provide DSE with reasonable advance notice of all formal meetings and teleconferences with any Regulatory Authority pertaining to any Licensed Product in the DSE Territory, or with as much advance notice as practicable under the circumstances.

3.4.2. Following Regulatory Approval Assignment. Without limiting the Esperion activities described under Section 3.2.2 (Following Regulatory Approval Assignment), which may include formal meetings and teleconferences with any Regulatory Authority, following the assignment by Esperion to DSE of a Regulatory Approval for a Licensed Product as provided in Section 3.1 (Ownership of Regulatory Filings), as determined on a regulatory jurisdiction-by-regulatory jurisdiction basis, DSE shall provide Esperion with reasonable advance notice of all formal meetings and teleconferences with any Regulatory Authority pertaining to any Licensed Product in the DSE Territory, or with as much advance notice as practicable under the circumstances. DSE shall use reasonable efforts, to the extent reasonably practicable, to permit Esperion to have, at Esperion's expense, mutually acceptable representatives of Esperion attend as observers, at such formal meetings and teleconferences with such Regulatory Authority pertaining to such Licensed Product in the DSE Territory; provided, however, that DSE shall not be obligated to change or re-schedule any such meeting in order to accommodate the schedule of Esperion's representatives.

3.5. Submissions.

3.5.1. Prior to Regulatory Approval Assignment. Prior to assignment by Esperion to DSE of a Regulatory Approval for a Licensed Product as provided in Section 3.1 (Ownership of Regulatory Filings), as determined on a regulatory jurisdiction-by-

regulatory jurisdiction basis, with respect to each such Licensed Product, Esperion will own and control all submissions to Regulatory Authorities relating to the Licensed Products. With respect to each such Licensed Product, Esperion shall notify DSE about each of the following events in the DSE Territory: (i) the submission of any filings or applications for Regulatory Approval of such Licensed Product to any Regulatory Authority with at least [***] days' prior written notice; and (ii) receipt or denial of Regulatory Approval for such Licensed Product promptly after receipt.

3.5.2. Following Regulatory Approval Assignment. Without limiting the Esperion activities described under Section 3.2.2 (Following Regulatory Approval Assignment), following the assignment by Esperion to DSE of a Regulatory Approval for a Licensed Product as provided in Section 3.1.1 (Ownership of Regulatory Filings), as determined on a regulatory jurisdiction-by-regulatory jurisdiction basis, with respect to each such Licensed Product, DSE will allow Esperion a reasonable opportunity to review and comment on all filings and other submissions to Regulatory Authorities or other Governmental Authorities in the DSE Territory related to such Licensed Product in advance of submission of any such filings (such as, but not limited to, post-approval variations e.g. label updates, Quality Changes). DSE will consider all comments timely provided by Esperion in connection therewith and accept such comments if reasonable.

3.6. Pricing and Reimbursement Approvals. Subject to the terms and conditions of this Agreement, DSE shall have the sole right[***] and shall use Commercially Reasonable Efforts to timely prepare and submit or have prepared or submitted by subcontractors, as the case may be, all necessary applications and documentation to seek to acquire, hold and maintain all Pricing and Reimbursement Approvals necessary or useful to Commercialize each Licensed Product throughout the DSE Territory as well as to conduct all correspondence and communications with Governmental Authorities regarding all such matters. Esperion shall reasonably cooperate with DSE in connection therewith, including executing such documents as well as providing access to all necessary data in Esperion's Control and not previously made available to DSE, such as patient-level data, all Regulatory Documentation, publication plan and manuscripts under preparation, support with the necessary data-analyses (bio-statistical analyses), as may be necessary to confirm DSE's rights to prepare, submit, and obtain such Pricing Approvals for the Licensed Product in the DSE Territory.

3.7. Right of Reference. Each Party hereby grants to the other Party (as well as to other Party's Related Parties, when and if designated by the other Party from time to time) a non-exclusive, non-transferable right to rely upon, access, and reference all information and data (including all CMC information as well as data made, collected or otherwise generated in the conduct of any Clinical Studies or early access/named patient programs for the Licensed Products) included in or used in support of any regulatory filing, Regulatory Approval, drug master file or other Regulatory Documentation owned or controlled by such Party that relates to any Licensed Product as necessary or useful to obtain Regulatory Approval of a Licensed Product in the DSE Territory or the Esperion Territory, as the case may be. Such Party shall, if requested by the other Party, provide a signed statement that the other Party may rely upon, and the Regulatory Authority may access, in support of the other Party's application for such

Regulatory Approval in its Territory, any underlying raw data or information submitted by such Party to the Regulatory Authority with respect to any regulatory filing, Regulatory Approval, drug master file or other Regulatory Documentation (including orphan drug applications and designations) owned or controlled by such Party or its Related Parties that relates to any Licensed Product. In addition, upon request of either Party (on behalf of itself or a Sublicensee), the other Party shall obtain and provide to the requesting Party certificates or other formal or official attestations concerning the regulatory status of the Licensed Products in the DSE Territory or the Esperion Territory, as applicable (e.g., Certificates of Free Sale, Certificates for Export, Certificates to Foreign Governments).

3.8. Pharmacovigilance. Promptly after the Effective Date, the Parties shall negotiate in good faith and shall enter into a Safety Data Exchange Agreement (“SDEA”) no later than [***] calendar days following the Effective Date or before the first supply of Licensed Product to DSE, whichever is the earlier, which shall define the pharmacovigilance responsibilities of the Parties and include safety data exchange procedures governing the coordination of collection, investigation, reporting and exchange of information concerning any adverse experiences, and any product complaints associated with adverse experiences, related to any Licensed Product sufficient to enable each Party (and their respective Related Parties, if any) to comply with its legal and regulatory obligations. In addition, as appropriate, such SDEAs shall include the safety data exchange procedures governing the exchange of information affecting the class (e.g., Serious Adverse Events, emerging safety issues) and address responsibilities for Periodic Safety Update Reports (“PSUR”) and Risk Management Plans (“RMP”). Esperion will own and maintain the global safety database for the Licensed Products.

4. COMMERCIALIZATION

4.1. Responsibility, Cost and Diligence.

4.1.1. Esperion Territory. Esperion shall be solely responsible[***] for all Commercialization activities relating to the Licensed Products in the Esperion Territory.

4.1.2. DSE Territory. DSE shall be solely responsible[***] for all Commercialization activities relating to the Licensed Products in the DSE Territory.

4.1.3. DSE Commercial Diligence. Without limiting the foregoing, DSE will use Commercially Reasonable Efforts to Commercialize each Licensed Product throughout the DSE Territory; [***] then DSE [***] all Generic Product versions of such Licensed Product are removed from the market in such country.

4.1.4. Selected Clinical Activities. DSE may propose, from time-to-time, to conduct, oversee or sponsor Selected Clinical Activities in the DSE Territory, subject to the approval of the relevant protocol by the JCC, and further provided that the conduct of the relevant Selected Clinical Activities is [***].

4.2. DSE Territory Commercialization Plan.

4.2.1. Initial DSE Territory Commercialization Plan. Within [***] months of the Effective Date, DSE shall deliver to the JCC an initial written plan setting forth a summary of the anticipated activities to be undertaken by DSE in connection with the Commercialization of the Licensed Product in the DSE Territory (the “**DSE Territory Commercialization Plan**”), [***]. The DSE Territory Commercialization Plan shall describe, an outline of the Commercialization activities for the Licensed Product in the DSE Territory, including [***]. Commercialization activities set forth in each DSE Territory Commercialization Plan shall at all times be designed to be in compliance with all applicable Laws and in accordance with professional and ethical standards customary in the pharmaceutical industry.

4.2.2. Amendments to DSE Territory Commercialization Plan. The DSE Territory Commercialization Plan for a Licensed Product shall be updated and modified by DSE, from time to time at its discretion but no less frequently than [***], based upon, among other things, DSE’s Commercialization activities with respect to such Licensed Product in the DSE Territory, and including any changes required to take into account ongoing Development activities, a copy of which updated plan will be provided to the JCC.

4.3. Advertising and Promotional Materials.

4.3.1. Global Branding. Esperion shall, from time to time during the Term, develop (and thereafter modify and update) suggested a global branding strategy (including global positioning, promotional messages, colors and other visual branding elements) for each Licensed Product for suggested use throughout the world (the “**Global Branding Strategy**”), which will be shared in the JCC. Esperion will submit the Global Branding Strategy for a Licensed Product to the JCC at least [***]. Esperion shall consider in good faith any comments provided by DSE with respect to the Global Branding Strategy. The Global Branding Strategy is not binding upon DSE or its Commercialization of the Licensed Products in the DSE Territory. DSE shall, following review of the Global Branding Strategy, reasonably consider implementing the Global Branding Strategy but has no obligation to do so.

4.3.2. DSE Advertising & Promotion. DSE will be responsible for the creation, preparation, production, reproduction and filing with the applicable Regulatory Authorities, of relevant written sales, promotion and advertising materials relating to each Licensed Product for use in the DSE Territory (“**DSE Territory Promotional Materials**”). All such DSE Territory Promotional Materials will be compliant with applicable Law and, in DSE’s discretion, may (but shall not be required to) adopt aspects of the Global Branding Strategy for such Licensed Product in the DSE Territory. DSE will submit representative samples of its DSE Territory Promotional Materials developed by it for use in the DSE Territory to the JCC for information purposes [***]. DSE shall consider in good faith any timely comments Esperion may have with respect to such samples of DSE Territory Promotional Materials.

4.4. Reporting Obligations. Within [***] following the first Regulatory Approval of any Licensed Product in the Field in the DSE Territory, DSE shall provide Esperion with a written report summarizing DSE's Commercialization activities for such Licensed Product performed to date (or updating such report for activities performed since the last such report was given hereunder, as applicable). In addition, DSE shall provide Esperion with written notice of the First Commercial Sale of each Licensed Product in the DSE Territory within [***] days after such event; provided, however, that in all circumstances, DSE shall inform Esperion of such event prior to public disclosure of such event by DSE. DSE shall provide such other information to the JCC as Esperion may reasonably request with respect to Commercialization of such Licensed Product.

4.5. Sales and Distribution. Each Party and its Related Parties shall be responsible for booking sales in its respective Territory. The Parties will use their good faith efforts to coordinate the timing of any public disclosure of Net Sales of the Licensed Products in the DSE Territory prior to such disclosure. Each Party and its Related Parties may warehouse Licensed Products both inside and outside of such Party's Territory, provided that any sales with respect to such Licensed Products are booked in such Party's Territory. Each Party and its Related Parties shall be solely responsible for handling all returns of any Licensed Product sold in its Territory, as well as all aspects of Licensed Product order processing, invoicing and collection, distribution, inventory and receivables of Licensed Products sold in its Territory.

4.6. Ex-Territory Sales; Export Monitoring.

4.6.1. Ex-Territory Sales. Subject to applicable Law, neither Party shall engage in any advertising or promotional activities relating to any Licensed Product directed primarily to customers or other buyers or users of such Licensed Product located outside its Territory or accept orders for Licensed Products from or sell Licensed Products into such other Party's Territory for its own account, and if a Party receives any order for any Licensed Product in the other Party's Territory, it shall refer such orders to the other Party. [***]

4.6.2. Export Monitoring. Each Party and its Related Parties will use Commercially Reasonable Efforts to monitor and prevent exports of Licensed Products from its own Territory for Commercialization in the other Party's Territory using methods permitted under applicable Law that are commonly used in the industry for such purpose (if any), and shall promptly inform the other Party of any such exports of Licensed Products from its Territory, and any actions taken to prevent such exports. Notwithstanding the agreement of the [***], each Party agrees to take reasonable actions requested in writing by the other Party that are consistent with Law [***].

4.6.3. Recalls, Market Withdrawals or Corrective Actions.

(a) **Notification and Determination.** In the event that any Regulatory Authority threatens or initiates any action to remove a Licensed Product from the market, the Party receiving notice thereof shall notify the other

Party of such communication immediately (but in no event later than [***]hours after receipt thereof).

(b) **Responsibility of the Parties.** During the Term, DSE shall at all times be responsible for and shall determine whether to initiate any recall, withdrawal or market notification of a Licensed Product in the Field in the DSE Territory and Esperion shall at all times be responsible for and shall determine whether to initiate any recall, withdrawal or market notification of a Licensed Product in the Field in the Esperion Territory, including the scope of such recall or withdrawal (e.g., a full or partial recall, or temporary or permanent recall or market notification; provided, however, that before such responsible Party initiates a recall, withdrawal or market notification in its respective Territory, the Parties shall promptly meet and discuss in good faith the reasons therefor; provided further, that such discussions shall not delay any action that such responsible Party believes has to be taken in relation to any recall, withdrawal or market notification.

5. MANUFACTURE AND SUPPLY

5.1. Manufacturing Responsibility.

5.1.1. General. Esperion, either by itself or, subject to Section 5.1.2 (Subcontracting), through one or more Third Party contract manufacturing organizations, shall have the sole right and responsibility to Manufacture the Licensed Product for the DSE Territory in finished form, subject to the terms of the separate Supply Agreement (and any other necessary ancillary agreements including a quality technical agreement), for commercial supply of such Licensed Product from Esperion to DSE, as the case may be, to fulfill all of DSE's requirements for the Licensed Product in the DSE Territory (the "**Supply Agreement**"). The Parties will use reasonable efforts to complete negotiations of, and enter into, the Supply Agreement, within [***] days following the Effective Date. Esperion shall keep DSE reasonably apprised of its Manufacturing activities through DSE's representatives on the JCC. In addition, Esperion shall regularly and timely report to DSE any material developments or discoveries relating to the Manufacture of the Licensed Product, including any material enhancements in the Manufacture of the Licensed Product, whether made by or on behalf of Esperion or otherwise of which Esperion becomes aware.

5.1.2. Subcontracting. Esperion will initially supply Licensed Product to DSE pursuant to existing agreements with contract manufacturers. DSE has had an opportunity to review the existing agreements between Esperion and such contract manufacturers. If Esperion desires to subcontract the Manufacture of any Licensed Products for supply to DSE to a different Third Party contract manufacturing organization, or if Esperion desires to amend one of its agreements with its existing contract manufacturers, Esperion must first provide the proposed contract (or

amendment) with such contract manufacturing organization (a “**Manufacturing Subcontract**”) to DSE for review and comment at least [***] days prior to the execution of such Manufacturing Subcontract. Esperion shall consider any comments provided by DSE in good faith. Each Manufacturing Subcontract must (a) be consistent with the terms of this Agreement, (b) contain confidentiality obligations, in the aggregate, not materially less stringent than the requirements of Section 7 (Confidentiality and Publication) and (c) assign to Esperion such Third Party’s entire right, title and interest in, or provide a perpetual, fully-paid, worldwide, fully sub-licensable (through multiple tiers) exclusive (other than with respect to such Third Party’s background technology and improvements thereof) license under and to, any Know-How or Patent Rights made, developed or Invented by such Third Party necessary to Manufacture of such Licensed Products.

5.2. Supply Price. DSE will purchase the Licensed Product at [***] per tablet for all SKUs in accordance with the terms and conditions set forth in the Supply Agreement, [***] in the DSE Territory on such purchases.

6. COLLABORATION MANAGEMENT

6.1. Joint Collaboration Committee.

6.1.1. Overview. The Parties shall establish a joint committee (the “**Joint Collaboration Committee**” or the “**JCC**”) within [***] days after the Effective Date. The JCC shall generally be responsible for reviewing and guiding implementation and management of the Esperion Global Development Plans in the DSE Territory, and shall also be responsible for the enumerated responsibilities set forth in Section 6.1.6 (JCC Responsibilities).

6.1.2. Composition. The JCC shall be comprised of [***] members, with each Party contributing [***] representatives who are employees of such Party. Each Party shall appoint its respective representatives to the JCC as of the Effective Date and may substitute one or more of its representatives, in its sole discretion, effective upon notice to the other Party of such change. Each Party shall have at least [***] JCC representatives who is executive level employees (vice president or above), and all JCC representatives shall have appropriate expertise, seniority, decision-making authority and ongoing familiarity with the Parties’ activities hereunder. Additional representatives or consultants may from time to time, by mutual consent of the Parties, be invited to attend JCC meetings, subject to such representatives and consultants (or the representative’s or consultant’s employer) undertaking confidentiality obligations, whether in a written agreement or by operation of law, no less stringent than the requirements of Section 7.1 (Nondisclosure Obligation).

6.1.3. JCC Co-Chairpersons. The JCC shall be co-chaired by a representative of each of DSE and Esperion (the “**Co-Chairpersons**”), the name of such representative of each Party to be communicated to the other Party prior to the first scheduled meeting of the JCC. The Co-Chairpersons’ JCC responsibilities shall include

setting the agenda for meetings, conducting meetings, including, when feasible, ensuring that objectives for each meeting are set and achieved and ensuring the objectives and results of each meeting are communicated to the senior management of each Party, in each case in close consultation with the Alliance Managers. Co-Chairperson can be Alliance Manager at the same time.

6.1.4. Alliance Managers.

(a) **Appointment.** Within [***] days following the Effective Date, each Party will appoint (and notify the other Party of the identity of) an employee of such Party having a general understanding in matters related to pharmaceutical development, commercialization, and promotion, to act as its alliance manager under this Agreement (each, an “**Alliance Manager**”). The Alliance Managers shall be member of the JCC and will serve as a primary point of contact for the other Party and will undertake such other tasks as are detailed in this Agreement or as may be assigned by the JCC. Each Alliance Manager shall attend each scheduled meeting of the JCC. Each Party may change its Alliance Manager at any time in its sole discretion with written notice to the other Party.

(b) **General Responsibilities.** Each Alliance Manager will be responsible to ensure a collaborative work environment between the Parties to ensure that the alliance is run smoothly, professionally and productively. Each Alliance Manager shall act in his or her discretion to facilitate the execution of the Collaboration throughout their organization and will oversee and support implementation plans; promote effectiveness of the governance model and implementation of contractual provisions and lead any changes to enhance the alliance between both Parties; and facilitate the JCC (and other bodies) for effective decision making in a timely manner.

(c) **Specific Responsibilities.** The Alliance Managers shall be responsible for (i) scheduling meetings of the JCC, (ii) setting agendas for meetings with solicited input from other members and (iii) for acting as secretary at each meeting and preparing the draft minutes of such meeting, which shall provide a description in reasonable detail of the discussions held at the meeting and a list of any actions, decisions or determinations approved by the JCC. Within [***] days after each meeting, the drafting Alliance Manager shall provide the draft minutes to the other Alliance Manager for review and comment. The drafting Alliance Manager shall reasonably consider all comments from the other Alliance Manager that are provided within [***] days. The drafting Alliance Manager shall prepare and submit revised final draft minutes for approval within [***] days after receipt of such comments or upon the expiration of such [***] day comment period. Beginning with DSE’s Alliance Manager, such responsibilities shall alternate between the Alliance

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Managers on a meeting-by-meeting basis after each meeting of the applicable committee.

6.1.5. **Meetings.** The JCC shall meet no less frequently than each [***] during the Term. Meetings can be conducted in person or by means of teleconference, videoconference or other similar communications equipment. All meetings and proceedings for the JCC shall take place in English. Each Party shall bear its own expenses relating to attendance at such meetings by its representatives.

6.1.6. **JCC Responsibilities.** The JCC shall be limited to the following responsibilities in connection with this Agreement:

- (a) reviewing the status of Licensed Products, including material Development and Manufacturing matters;
- (b) approval of any request by DSE to conduct a Selected Clinical Activity by or under the oversight of DSE in the DSE Territory, including the approval of the relevant protocol and related documentation;
- (c) addressing any other matters regarding the Development or Manufacturing of Licensed Products referred to the JCC by the terms of this Agreement; and
- (d) performing such other activities as the Parties agree in writing shall be the responsibility of the JCC.

6.1.7. **JCC Decision-Making.**

(a) **Voting.** With respect to decisions of the JCC, the representatives of each Party shall have collectively one (1) vote on behalf of such Party. For each meeting of the JCC, the attendance of at least [***] representatives of each Party shall constitute a quorum. Action on any matter may be taken at a meeting, by teleconference, by videoconference or by written agreement.

(b) **Escalation.** The JCC shall attempt to resolve any and all decisions and disputes before it by consensus. If the JCC is unable to reach consensus with respect to a decision or dispute arising under this Agreement for a period in excess of [***] days, then the dispute shall be submitted to the Chief Executive Officers of Esperion and DSE for resolution. If such dispute cannot be resolved for a period in excess of [***] days following escalation (or such other period as the Parties may agree), then Section 6.1.7.(c) (Tie-Breaking) shall apply.

(c) **Tie-Breaking.** If a dispute cannot be resolved under Section 6.1.7.(b) (Escalation), then:

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(i) The Chief Executive Officer of Esperion shall have the deciding vote if the dispute relates to:

a) [***]

For the avoidance of doubt, the Parties must approve by mutually agreement any Global Branding Strategy (or any amendment or update thereto).

(d) Limitation of Power of JCC. The JCC shall not have decision-making authority regarding, any of the following matters:

- (i) the imposition of any requirements on the other Party to undertake obligations beyond those for which it is responsible, or forgo any rights, under this Agreement;
- (ii) the imposition of any requirements that the other Party take or decline to take any action that would result in a violation of any Law or any agreement with any Third Party or the infringement of intellectual property rights of Third Parties;
- (iii) any matters that would excuse such Party from any of its obligations specifically enumerated under this Agreement; or
- (iv) modifying the terms of this Agreement or taking any action to expand or narrow the responsibilities of the JCC (but excluding amendments and modifications to any schedules or exhibits to this Agreement that are expressly permitted under this Agreement).

Further, for the avoidance of doubt, (i) all matters relating to the Commercialization of a Licensed Product in the DSE Territory shall be decided by DSE and shall not be subject to review or decision-making by the JCC, and (ii) all matters relating to the Commercialization of a Licensed Product in the Esperion Territory shall be decided by Esperion and shall not be subject to review or decision-making by the JCC.

6.2. Collaboration Principles. In performing its obligations and exercising its rights hereunder (including acting through its executives, representatives on any of the committees and its Alliance Managers), each Party [***], to undertake and perform its obligations in a timely and efficient manner and [***].

6.3. Confidentiality. All information disclosed by either Party or its representatives to the other Party or its representatives under this Section 6 shall be deemed to be Confidential Information of the disclosing Party and maintained in accordance with Section 7 (Confidentiality and Publication).

6.4. Modifications. The Parties shall meet from time to time to discuss whether any changes to the governance structure for the Collaboration are necessary or advisable.

7. CONFIDENTIALITY AND PUBLICATION

7.1. Nondisclosure Obligation.

7.1.1. All Confidential Information disclosed by one Party to the other Party under this Agreement shall be maintained in confidence by the receiving Party and shall not be disclosed to a Third Party or used for any purpose except as set forth herein without the prior written consent of the disclosing Party, except to the extent that such Confidential Information:

(a) is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by the receiving Party's business records;

(b) is known to the public before its receipt from the disclosing Party, or thereafter becomes known to the public through no breach of this Agreement by the receiving Party;

(c) is subsequently disclosed to the receiving Party by a Third Party who is not known by the receiving Party to be under an obligation of confidentiality to the disclosing Party; or

(d) is developed by the receiving Party independently of Confidential Information received from the disclosing Party, as documented by the receiving Party's business records.

7.1.2. Notwithstanding the obligations of confidentiality and non-use set forth above and in Section 7.1.3 below, a receiving Party may provide Confidential Information disclosed to it, and disclose the existence and terms of this Agreement as may be reasonably required in order to perform its obligations and to exploit its rights under this Agreement, and specifically to (i) Related Parties, and their employees, directors, agents, consultants, advisors or other Third Parties for the performance of its obligations hereunder in accordance with this Agreement in each case who are under an obligation of confidentiality with respect to such information that is no less stringent than the terms of this Section 7.1; (ii) Governmental Authorities or other Regulatory Authorities, Statutory Accountants or tax and legal advisors in order to obtain patents, comply with statutory tax and legal requirements in any country, perform its obligations or exploit its rights under this Agreement, provided that such Confidential Information shall be disclosed only to the extent reasonably necessary to do so; (iii) the extent required by Law, including by the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States or of any stock exchange or listing entity; and (iv) (a) any bona fide actual or prospective underwriters, investors, lenders or acquirers of a Party or substantially all of

its assets and to consultants and advisors of such Third Party, and (b) any bona fide actual or prospective collaborators or strategic partners and to consultants and advisors of such Third Party, in each case of (a) and (b) during bona fide business discussions provided that the receiving party of such information is under an obligation or confidentiality with respect to such information that is no less stringent than the terms of this Section 7.1. If a Party is required by Law to disclose Confidential Information that is subject to the non-disclosure provisions of this Section 7.1, such Party shall promptly inform the other Party of the disclosure that is being sought in order to provide the other Party an opportunity to challenge or limit the disclosure. Notwithstanding Section 7.1.1, Confidential Information that is required to be disclosed by Law shall remain otherwise subject to the confidentiality and non-use provisions of this Section 7.1. If either Party concludes that a copy of any of this Agreement must be filed with the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States, such Party shall provide the other Party with a copy of such agreement showing any provisions hereof as to which the Party proposes to request confidential treatment, shall provide the other Party with an opportunity to comment on any such proposed redactions and to suggest additional redactions, and shall take such Party's comments into consideration before filing such agreement.

7.1.3. Each Party recognizes that the value to the other Party of the transactions under this Agreement depend, in part, on each Party protecting the secrecy of its Know-How. Therefore, without limiting any Party's right to license its Know-How, subject to the terms of this Agreement, in any way it chooses, each Party shall use Commercially Reasonable Efforts to protect the confidentiality of its Know-How as determined in such Party's reasonable business judgment.

7.2. Publication and Publicity.

7.2.1. Publication. The JCC shall develop a publication strategy pursuant to which the Parties may publish certain key results achieved in connection with this Agreement, including in connection with Development of the Licensed Products. All publications of such key results shall also be subject to this Section 7.2.1 (Publication). Except for disclosures permitted pursuant to Section 7.1 (Nondisclosure Obligation) and 7.2.2 (Publicity), either Party wishing to make a publication or public presentation regarding any such key results, or that contains the Confidential Information of the other Party, shall deliver to the other Party a copy of the proposed written publication or presentation at least [***] days prior to submission for publication or presentation. The reviewing Party shall have the right (i) to require modifications to the publication or presentation for patent reasons, trade secret reasons or business reasons, and the publishing Party shall remove all Confidential Information of the other Party if requested by the reviewing Party, or (ii) to request a reasonable delay in publication or presentation in order to protect patentable information. If the reviewing Party requests a delay, the publishing Party shall delay submission or presentation for a period of [***] days to enable the non-publishing Party to file patent applications protecting such Party's rights in such information.

7.2.2. Publicity. Except as set forth in Section 7.1 (Nondisclosure Obligation) and Section 7.2.1 (Publication) above and Section 7.3 (Press Release) below, the terms of any of this Agreement may not be disclosed by either Party. Neither Party shall use the name, Trademark, trade name or logo of the other Party or its employees in any publicity, news release or disclosure relating to any of this Agreement, its subject matter, or the activities of the Parties hereunder without the prior express written permission of the other Party, except as may be required by Law, including by the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in any country other than the United States or of any stock exchange or listing entity, or except as expressly permitted by the terms hereof.

7.3. Press Release. Following the execution of this Agreement, the Parties may each issue a press release in substantially the form set forth in Schedule 7.3 or such other form mutually agreed by the Parties. After such initial press releases, neither Party shall issue a press release or public announcement relating to the Parties' respective rights and obligations under this Agreement without the prior written approval of the other Party, not unreasonably to be withheld, except that the Parties may (i) once a press release or other public statement is approved in writing by both Parties, make subsequent public disclosure of the information contained in such press release or other written statement without the further approval of the other Party, and (ii) issue a press release or public announcement as required, in the reasonable judgment of such Party, by Law, including by the rules or regulations of the United States Securities and Exchange Commission, or similar regulatory agency in a country other than the United States or of any stock exchange or listing entity on which such Party desires to list or does list its securities.

7.4. Survival. The provisions in this Section 7 shall survive the expiration or the termination of this Agreement for a period of [***] years thereafter, except that with respect to trade secrets, such provisions and obligations shall survive for as long as the trade secrets remain secret.

8. LICENSES

8.1. License Grants to DSE.

8.1.1. Exclusive License Grant. Subject to the terms and conditions of this Agreement, Esperion hereby grants to DSE a non-transferable (except as provided in Section 14.2(Assignment)), sublicensable (subject to Section 8.1.2 (DSE Sublicense Rights)), exclusive (even as to Esperion) license under the Esperion Technology, Esperion Patent Rights and Esperion Trademarks to Commercialize Licensed Products in the DSE Territory. The license granted hereunder shall be royalty-bearing for the Royalty Term applicable to each Licensed Product in each country in the DSE Territory, and, after the Royalty Term applicable to such Licensed Product in such country, shall convert to a fully-paid perpetual license in such country.

8.1.2. DSE Sublicense Rights. DSE shall have the right to sublicense any of its rights under Section 8.1.1 (Exclusive License Grant) to any of its Affiliates or to any

Third Party without the prior consent of Esperion, subject to the requirements of this Section 8.1.2 (DSE Sublicense Rights). Each sublicense granted by DSE pursuant to this 8.1.2 (Sublicense Rights) shall be subject and subordinate to the terms of this Agreement and shall contain provisions consistent with those in this Agreement. DSE shall promptly provide Esperion with a copy of the fully executed sublicense agreement covering any sublicense granted hereunder to a Third Party (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 8.1.2 (DSE Sublicense Rights)), and each such sublicense agreement shall contain the following provisions: (i) a requirement that the Sublicensee comply with the confidentiality and non-use provisions of Section 7 (Confidentiality and Publication) with respect to Esperion's Confidential Information and (ii) a requirement that the Sublicensee submit applicable sales or other reports to DSE to the extent necessary or relevant to the reports required to be made or records required to be maintained under this Agreement. Notwithstanding any sublicense, DSE shall remain primarily liable to Esperion for the performance of all of DSE's obligations under, and DSE's compliance with all provisions of, this Agreement.

8.1.3. No Implied Licenses. Except as specifically set forth in this Agreement, neither Party shall acquire any license or other right or interest, by implication or otherwise, in any intellectual property rights of the other Party or any of its Affiliates.

8.2. License Grants to Esperion.

8.2.1. License Grant for Esperion Territory. Subject to the terms and conditions of this Agreement, DSE hereby grants Esperion a non-transferable (except as provided in Section 14.1 (Assignment)), sublicensable (subject to Section 8.2.2 (Esperion Sublicense Rights)), non-exclusive, royalty-free license under the DSE Technology for all uses in connection with any Licensed Product in the Esperion Territory.

8.2.2. Esperion Sublicense Rights. Esperion shall have the right to sublicense any of its rights under Section 8.2.1 (License Grant for Esperion Territory) to any of its Affiliates or to any Third Party without the prior consent of DSE, subject to the requirements of this Section 8.2.2 (Esperion Sublicense Rights). Each sublicense granted by Esperion pursuant to this Section 8.2.2 (Esperion Sublicense Rights) shall be subject and subordinate to this Agreement and shall contain provisions consistent with those in this Agreement. Esperion shall promptly provide DSE with a copy of the fully executed sublicense agreement covering any sublicense granted hereunder (which copy may be redacted to remove provisions which are not necessary to monitor compliance with this Section 8.2.2 (Esperion Sublicense Rights)), and each such sublicense agreement shall contain a requirement that the Sublicensee comply with the confidentiality and non-use provisions of Section 7 (Confidentiality and Publication) of this Agreement with respect to DSE's Confidential Information. Notwithstanding any sublicense, Esperion shall remain primarily liable to DSE for the performance of all of Esperion's obligations under, and Esperion's compliance with all provisions of, this Agreement.

8.3. Retained Rights. For the avoidance of doubt, notwithstanding the provisions of Section 8.1 or any other provision of this Agreement, Esperion shall retain rights under the Esperion Patent Rights, Esperion Know-How, Regulatory Documentation, Esperion Trademarks and Esperion house marks to (a) perform its responsibilities under this Agreement or any ancillary agreement; and (b) Develop and Manufacture the Licensed Product in the Territory for purposes of the Development of the Licensed Product worldwide and Commercialization of the Licensed Product outside the DSE Territory.

8.4. No Implied Licenses. Except as specifically set forth in this Agreement, neither Party shall acquire any license or other right or interest, by implication or otherwise, in any intellectual property rights of the other Party or any of its Affiliates.

8.5. [reserved]

8.6. Bankruptcy and Section 365(n). All rights and licenses granted under or pursuant to this Agreement by a Party to the other, including those set forth in Section 8 (Licenses), are and shall otherwise be deemed to be, for purposes of Section 365(n) of Title 11 of the United States Code (the “**U.S. Bankruptcy Code**”), of section 65.11(7) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and its equivalent under the *Companies’ Creditors Arrangement Act* (the “**CCA**”) or the equivalent of any of the foregoing in any foreign counterpart thereto, as applicable, (collectively, the U.S. Bankruptcy Code, the BIA, the CCA and any foreign counterpart thereto, as applicable, the “**Bankruptcy Code**”), licenses of right to “intellectual property” as defined under Bankruptcy Code. The Parties agree that the Parties and their respective Sublicensees, as Sublicensees of such rights under this Agreement, shall retain and may fully exercise all of their rights and elections under the Bankruptcy Code. The Parties further agree that upon commencement of a proceeding by or against a Party (the “**Bankrupt Party**”) under the Bankruptcy Code, the other Party (the “**Non-Bankrupt Party**”) will be entitled to a complete duplicate of, or complete access to (as the Non-Bankrupt Party deems appropriate), all such intellectual property and all embodiments of such intellectual property. Such intellectual property and all embodiments of such intellectual property will be promptly delivered to the Non-Bankrupt Party (a) upon any such commencement of a proceeding and upon written request by the Non-Bankrupt Party, unless the Bankrupt Party elects to continue to perform all of its obligations under this Agreement, or (b) if not delivered under (a) above, upon the rejection of this Agreement by or on behalf of the Bankrupt Party and upon written request by the Non-Bankrupt Party. All rights, powers and remedies of a Non-Bankrupt Party hereunder are in addition to and not in substitution for any and all other rights, powers and remedies now or hereafter existing at Law in the event of the commencement of a proceeding under a Bankruptcy Code with respect to the Bankrupt Party. The Parties agree that, in addition to the foregoing rights, they intend for the right to contract directly with any Third Party to perform any obligations of the Bankrupt Party hereunder and complete such contracted work to apply to the maximum extent permitted by law and to be enforceable under the Bankruptcy Code.

8.7. No Other Rights. Except as otherwise expressly provided in this Agreement, under no circumstances shall a Party, as a result of this Agreement, obtain any ownership

interest or other right in any Know-How, Patent Rights or other intellectual property rights of the other Party, including items owned, controlled or developed by the other Party, or provided by the other Party to the receiving Party at any time pursuant to this Agreement.

9. FINANCIAL TERMS; ROYALTY REPORTS; PAYMENTS AND AUDITS

9.1. Upfront Payment. As partial consideration for the licenses and rights granted to DSE hereunder, DSE shall, within [***] days after the Effective Date, pay Esperion a one-time, non-creditable, non-refundable, non-reimbursable upfront fee of One Hundred and Fifty Million United States dollars (\$150,000,000). In accordance with Section 9.9 (Taxes), the payment date of the upfront payment can be extended by Esperion at their own discretion for a period of [***] days without any obligation of DSE to pay interest according to Section 9.8 (Late Payments).

9.2. Regulatory Milestone Payment. Esperion will provide DSE with written notice of the achievement of the following regulatory milestone event within [***] days after such event has occurred. Esperion shall invoice DSE within [***] days of receipt of such written notice, and DSE shall pay the associated milestone payment within [***] days following receipt of such invoice. This milestone payment shall be payable only once.

Regulatory Milestone Event	Milestone Payment
[***]	
[***]	[***]
[***]	[***]

9.3. Commercial Milestones. DSE shall provide Esperion with written notice of the achievement by DSE or any of its Related Parties of any commercial milestone event set forth below in this Section 9.3 (Commercial Milestones) within [***] days after the end of the Fiscal Quarter in which such event has occurred. Esperion shall invoice DSE within [***] days of receipt of such written notice by DSE, and DSE shall remit the associated milestone payment within [***] days of the receipt of such invoice. The Parties acknowledge that more than one commercial milestone payment may become due and payable in any given Fiscal Year. Each commercial milestone payment set forth below shall be payable only once, regardless of the number of times a commercial milestone event is achieved.

Commercial Milestone Event	Commercial Milestone Payment
Upon the First Commercial Sale of a Licensed Product in the DSE Territory	\$ 150,000,000
Upon the first achievement of Net Sales for a Fiscal Year of the Licensed Products in the DSE Territory equal to or exceeding [***]	[***]
Upon the first achievement of Net Sales for a Fiscal Year of the Licensed Products in the DSE Territory equal to or exceeding [***]	[***]

Commercial Milestone Event	Commercial Milestone Payment
Upon the first achievement of Net Sales for a Fiscal Year of the Licensed Products in the DSE Territory equal to or exceeding [***]	[***]

9.4. Royalties Payable to Esperion.

9.4.1. Royalty Rates. Subject to the terms and conditions of this Agreement, DSE shall pay to Esperion royalties on Net Sales for a Fiscal Year by DSE and its Related Parties of Licensed Products during the Royalty Term, as follows:

Net Sales for a Fiscal Year	Royalty (as a percentage of Net Sales)
Portion less than or equal to [***]	15%
Portion greater than [***] and less than or equal to [***]	20%
Portion greater than [***]	25%

9.4.2. Royalty Term. The period during which the royalties set forth in Section 9.4.1 (Royalty Rates) and the sales milestones set forth in Section 9.3 (Commercial Milestones) shall be payable, on a Licensed Product-by-Licensed Product and country-by-country basis, shall commence with the First Commercial Sale of a Licensed Product in a country and continue until the latest of (a) the expiration of the last Valid Claim of the Esperion Patent Rights that covers such Licensed Product in such country, (b) the expiration of Regulatory Exclusivity for such Licensed Product in such country, and (c) the [***] anniversary of the First Commercial Sale of such Licensed Product in such country (the “Royalty Term”).

9.4.3. Market Entry of Generic Licensed Product. On a Licensed Product-by-Licensed Product, country-by-country and [***] basis:

(a) if one or more Generic Products have, in the aggregate, obtained a market share in such country in the DSE Territory with respect to such Licensed Product during such [***] equals or exceeds [***] percent ([***]%) but is less than [***] percent ([***]%) of the combined number of units of such Licensed Product and Generic Product sold, as such Generic Product sales are evidenced by creditable independent market data or other evidence of similar credibility, then DSE shall pay to Esperion a reduced royalty rate on Net Sales of such Licensed Product in such country during such [***] equal to [***] percent ([***]%) of the royalty rate applicable under Section 9.4.1(Royalty Rates);

(b) if one or more Generic Products have, in the aggregate, obtained a market share in such country in the DSE Territory with respect to such Licensed Product during such [***] equals or exceeds [***] percent ([***]%) of the combined number of units of such Licensed Product and Generic Product sold, as such Generic Product sales are evidenced by credible independent market data or other evidence of similar credibility, then DSE shall pay to Esperion a reduced royalty rate on Net Sales of such Licensed Product in such country during such [***] equal to [***] percent ([***]%) of the royalty rate applicable under Section 9.4.1 (Royalty Rates).

9.5. Reports; Payment of Royalty. DSE shall provide Esperion with a written report within [***] days after the end of each [***] showing, on a Licensed Product-by-Licensed Product basis, the Net Sales of each Licensed Product in the DSE Territory, the number of units of Licensed Product sold during such [***] in the DSE Territory and the royalties payable under this Agreement with respect to each such Licensed Product. Royalties shown to have accrued by each royalty report shall be due and payable within [***] days after the date such royalty report is due.

9.6. Audits.

9.6.1. Upon the written request of either Party, and not more than [***] in each Calendar Year, the other Party and its Affiliates shall permit an independent certified public accounting firm of internationally-recognized standing selected by the requesting Party and reasonably acceptable to the other Party, at the requesting Party's expense except as set forth below, to have access during normal business hours to such of the records of the other Party as may be reasonably necessary to verify the accuracy of the royalty and other amounts payable or reports under this Agreement (including Cost of Goods) for any year ending not more than [***] years prior to the date of such request for the sole purpose of verifying the basis and accuracy of payments made and compliance with the financial terms of this Agreement. Notwithstanding the foregoing, a Party may not make more than [***] such request in a Calendar Year.

9.6.2. If such accounting firm identifies a discrepancy made during such period, the appropriate Party shall pay the other Party the amount of the discrepancy, within [***] days after the date the requesting Party delivers to the other Party such accounting firm's written report so concluding, or as otherwise agreed by the Parties in writing. The fees charged by such accounting firm shall be paid by the requesting Party, unless such discrepancy represents an underpayment by the other Party of at least [***] percent ([***]%) of the payments due in the audited period, in which case such fees shall be paid by the other Party.

9.6.3. Unless an audit for such year has been commenced prior to and is ongoing upon the [***] anniversary of the end of such year, the calculation of royalties, expense reimbursement and other payments payable with respect to such year shall be binding and conclusive upon both Parties, and each Party and its Related Parties shall be

released from any further liability or accountability with respect to such royalties or expense reimbursement for such year.

9.6.4. Each Party shall treat all financial information subject to review under this Section 9.6 (Audits) or under any sublicense agreement in accordance with the confidentiality and non-use provisions of Section 7 (Confidentiality and Publication), and shall cause its accounting firm to enter into a confidentiality agreement with the other Party or its Related Parties obligating it to retain all such information in confidence pursuant to such confidentiality agreement, which terms shall be no less stringent than the provisions of Section 7 (Confidentiality and Publication).

9.7. Payment Exchange Rate. All payments to be made under this Agreement shall be made in United States Dollars (legal tender of the United States of America). In the case of Net Sales made by DSE and its Related Parties in currencies other than United States dollars during a Calendar Quarter, the rate of exchange to be used in computing the amount of United States dollars due shall be DSE's then-current standard exchange rate methodology as applied in its external reporting for the conversion of foreign currency sales into United States dollars.

9.8. Late Payments. If a Party does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to such Party from the due date until the date of payment at a per-annum rate of [***] percent ([***]%), or the maximum rate allowable by Applicable Law, whichever is less.

9.9. Taxes. Each Party shall use reasonable efforts to minimize tax withholding on payments made to the other Party. Notwithstanding such efforts, if DSE concludes that tax withholdings under the Laws of any country are required with respect to payments to Esperion, DSE shall first notify Esperion and provide Esperion with [***] days to determine whether there are actions Esperion can undertake to avoid such withholding. During this notice period, DSE shall refrain from making such payment in accordance with what is stated under Section 9.1 (Upfront Payment) above until Esperion instructs DSE that (a) Esperion intends to take actions (satisfactory to both Parties) that shall obviate the need for such withholding, in which case DSE shall make such payment only after it is instructed to do so by Esperion (but in no event later than [***] days after the date the payment was originally due) and without any obligation to pay interest under Section 9.8 (Late Payments), or (b) DSE should make such payment and withhold the required amount and pay it to the appropriate Governmental Authority in accordance with the timelines defined by applicable tax law and DSE shall provide Esperion in a reasonable time period with copies of receipts or other evidence reasonably required and sufficient to allow Esperion to document such tax withholdings adequately for purposes of claiming foreign tax credits and similar benefits, the Parties shall cooperate reasonably in completing and filing documents required under the provisions of any applicable tax laws or under any other applicable Law, in connection with the making of any required tax payment or withholding payment, or in connection with any claim to a refund of or credit for any such payment, and the Parties shall cooperate to minimize such taxes in accordance with applicable Laws, including using reasonable efforts to access the benefits of any applicable treaties.

9.10. Payment of Back Royalties. If DSE would owe a royalty payment to Esperion under this Section 9 (Financial Terms; Royalty Reports; Payments and Audits) but for a decision by a court or other governmental agency of competent jurisdiction holding a patent claim unenforceable, unpatentable or invalid and if such decision is later vacated or reversed by a final non-appealable decision by a court or other governmental agency of competent jurisdiction, Esperion may invoice DSE for such unpaid royalty payments after such decision is vacated or reversed and DSE shall make any such unpaid royalty payments to Esperion within [***] days after receipt of such invoice but without any obligation to pay interest under Section 9.8(Late Payments).

9.11. Payment. All payments to be made under this Agreement shall be paid by bank wire transfer in immediately available funds to Esperion's following designated bank account:

Beneficiary Name: [***]
Address: [***]
Bank Account Number: [***]
SWIFT code: [***]
Bank Name: [***]
Bank Address [***]

Esperion may from time to time designate formally in writing another bank account in the United States to which DSE shall thereafter make all payments hereunder.

10. REPRESENTATIONS, WARRANTIES AND COVENANTS

10.1. Mutual Representations and Warranties as of the Effective Date. Each Party represents and warrants to the other Party that, as of the Effective Date:

10.1.1. Such Party is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation.

10.1.2. Such Party has all requisite corporate power and corporate authority to enter into this Agreement and to carry out its obligations under this Agreement.

10.1.3. All requisite corporate action on the part of such Party, its directors and stockholders required by applicable Law for the authorization, execution and delivery by such Party of this Agreement, and the performance of all obligations of such Party under this Agreement, has been taken.

10.1.4. The execution, delivery and performance of this Agreement, and compliance with the provisions of this Agreement, by such Party do not and shall not: (a) violate any provision of applicable Law or any ruling, writ, injunction, order, permit, judgment or decree of any Governmental Authority, (b) constitute a breach of, or default under (or an event which, with notice or lapse of time or both, would become a default under) or conflict with, or give rise to any right of termination, cancellation or acceleration of, any agreement, arrangement or instrument, whether written or oral, by

which such Party or any of its assets are bound, or (c) violate or conflict with any of the provisions of such Party's organizational documents (including any articles or memoranda of organization or association, charter, bylaws or similar documents).

10.1.5. No consent, approval, authorization or other order of, or filing with, or notice to, any Governmental Authority or other Third Party is required to be obtained or made by such Party in connection with the authorization, execution and delivery by the Parties of this Agreement.

10.2. Additional Representations, Warranties and Covenants of Esperion. Except as provided in **Schedule 10.2**, Esperion represents, warrants and covenants to DSE that, as of the Effective Date:

10.2.1. Esperion has sufficient legal or beneficial title and ownership of, or sufficient license rights under, the Esperion Technology to grant the licenses under such Esperion Technology to DSE pursuant to this Agreement, free and clear of all liens, claims, security interests or other encumbrances of any kind (including prior license grants) that would interfere, or the exercise of which would interfere, with DSE's exercise of the licenses or rights granted hereunder;

10.2.2. the Esperion Third Party Agreements constitute all agreements pursuant to which Esperion has granted licensed rights to DSE with respect to the Esperion Technology licensed to DSE hereunder, and Esperion has provided DSE with a complete, true and correct copy of each Esperion Third Party Agreement existing as of the Effective Date, and (i) each such agreement is, and shall remain during the Term, in full force and effect, (ii) Esperion is, and shall remain during the Term, in compliance with the terms of each such agreement, and (iii) Esperion has not received any written notice that it is not in such compliance;

10.2.3. Esperion and its Affiliates will not materially breach or be in material default under any contract with any Third Party (i) that is necessary for Esperion and its Affiliates to perform Esperion's obligations under this Agreement; (ii) the termination of which would materially diminish the scope, exclusivity or any other right of DSE hereunder; or (iii) that is an Esperion Third Party Agreement. In the event that Esperion receives notice of an alleged material breach by Esperion or its Affiliates under any such Esperion Third Party Agreement, where termination of such Esperion Third Party Agreement or any diminishment of the scope, exclusivity or any other right of DSE or obligation of Esperion hereunder is being or could be sought by the counterparty, then Esperion will promptly, but in no event less than [***] days thereafter, provide written notice thereof to DSE. Esperion will not amend any such Esperion Third Party Agreements in any manner that materially adversely affects DSE's rights hereunder.

10.2.4. to Esperion's knowledge, in the course of Esperion's Development of the Licensed Products prior to the Effective Date, Esperion has not misappropriated the intellectual property rights of any Third Party;

10.2.5. (a) Schedule 10.2.5 (Esperion Patent Rights) sets forth a complete and accurate list of the Esperion Patent Rights owned, either solely or jointly, by Esperion, (b) to Esperion's knowledge, the Esperion Patent Rights are, or, upon issuance, will be, valid and enforceable patents and no Third Party has challenged or threatened to challenge the scope, validity or enforceability of any Esperion Patent Rights (including, by way of example, through opposition or the institution or written threat of institution of interference, nullity or similar invalidity proceedings before the United States Patent and Trademark Office or any analogous foreign Governmental Authority), and (c) Esperion or its Affiliates have timely paid all filing and renewal fees payable with respect to such Esperion Patent Rights for which Esperion controls prosecution and maintenance;

10.2.6. Esperion has not granted, and shall not grant during the Term, any right to any Third Party or Governmental Authority which would conflict with the rights granted to DSE hereunder;

10.2.7. Esperion shall not enter into any agreement with any Third Party that would conflict with, limit or restrict the rights granted to DSE under this Agreement;

10.2.8. Esperion is not party to or otherwise subject to any agreement or arrangement which limits the ownership or licensed rights of Esperion or its Affiliates with respect to, or limits the ability of Esperion or its Affiliates to grant a license, sublicense or access, or provide or provide access or other rights in, to or under, any intellectual property right or material (including any Patent Right, Know-How or other data or information), in each case, that would, but for such agreement or arrangement, be included in the rights licensed or assigned to Esperion or its Affiliates pursuant to this Agreement;

10.2.9. to Esperion's knowledge, Esperion has complied, or timely cured any noncompliance, with all applicable Laws, including any duties of candor to applicable patent offices, in connection with the filing, prosecution and maintenance of the Esperion Patent Rights;

10.2.10. Esperion has obtained from all inventors of Esperion Technology owned by Esperion valid and enforceable agreements assigning to Esperion each such inventor's entire right, title and interest in and to all such Esperion Technology;

10.2.11. the Development, Manufacture or Commercialization in the DSE Territory of any Licensed Product as formulated and manufactured as of the Effective Date does not and will not infringe any patent of any Third Party, whether published as of the Effective Date or issuing at any time thereafter; and

10.2.12. notwithstanding anything to the contrary contained in this Agreement, the representations and warranties of Esperion contained in this Agreement, all materials prepared by Esperion and provided by Esperion to DSE and all materials prepared by any Third Party and provided by Esperion to DSE do not, to Esperion's knowledge, contain any untrue statement of a material fact or omit to state a material fact necessary in order

to make the statements therein, in light of the circumstances under which they were made, not misleading.

10.3. Warranty Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR EXTENDS ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, TO THE OTHER PARTY WITH RESPECT TO ANY TECHNOLOGY, ESPERION TECHNOLOGY (WITH RESPECT TO ESPERION), PRODUCT, PROGRAM, GOODS, SERVICES, RIGHTS OR OTHER SUBJECT MATTER OF THE AGREEMENT AND HEREBY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT WITH RESPECT TO ANY AND ALL OF THE FOREGOING. EACH PARTY HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE DEVELOPMENT, MANUFACTURE OR COMMERCIALIZATION OF ANY LICENSED PRODUCT PURSUANT TO THE AGREEMENT SHALL BE SUCCESSFUL OR THAT ANY PARTICULAR SALES LEVEL WITH RESPECT TO ANY LICENSED PRODUCT SHALL BE ACHIEVED.

10.4. Exclusivity. For the first [***] years of the Term of this Agreement, neither Party nor their Affiliates shall, either alone or with or through Third Parties, [***]. For the first [***] years of the Term of this Agreement, neither Party nor their Affiliates shall, either alone or with or through Third Parties, [***]. Notwithstanding the foregoing limitations, nothing in this [Section 10.4](#) (Exclusivity) shall limit, restrict or impair DSE's and its Affiliates' right to continue to develop, manufacture, sell, offer for sale, or have sold [***] during the Term of this Agreement.

10.5. Certain Other Covenants.

10.5.1. Compliance. Esperion and its Related Parties shall Develop, Manufacture and Commercialize the Licensed Products in material compliance with all applicable Laws, including current governmental regulations concerning GLP, GCP and cGMP. DSE and its Related Parties shall Commercialize the Licensed Products in material compliance with all applicable Laws, including current governmental regulations concerning GCP and cGMP.

10.5.2. Conflicting Agreements. DSE shall not enter into any agreement with any Third Party that would conflict with, limit or restrict DSE's ability to comply with its obligations under this Agreement. Esperion shall not enter into any agreement with any Third Party that would conflict with, limit or restrict Esperion's ability to comply with its obligations under this Agreement.

10.5.3. No Debarment. Each Party shall use commercially reasonable efforts to not use, in any capacity in connection with this Agreement or the performance of its obligations under this Agreement, any Person that has been debarred pursuant to Section 306 of the FD&C Act, or that is the subject of a conviction described in such section. Each Party agrees to inform the other Party in writing immediately if it or any Person that

is performing activities under this Agreement, is debarred or is subject to debarment or is the subject of a conviction described in Section 306, or if any action, suit, claim, investigation or legal or administrative proceeding is pending or, to the best of such Party's knowledge, is threatened, relating to the debarment or conviction of such Party or any Person or entity used in any capacity by such Party or any of its Affiliates in connection with performance of its other obligations under this Agreement.

11. INDEMNIFICATION; LIMITATION OF LIABILITY; INSURANCE

11.1. General Indemnification by DSE. DSE shall indemnify, hold harmless and defend Esperion, its Related Parties, and their respective directors, officers, employees and agents ("**Esperion Indemnitees**") from and against any and all Third Party claims, suits, losses, liabilities, damages, costs, fees and expenses (including reasonable attorneys' fees and litigation expenses) (collectively, "**Losses**") arising out of or resulting from, directly or indirectly, (a) any breach of, or inaccuracy in, any representation or warranty made by DSE in this Agreement, or any breach or violation of any covenant or agreement of DSE in or in the performance of this Agreement (b) the Commercialization of the Licensed Product anywhere in the DSE Territory, or (c) the negligence or willful misconduct by or of DSE and its Related Parties, and their respective directors, officers, employees and agents in the performance of DSE's obligations under this Agreement. DSE shall have no obligation to indemnify the Esperion Indemnitees to the extent that the Losses arise out of or result from, directly or indirectly, any breach of, or inaccuracy in, any representation or warranty made by Esperion in this Agreement, or any breach or violation of any covenant or agreement of Esperion in the performance of this Agreement, or the negligence or willful misconduct by or of any of the Esperion Indemnitees, or matters for which Esperion is obligated to indemnify DSE Indemnitees under Section 11.2 (General Indemnification by Esperion).

11.2. General Indemnification by Esperion. Esperion shall indemnify, hold harmless, and defend DSE, its Related Parties and their respective directors, officers, employees and agents ("**DSE Indemnitees**") from and against any and all Third Party Losses arising out of or resulting from, directly or indirectly, (a) any breach of, or inaccuracy in, any representation or warranty made by Esperion in this Agreement, or any breach or violation of any covenant or agreement of Esperion in or in the performance of this Agreement, (b) the Development of the Licensed Product by Esperion or any of its Affiliates, (c) the Commercialization of the Licensed Product anywhere in the Esperion Territory, or (d) the negligence or willful misconduct by or of Esperion and its Related Parties, and their respective directors, officers, employees and agents in the performance of Esperion's obligations under this Agreement. Esperion shall have no obligation to indemnify the DSE Indemnitees to the extent that the Losses arise out of or result from, directly or indirectly, any breach of, or inaccuracy in, any representation or warranty made by DSE in this Agreement, or any breach or violation of any covenant or agreement of DSE in or in the performance of this Agreement, or the negligence or willful misconduct by or of any of the DSE Indemnitees, or matters for which DSE is obligated to indemnify Esperion Indemnitees under Section 11.1 (General Indemnification by DSE).

11.3. Indemnification Procedure. In the event of any such claim against any DSE Indemnitee or Esperion Indemnitee (individually, an “Indemnitee”), the indemnified Party shall promptly notify the other Party in writing of the claim and the indemnifying Party shall manage and control, at its sole expense, the defense of the claim and its settlement. The Indemnitee shall cooperate with the indemnifying Party and may, at its option and expense, be represented in any such action or proceeding. The indemnifying Party shall not be liable for any settlements, litigation costs or expenses incurred by any Indemnitee without the indemnifying Party’s written authorization. Notwithstanding the foregoing, if the indemnifying Party believes that any of the exceptions to its obligation of indemnification of the Indemnitees set forth in Sections 11.1 (General Indemnification by DSE) or 11.2 (General Indemnification by Esperion) may apply, the indemnifying Party shall promptly notify the Indemnitees, which shall then have the right to be represented in any such action or proceeding by separate counsel at their expense, provided that the indemnifying Party shall be responsible for payment of such expenses if the Indemnitees are ultimately determined to be entitled to indemnification from the indemnifying Party for the matters to which the indemnifying Party notified the Indemnitees that such exception(s) may apply.

11.4. Limitation of Liability. NEITHER PARTY HERETO SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, INCLUDING LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THE AGREEMENT, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES, EXCEPT AS A RESULT OF A PARTY’S WILLFUL MISCONDUCT OR A BREACH OF SECTION 7 (CONFIDENTIALITY AND PUBLICATION). NOTHING IN THIS SECTION 11.4 (LIMITATION OF LIABILITY) IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY.

11.5. Insurance. Each Party shall, at its own expense, maintain general commercial liability insurance, including products liability insurance, contractual liability, bodily injury, property damage and personal injury coverage adequate to cover its obligations and liabilities under this Agreement and the Supply Agreement, and which are consistent with normal business practices of comparable companies with respect to similar obligations and liabilities. Such coverage shall be purchased for a minimum limit of [***] U.S. Dollars (\$[***]) for any one (1) claim or all damages combined. The Parties shall maintain such insurance for so long as this Agreement or the Supply Agreement is in effect, and shall from time to time provide copies of certificates of such insurance to each other upon request. If the insurance policy is written on a claims-made basis, then the coverage must be kept in place for at least [***] years after the termination of this Agreement.

12. INTELLECTUAL PROPERTY OWNERSHIP, PROTECTION AND RELATED MATTERS

12.1. Inventorship; Ownership.

12.1.1. Inventorship. Inventorship for inventions made during the course of the performance of this Agreement shall be determined in accordance with applicable patent Laws for determining inventorship.

12.1.2. Ownership. Esperion shall own the entire right, title and interest in and to all inventions it Invents during the Term. The Parties shall jointly own the entire right, title and interest in and to all inventions they Invent jointly during the Term.

12.1.3. Employee Assignment. Each Party shall ensure that all of its employees and all of its Affiliates' employees acting under its or its Affiliates' authority in the performance of this Agreement assign to such Party under a binding written agreement all Know-How and Patent Rights discovered, made, conceived by such employee as a result of such employee's employment. In the case of all Third Parties acting in the performance a Party's obligations under this Agreement, such as consultants, subcontractors, licensees, Sublicensees, outside contractors, clinical investigators, agents, or non-employees working for non-profit academic institutions, the Party that engages such Third Party shall ensure that such Third Party is also so obligated under such an agreement, unless otherwise approved by the Parties.

12.1.4. Right to Practice Joint Technology. Subject to the rights and licenses granted to, and the obligations (including royalty obligations) of each Party, either Party is entitled to practice Joint Technology for all purposes on a worldwide basis and license Joint Technology without consent of and without a duty of accounting to the other Party. Each Party will grant and hereby does grant all permissions, consents and waivers with respect to, and all licenses under, the Joint Technology, throughout the world, necessary to provide the other Party with such rights of use and exploitation of the Joint Technology, and will execute documents as necessary to accomplish the foregoing.

12.2. Prosecution and Maintenance of Patent Rights.

12.2.1. **Prosecution of Esperion Patent Rights and Joint Patent Rights.**

(a) Esperion has the sole responsibility to, at Esperion's discretion, file, prosecute, and maintain (including the defense of any interference or opposition proceedings or *inter partes* review and any equivalent proceedings in the Territory), all Esperion Patent Rights and Joint Patent Rights.

(b) Esperion shall furnish to DSE, via electronic mail or such other method as mutually agreed by the Parties, copies of documents received from outside counsel in the course of filing, prosecution or maintenance of or copies of documents filed with the relevant national patent offices with respect to the filing, prosecution, and maintenance of all Esperion Patent Rights and Joint Patent Rights in the DSE Territory within a reasonable time after the receipt or filing of such documents. Esperion shall provide DSE and its patent counsel with a reasonable opportunity to consult with and provide comments to Esperion and its patent counsel regarding the filing and contents of any such

application, amendment, submission or response. All timely advice and suggestions of DSE and its patent counsel shall be taken into consideration in good faith by Esperion and its patent counsel in connection with such filing.

(c) In the event that Esperion elects not to maintain patent protection on any Esperion Patent Rights or Joint Patent Rights in the DSE Territory for other than strategic reasons, Esperion shall notify DSE at least [***] days before any such Patent Rights would become abandoned or otherwise forfeited, and Esperion shall assign all of its right, title and interest in and to such Esperion Patent Rights or Joint Patent Rights to DSE at DSE's sole cost and expense, and such Esperion Patent Rights or Joint Patent Rights shall become patent rights solely owned by DSE; provided that, if such assignment is not possible, then DSE shall have the right (but not the obligation), at its sole cost and expense, to prosecute and maintain in any country patent protection on such Esperion Patent Rights or Joint Patent Right in the name of Esperion.

12.3. **Third Party Infringement.**

12.3.1. Notice of Infringement. During the Term, each Party will promptly notify the other Party in writing of any known or suspected infringement or unauthorized use or misappropriation by a Third Party of any Esperion Technology or Joint Technology concerning any product intended for use in preventing, diagnosing or treating any disease or condition in humans (including development, Manufacture, or Commercialization) in the DSE Territory (such infringement or unauthorized use or misappropriation, "**Competing Infringement**") of which such Party becomes aware. The notifying Party will provide the other Party with all evidence available to it supporting its belief that there is Competing Infringement.

12.3.2. Right to Enforce. Subject to the provisions of any Esperion Third Party Agreement, DSE shall have the first right, but not the obligation, to take any reasonable measures it deems appropriate with respect to any Competing Infringement in the DSE Territory under any Esperion Technology or Joint Technology. Such measures may include (a) initiating or prosecuting an infringement, misappropriation or other appropriate suit or action (each an "**Infringement Action**") in the DSE Territory, or (b) subject to Section 8.1.2 (DSE Sublicense Rights), granting adequate rights and licenses to any Third Party necessary to render continued Competing Infringement in the DSE Territory non-infringing. Notwithstanding the foregoing, if DSE does not inform Esperion that it intends to either initiate such an Infringement Action or grant adequate rights and licenses to such Third Party within [***] days after DSE's receipt of a notice of infringement pursuant to Section 12.3.1 (Notice of Infringement), then Esperion will have the second right, but not the obligation, to initiate such Infringement Action, but solely with respect to any Esperion Technology or Joint Technology.

12.3.3. Control; Cooperation. The Party initiating any Infringement Action (such Party, the "**Responsible Party**") shall have the right to control the initiation and

prosecution of any Infringement Action, including the right to select counsel therefor, at its own expense. If requested by the Responsible Party, the other Party shall join as a party to such Infringement Action and will execute and cause its Affiliates to execute all documents necessary for the Responsible Party to initiate, prosecute, maintain or defend such action or proceeding. In addition, at the Responsible Party's request, the other Party shall provide reasonable assistance to the Responsible Party in connection with an Infringement Action at no charge to the Responsible Party except for reimbursement by the Responsible Party of reasonable Out-of-Pocket Costs incurred in rendering such assistance.

12.3.4. Sharing of Recoveries. Any amounts recovered by either Party pursuant to this Section 12.3 (Third Party Infringement) will be used first to reimburse the Parties for their reasonable costs and expenses, including attorneys' fees incurred in making such recovery (which amounts will be allocated pro rata if insufficient to cover the totality of such expenses) with any remainder [***].

12.4. Third Party Claims. If a Third Party sues a Party (the "Sued Party") alleging that the Sued Party's, or the Sued Party's Sublicensee's, Development, Manufacture or Commercialization of the Licensed Product infringes or will infringe said Third Party's intellectual property, then upon the Sued Party's request and in connection with the Sued Party's defense of any such Third Party suit, the other Party will provide reasonable assistance to the Sued Party for such defense. The Sued Party will keep the other Party, if such other Party has not joined in such suit, reasonably informed on a quarterly basis, in person or by telephone, prior to and during the pendency of any such suit.

12.5. Common Interest. All information exchanged between the Parties representatives pursuant to this Section 12 (Intellectual Property) regarding the preparation, filing, prosecution, maintenance, or enforcement of Patent Rights will be deemed Confidential Information. In addition, the Parties acknowledge and agree that, with regard to such preparation, filing, prosecution, maintenance, and enforcement of the Esperion Patent Rights and Joint Patent Rights the interests of the Parties as collaborators and licensor and licensee are to obtain the strongest patent protection possible, and as such, are aligned and are legal in nature. The Parties agree and acknowledge that they have not waived, and nothing in this Agreement constitutes a waiver of, any legal privilege concerning such Patent Rights, including privilege under the common interest doctrine and similar or related doctrines.

12.6. Patent Term Extensions.

12.6.1. Esperion Patent Rights. Subject to the provisions of any Esperion Third Party Agreement, Esperion shall use Commercially Reasonable Efforts to obtain all available extensions of Esperion Patent Rights in the DSE Territory, as requested by DSE.

12.6.2. Joint Patent Rights. Esperion shall have the exclusive right in its sole discretion to obtain all available extensions of any Joint Patent Rights. DSE shall provide any reasonably necessary powers of attorney and shall provide any other assistance, at

Esperion's sole cost and expense, which Esperion reasonably requests to enable Esperion to obtain any such extensions.

12.7. Trademarks.

12.7.1. Prosecution of Esperion Trademarks; General. Esperion shall have the sole responsibility to file, prosecute, register and maintain (including the defense of opposition proceedings and any equivalent proceedings) Esperion Trademarks and back-up trademarks (including any logo associated therewith), which shall not be confusingly similar to any DSE mark, on a timely manner at its sole cost and expense in the DSE Territory throughout the Term. Consistent with DSE's exclusive right to such Esperion Trademarks under Section 8.1.1 (Exclusive License Grant), DSE shall use any Esperion Trademarks in a manner consistent with this Agreement, including the Global Branding Strategy, and for no other purpose. DSE shall use any Esperion Trademarks in a manner consistent with trademark usage guidelines provided by Esperion from time-to-time. Subject to the foregoing: (i) DSE shall not use any other marks that are confusingly similar to an Esperion Trademark, (ii) all rights in each of the Esperion Trademarks shall remain at all times the sole property of Esperion, and all use of such Esperion Trademarks shall inure to the benefit of Esperion, and (iii) DSE agrees not to contest or attack Esperion's ownership of the Esperion Trademarks.

12.7.2. Third Party Infringement.

(a) Notice of Infringement. During the Term, each Party will promptly notify the other Party in writing of any known or suspected infringement or unauthorized use or misappropriation by a Third Party of Esperion Trademarks in the DSE Territory (such infringement or unauthorized use or misappropriation, "Competing Infringement") of which such Party becomes aware. The notifying Party will provide the other Party with all evidence available to it supporting its belief that there is Competing Infringement.

(b) Right to Enforce. Esperion shall have the first right, but not the obligation, to take any reasonable measures it deems appropriate with respect to any Competing Infringement in the DSE Territory. Such measures may include initiating or prosecuting an infringement, misappropriation or other appropriate suit or action (each an "Infringement Action") in the DSE Territory. Notwithstanding the foregoing, if Esperion does not inform DSE that it intends to initiate such an Infringement Action to such Third Party within [***] days after Esperion's receipt of a notice of infringement pursuant to Section 12.7.2(a)(Notice of Infringement), then DSE will have the second right, but not the obligation, to initiate such Infringement Action.

(c) Control; Cooperation. The Party initiating any Infringement Action (such Party, the "Responsible Party") shall have the right to control the initiation and prosecution of any Infringement Action, including

the right to select counsel therefor, at its own expense. If requested by the Responsible Party, the other Party shall join as a party to such Infringement Action and will execute and cause its Affiliates to execute all documents necessary for the Responsible Party to initiate, prosecute, maintain or defend such action or proceeding. In addition, at the Responsible Party's request, the other Party shall provide reasonable assistance to the Responsible Party in connection with an Infringement Action at no charge to the Responsible Party except for reimbursement by the Responsible Party of reasonable Out-of-Pocket Costs incurred in rendering such assistance.

(d) **Sharing of Recoveries.** Any amounts recovered by either Party pursuant to this Section 12.7.2 (Third Party Infringement) will be used first to reimburse the Parties for their reasonable costs and expenses, including attorneys' fees incurred in making such recovery (which amounts will be allocated pro rata if insufficient to cover the totality of such expenses) with [***].

12.7.3. Third Party Claims. Esperion shall warrant Esperion Trademarks does not infringe other intellectual property rights in the DSE Territory. If the use of Esperion Trademarks infringes any other intellectual property rights in the DSE Territory, Esperion shall hold DSE, its Affiliates and its Sublicensees harmless and indemnified against any Losses suffered as a result of such Third Party's Claims.

13. **TERM AND TERMINATION; REMEDIES**

13.1. Term. This Agreement shall be effective as of the Effective Date and, unless terminated earlier pursuant to Section 13.2 (Termination Rights), this Agreement shall continue in effect until the expiration of the last to expire of the Royalty Terms ("Term"). Upon the expiration of the Term without this Agreement being terminated earlier pursuant to Section 13.2 (Termination Rights), DSE's rights to the Licensed Products and all license grants to DSE hereunder shall continue, shall remain exclusive to DSE (even as to Esperion) and shall become fully paid-up, royalty-free, perpetual and irrevocable.

13.2. Termination Rights. This Agreement may not be terminated by either Party except as provided in this Section 13.2 (Termination Rights).

13.2.1. Termination of Agreement for Convenience. DSE shall have the right to terminate the Agreement in its entirety at any time after the [***] anniversary of the Effective Date on [***] months' prior written notice to Esperion.

13.2.2. Termination of Agreement in its Entirety for Cause. This Agreement may be terminated in its entirety at any time during the Term upon written notice by either Party if the other Party is in material breach of its obligations hereunder and has not cured such breach within [***] days in the case of any undisputed payment

breach, or within [***] days in the case of all other breaches, after notice requesting cure of the breach; provided, however, that if any breach other than a payment breach is not reasonably curable within [***] days and if a Party is making a bona fide effort to cure such breach, such termination shall be delayed for a time period to be agreed by both Parties, not to exceed an additional [***] days, in order to permit such Party a reasonable period of time to cure such breach; provided further, that if the alleged material breach relates to non-payment of any amount due under this Agreement (i.e., a payment breach), the cure period shall be tolled pending resolution of any bona fide dispute between the Parties as to whether such payment is due.

13.2.3. Challenges of Patent Rights. If, during the Term, DSE (a) commences or participates in any action or proceeding (including any patent opposition or re-examination proceeding), or otherwise asserts any claim, challenging or denying the validity or enforceability of any claim of any Esperion Patent Rights that have been specifically identified to DSE in writing (including as of the Effective Date, as set forth and identified on Schedule 10.2.5 or (b) actively assists any other Person in bringing or prosecuting any action or proceeding (including any patent opposition or re-examination proceeding) challenging or denying the validity or enforceability of any claim of such Patent Rights (each of (a) and (b), a “**Patent Challenge**”), then, to the extent permitted by the applicable Laws, Esperion shall have the right, exercisable within [***] days following receipt of notice regarding such Patent Challenge, in its sole discretion, to give notice DSE that Esperion may terminate the license(s) granted to under such Patent Right(s) to DSE pursuant to this Agreement [***] days following such notice (or such longer period as the Esperion may designate in such notice), and, unless DSE withdraws or causes to be withdrawn all such challenge(s) (or in the case of *ex-parte* proceedings, multi-party proceedings, or other Patent Challenges that DSE does not have the power to unilaterally withdraw or cause to be withdrawn, DSE ceases actively assisting any other party to such Patent Challenge and, to the extent DSE is a party to such Patent Challenge, it withdraws from such Patent Challenge) within such [***]-day period, Esperion shall have the right to terminate the license(s) granted to under such Patent Right(s) to DSE pursuant to the Agreement by providing written notice thereof to DSE.

13.2.4. [reserved]

13.2.5. Termination for Lack of Regulatory Approval. In the event that the first Regulatory Approval in the DSE Territory is not obtained on or before the end of 2021, then DSE may terminate this Agreement in its entirety upon written notice to Esperion.

13.2.6. Effect of Change of Control. DSE may terminate this Agreement forthwith upon written notice to Esperion in the event that there is a Change of Control of Esperion. Esperion shall give DSE written notice of any such Change of Control prior to the effective date thereof.

13.2.7. Bankruptcy. In the event that the performance of the respective obligations of this Agreement become untenable as a result of a Party filing a petition of bankruptcy, enters into insolvency or liquidation proceedings either voluntarily or involuntarily, or if a receiver is appointed with respect to the assets of such Party, or any similar action is filed under Applicable Laws, and such measure is not dismissed [***] days, to the extent permitted by the Applicable Laws of the Territory, the other Party may terminate this Agreement by written notice to such Party. Notwithstanding the foregoing, the Parties acknowledge that a Party to this Agreement may, from time-to-time, make changes in its corporate structure, including inter alia changes in the shareholdings of Affiliates, which would not constitute a case of bankruptcy under this Section 13.2.7 (Bankruptcy).

13.3. Effect of Termination.

13.3.1. Consequences of Termination or Expiration of this Agreement. If this Agreement expires or is terminated by a Party prior to its expiration, in each case, in its entirety at any time and for any reason, then the following terms will apply as specified below:

- (a) Licenses. Upon termination of this Agreement prior to expiration, the licenses granted by Esperion to DSE under this Agreement will terminate and DSE, its Affiliates, and its Sublicensees will cease selling Licensed Products in the DSE Territory.
- (b) Return of Information and Materials. Upon termination or expiration, the Parties will return (or destroy, as directed by the other Party) all data, files, records, and other materials containing or comprising the other Party's Confidential Information. Notwithstanding the foregoing, the Parties will be permitted to retain one copy of such data, files, records, and other materials for archival and legal, financial and tax compliance purposes.
- (c) Accrued Rights. Termination of this Agreement for any reason will be without prejudice to any rights or financial compensation that will have accrued to the benefit of a Party prior to such termination. Such termination will not relieve a Party from obligations that are expressly indicated to survive the termination of this Agreement.
- (d) Survival. The following provisions of this Agreement will survive the expiration or earlier termination of this Agreement: Sections 1 (in its entirety), 2.3.4, 6.3, 7 (in its entirety), 9.5 (including with respect to a final royalty report covering the period through the effective date of termination), 9.6, 9.7, 9.8, 9.9, 9.10, 9.11, 10.3, 11 (in its entirety), 12.1.4, 12.2-12.6 (inclusive and solely with respect to Joint Patent Rights), 13.1, 13.3, 13.4, 14.1, 14.3-14.11 (inclusive) and 14.16.

13.4. Special Consequences of Certain Terminations. If Esperion terminates this Agreement for any reason[***] then, in addition to the terms set forth in Section 13.3.1 (Consequences of Termination or Expiration of this Agreement), the following additional terms will also apply:

13.4.1. License Grant. The license granted by DSE to Esperion under Section 8.2 (License Grants to Esperion) shall automatically become irrevocable, perpetual and worldwide;

13.4.2. Disclosure of Certain Commercialization Related Information. DSE will disclose to Esperion for use with respect to the further Commercialization of the Licensed Product, material information pertaining to pricing and market access strategy and health economic study information, in each case for the Licensed Product in the DSE Territory in the possession of DSE as of the date of such reversion that relate to such Licensed Products that is necessary for the continued Commercialization of such Licensed Products in the DSE Territory;

13.4.3. Regulatory Materials. Within [***] days following the date of the termination, DSE will assign, and hereby does assign, to Esperion all of DSE's right, title and interest in and to all Regulatory Materials for the Licensed Products, including any Regulatory Approvals and Pricing and Reimbursement Approvals that relate to the applicable Licensed Product;

13.4.4. Trademarks. DSE will license to Esperion any trademarks that are specific to Licensed Products solely for use with such Licensed Product; *provided, however*, that in no event will DSE have any obligation to license to Esperion any trademarks used by DSE other than in connection with a Licensed Product or any other trademarks of DSE; and

13.4.5. Stock of Finished Drug Product. DSE will have the right to continue to sell and otherwise Commercialize all of the inventory of finished drug product for such Licensed Product held by DSE as of the effective date of termination and DSE shall continue to pay to Esperion any applicable royalties due on any such sales.

13.4.6. Transition Activities.

(a) The Parties wish to provide a mechanism to ensure that, assuming the Licensed Product is available to patients as of the reversion date, patients who were being treated with the Licensed Product prior to such termination or who desire access to the Licensed Product can continue to have access to such Licensed Product while the regulatory and commercial responsibilities for the Licensed Product are transitioned from DSE to Esperion. As such, Esperion may request DSE to perform transition activities that are necessary or useful to (1) transition DSE's Commercialization activities (if any) to Esperion to minimize disruption to sales, (2) provide patients with continued access to the applicable Licensed Products (if applicable), (3) enable Esperion

(or Esperion's designee) to assume and execute the responsibilities under all Regulatory Approvals and ongoing Clinical Studies for the applicable Licensed Product, and (4) ensure long-term continuity of supply for the Licensed Product (collectively, the "**Transition Activities**"), but no longer than [***] year following the effective date of termination.

(b) Esperion may elect to have DSE perform the applicable Transition Activities by providing written notice to DSE no later than [***] days following the effective date of the termination. If Esperion requests Transition Activities, the Parties will mutually agree upon a transition plan for DSE to perform the applicable Transition Activities including delivery and transition dates. In addition, the Parties will establish a transition committee consisting of at least each Party's Alliance Managers, and up to [***] additional representatives from each Party who are from other relevant functional groups to facilitate a smooth transition. While DSE is providing applicable Transition Activities, DSE and Esperion will agree on talking points and a communication plan to customers, specialty pharmacies, physicians, regulatory authorities, patient advocacy groups, and clinical study investigators, in each case only if applicable at the time of reversion, and DSE will make all such communications to such applicable entities in accordance with the mutually agreed talking points.

(c) [***] Esperion will own all revenue derived from the Licensed Product after the termination date and DSE will remit all such revenues to Esperion no later than the [***] day following the end of the month in which such revenue was received.

14. MISCELLANEOUS

14.1. Standstill Agreement

14.1.1. Standstill Term. During the period commencing on the Effective Date and expiring on the date that is [***] years after the end of the Term (such period, as it may earlier terminate pursuant to Section 14.1.2 (Termination of Standstill), the "**Standstill Term**"), neither DSE nor any of its Affiliates shall, directly or indirectly (and DSE shall cause such Affiliates not to), except as expressly invited in writing by Esperion (for purposes of this Section 14.1 (Standstill Agreement), DSE, together with such Affiliates, being referred to, collectively, as the "**Investor**"):

(a) [***];

(b) [***], in each case without the prior written consent of the Board of Directors of Esperion (the "**Board**") or an authorized committee thereof;

(c) [***];

(d) [**];

(e) [**];

(f) [**];

(g) act in concert with any Third Party to take any action in clauses (a) through (e) above, or form, join or in any way participate in a partnership, limited partnership, syndicate or other group within the meaning of Section 13(d)(3) of the Securities Act of 1934, as amended, or any successor thereto;

(h) enter into discussions, negotiations, arrangements or agreements with any Person relating to the foregoing actions referred to in clauses (a) through (g) above; or

(i) [**];

provided that (A) nothing contained in this Section 14.1.1 (Standstill Term) shall prohibit the Investor or its Affiliates from [**] with, Esperion, and (B) the prohibitions set forth in the foregoing clauses (a) through (h) (collectively, the “**Standstill Provisions**”) shall not apply to (i) [**].

14.1.2. Termination of Standstill. Provided the Investor has not violated Section 14.1.1(c), (d), (f) or (h) with respect to the Offeror referred to in Section 14.1.1 (Standstill Term), the restrictions contained in Section 14.1.1 (Standstill Term) shall terminate upon the earlier to occur of:

(a) [**];

(b) [**];

(c) [**] or

(d) [**];

provided, however, that if any of the transactions referred to above terminates, then the restrictions contained in Section 14.1.1 shall again be applicable.

14.2. Assignment. Except as provided in this Section 14.2 (Assignment), this Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by either Party without the written consent of the other Party. Notwithstanding the foregoing, either Party may, without the other Party’s written consent, assign this Agreement and its rights and obligations hereunder in whole or in part to an Affiliate or to a party that acquires, by or otherwise in connection with, merger, sale of

assets or otherwise, all or substantially all of the business of the assigning Party to which the subject matter of this Agreement relates, provided that the assignee assumes all of the assigning Party's obligations under this Agreement, subject to Section 14.15.2 (Future Acquisition of a Party or its Business). The assigning Party shall remain responsible for the performance by its assignee of this Agreement or any obligations hereunder so assigned. Any purported assignment in violation of this Section 14.2 (Assignment) shall be void.

14.3. Governing Law. The Agreement shall be construed and the respective rights of the Parties determined in accordance with the substantive Laws of the State of New York, notwithstanding any provisions of New York Law or any other Law governing conflicts of laws to the contrary.

14.4. Jurisdiction. Each Party by its execution hereof, (a) hereby irrevocably submits to the jurisdiction of the courts sitting in New York City, New York, for the purpose of any dispute arising between the Parties in connection with this Agreement (each, an "**Action**"), except as otherwise expressly provided in this Agreement; (b) hereby waives, to the extent not prohibited by applicable Law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such Action, any claim that (i) it is not subject personally to the jurisdiction of the above-named court, (ii) its property is exempt or immune from attachment or execution, (iii) any such Action brought in the above-named court should be dismissed on grounds of forum non conveniens, should be transferred or removed to any court other than the above-named court, or should be stayed by reason of the pendency of some other proceeding in any other court other than the above-named court, or (iv) this Agreement or the subject matter hereof may not be enforced in or by such court; and (c) hereby agrees not to commence any such Action other than before the above-named court. Notwithstanding the previous sentence a Party may commence any Action in a court other than the above-named court solely for the purpose of enforcing an order or judgment issued by the above-named court.

14.5. Entire Agreement; Amendments. The Agreement contains the entire understanding of the Parties with respect to the subject matter hereof, and supersedes all previous arrangements with respect to the subject matter hereof, whether written or oral, including that Confidentiality Letter Agreement dated June 15, 2018 (provided that all information disclosed or exchanged under such agreement will be treated as Confidential Information hereunder). This Agreement (other than the Schedules attached hereto) may be amended, or any term hereof modified, only by a written instrument duly-executed by authorized representatives of both Parties hereto. The Schedules attached hereto may be amended, or any term hereof modified, only by a written instrument duly-executed by authorized representatives of both Parties hereto, except to the extent expressly provided in this Agreement.

14.6. Severability. If any provision hereof should be held invalid, illegal or unenforceable in any respect by a competent court in any jurisdiction, the invalid, illegal or unenforceable provision(s) shall be severed from this Agreement and shall not affect the validity of this Agreement as a whole.

14.7. Headings. The captions to the Sections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the several Sections hereof.

14.8. Waiver of Rule of Construction. Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting Party shall not apply.

14.9. Interpretation. Except where the context expressly requires otherwise, (a) the use of any gender herein shall be deemed to encompass references to either or both genders, and the use of the singular shall be deemed to include the plural (and vice versa); (b) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation” and shall not be interpreted to limit the provision to which it relates; (c) the word “will” shall be construed to have the same meaning and effect as the word “shall”; (d) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (e) any reference herein to any Person shall be construed to include the Person’s successors and permitted assigns; (f) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in each of their entirety, as the context requires, and not to any particular provision hereof; (g) all references herein to Sections or Schedules shall be construed to refer to Sections or Schedules of this Agreement, and references to this Agreement include all Schedules hereto; (h) the word “notice” means notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement; (i) provisions that require that a Party, the Parties or any committee hereunder “agree,” “consent” or “approve” or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging); (j) references to any specific law, rule or regulation, or article, Section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof; and (k) the term “or” shall be interpreted in the inclusive sense commonly associated with the term “and/or.”

14.10. No Implied Waivers; Rights Cumulative. Except as expressly provided in this Agreement, no failure on the part of Esperion or DSE to exercise, and no delay in exercising, any right, power, remedy or privilege under this Agreement, or provided by statute or at Law or in equity or otherwise, shall impair, prejudice or constitute a waiver of any such right, power, remedy or privilege or be construed as a waiver of any breach of this Agreement or as an acquiescence therein, nor shall any single or partial exercise of any such right, power, remedy or privilege preclude any other or further exercise thereof or the exercise of any other right, power, remedy or privilege.

14.11. Notices. All notices which are required or permitted hereunder shall be in writing and sufficient if delivered personally, sent by nationally-recognized overnight courier

or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Esperion, to: Esperion Therapeutics, Inc.
3891 Ranchero Drive, Suite 150
Ann Arbor, MI 48108
U.S.A.
Attention: Chief Executive Officer

With a copy to: Goodwin Procter LLP
100 Northern Avenue
Boston, Massachusetts 02110
U.S.A.
Attention: Christopher Denn

If to DSE, to: Daiichi Sankyo Europe GmbH
Zielstattstrasse 48
81379 Munich
Germany
Attention: Partner Management Department

With a copy to: Daiichi Sankyo Europe GmbH
Zielstattstrasse 48
81379 Munich
Germany
Attention: General Counsel, Legal Department

or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. In addition, each Party shall deliver a courtesy copy to the other Party's Alliance Manager concurrently with such notice. Any such notice shall be deemed to have been given: (a) when delivered if personally delivered or sent by facsimile on a business day (or if delivered or sent on a non-business day, then on the next business day); (b) on receipt if sent by overnight courier; or (c) on receipt if sent by mail.

14.12. Compliance with Export Regulations. Neither Party shall export any technology licensed to it by the other Party under this Agreement except in compliance with U.S. export Laws and other applicable foreign export Laws.

14.13. Force Majeure. Neither Party shall be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement (except liability of money payment obligations), to the extent that such failure or delay is caused by or results from causes which are enforceable and irresistible, potentially including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, fire, floods, or other acts of God. The affected Party shall notify the other Party of such force majeure

circumstances as soon as reasonably practical, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances.

14.14. Independent Parties. It is expressly agreed that Esperion and DSE shall be independent contractors and that the relationship between Esperion and DSE shall not constitute a partnership, joint venture or agency. Esperion shall not have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on DSE, without the prior written consent of DSE, and DSE shall not have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on Esperion without the prior written consent of Esperion.

14.15. Performance by Affiliates.

14.15.1. Use of Affiliates. Each Party acknowledges and accepts that the other Party may exercise its rights and perform its obligations under this Agreement either directly or through one or more of its Affiliates. A Party's Affiliates will have the benefit of all rights (including all licenses) of such Party under this Agreement. Accordingly, in this Agreement "DSE" will be interpreted to mean "DSE or its Affiliates" and "Esperion" will be interpreted to mean "Esperion or its Affiliates" where necessary to give each Party's Affiliates the benefit of the rights provided to such Party in this Agreement; provided, however, that in any event each Party will remain responsible for the acts and omissions, including financial liabilities, of its Affiliates.

14.15.2. Future Acquisition of a Party or its Business. Notwithstanding Section 14.15.1 (Use of Affiliates) or anything to the contrary in this Agreement, in the event of an acquisition of a Party or its business by a Third Party (an "Acquirer") after the Effective Date, whether by merger, asset purchase or otherwise, as to any such Acquirer, the non-acquired Party shall not obtain rights, licenses, options or access to any Patent Rights, Know-How, product candidates or products that are held by the Acquirer or any Affiliate of the Acquirer that becomes an Affiliate of the acquired Party as a result of such acquisition (but excluding the acquired Party), that were not generated through any use or access to the Know-How or Patent Rights of the acquired Party, or that are not used by the acquired Party in connection with a Licensed Product.

14.15.3. Acquired Programs.

(a) Notwithstanding Section 14.15.1 (Use of Affiliates) or anything to the contrary in this Agreement, but subject to Section 14.2 (Assignment), in the event of either (a) an acquisition of a Party or its business after the Effective Date by an Acquirer whether by merger, asset purchase or otherwise, or (b) an acquisition by a Party after the Effective Date of the business or assets of a Third Party, whether by merger, asset purchase or otherwise, that includes any program(s) of the acquired Third Party that but for this Section 14.15.3 (Acquired Programs), would violate Section 10.4 (Exclusivity) (each such program, a “**Competing Program**,” and such acquired business or assets, an “**Acquired Business**”), then, in either case ((a) or (b)), the

Acquirer or Acquired Business, and any Affiliate of the Acquirer or Acquired Business that becomes an Affiliate of the acquired or acquiring Party as a result of such acquisition (but excluding the acquired Party), shall not be subject to the restrictions in Section 10.4(Exclusivity) as to: [***].

(b) In addition, notwithstanding Section 14.15.1 (Use of Affiliates) or anything to the contrary in this Agreement, in the event of an acquisition by a Party after the Effective Date of an Acquired Business that includes a Competing Program [***] for such Acquired Business and its Affiliates, [***].

14.16. Binding Effect; No Third Party Beneficiaries. As of the Effective Date, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Except as expressly set forth in this Agreement, no Person other than the Parties and their respective Affiliates and permitted assignees hereunder shall be deemed an intended beneficiary hereunder or have any right to enforce any obligation of this Agreement.

14.17. Counterparts. The Agreement may be executed in two or more counterparts, including by facsimile or PDF signature pages or other electronic means, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

DAIICHI SANKYO EUROPE GmbH

ESPERION THERAPEUTICS, INC.

BY: /s/ [***]
NAME: [***]
TITLE: [***]

BY: /s/ [***]
NAME: [***]
TITLE: [***]

BY: /s/ [***]
NAME: [***]
TITLE: [***]

Signature page to Collaboration Agreement

[**] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Schedule 1.47

Esperion Third Party Agreements

[**]

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Schedule 1.48

Esperion Trademarks

[***]

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Schedule 1.60

Global Clinical Studies

[***]

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Schedule 1.77

Licensed Products

Description of Bempedoic Acid Formulations

[***]

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Schedule 2.1.1

Esperion Global Development Plan

[***]

Schedule 7.3

Press Releases

1. Esperion Press Release

Esperion Announces Agreement with Daiichi Sankyo Europe (DSE) to Commercialize Bempedoic Acid in Europe

- *Esperion to Receive \$300 Million in Upfront and Near-term Milestones* —
 - *Up to \$900 Million in Total Milestones* —
 - *Substantial Tiered Royalties* —
- *Esperion Partnering with a European CV Sales Organization Exceeding 1000 and One of the Most Successful European-based Commercial Businesses* —
- *Conference Call and Webcast on Friday, January 4 at 8:00 a.m. Eastern Time* —

ANN ARBOR, Mich., Jan. 04, 2019 (GLOBE NEWSWIRE) — Esperion Therapeutics (NASDAQ: ESPR) today announced that they have entered into a licensing agreement with Daiichi Sankyo Europe (DSE) providing DSE with exclusive rights to commercialize bempedoic acid and the bempedoic acid / ezetimibe combination pill in the European Economic Area and Switzerland. The agreement combines Esperion Therapeutics' first-in-class ATP Citrate Lyase (ACL) inhibitor, bempedoic acid, with Daiichi Sankyo's European commercial capabilities which includes more than 1000 professionals dedicated to the commercialization of cardiovascular (CV) products, as well as synergies with their existing portfolio of novel oral anticoagulant and antiplatelet products. This agreement seeks to distribute bempedoic acid and the bempedoic acid / ezetimibe combination pill to the millions of patients in these geographies that need additional low-density lipoprotein cholesterol (LDL-C) lowering after maximum tolerated statin therapy.

“Daiichi Sankyo is focused on innovative pharmaceutical products to address the unmet medical needs of patients including those with cardiovascular disease, the number one cause of death and disability globally,” Ralf Goeddertz, Head of Business Development and Licensing at Daiichi Sankyo Europe. “The Esperion team has conducted a robust, 4,000 patient, high-quality development program to establish bempedoic acid as an efficacious and safe therapeutic option that will help millions of patients that do not reach LDL-C treatment goals.”

“We are very pleased to partner with DSE to establish bempedoic acid as the most preferred LDL-C lowering treatment option after statins for patients and physicians in Europe. Daiichi Sankyo Europe's 1000 person cardiovascular commercial organization has a strong history of successfully commercializing drugs, including their novel oral *anticoagulant*, LIXIANA®, and there is significant overlap among physicians targeted for bempedoic acid,” said Tim Mayleben, president and chief executive officer of Esperion. “This agreement represents the first step in the evolution of Esperion from a pioneering development-stage company to a successful commercial-stage company.”

Esperion completed its Phase 3 LDL-C development program of bempedoic acid and the bempedoic acid / ezetimibe combination pill in October 2018. The company plans to submit New Drug Applications (NDAs) to the Food and Drug Administration (FDA) during the first quarter of 2019 and Marketing Authorization Applications (MAAs) to the European Medicines Agency (EMA) during the second quarter of 2019. FDA and EMA LDL-C approval decisions are expected during the first half of 2020. The global cardiovascular outcomes trial of bempedoic acid, CLEAR Outcomes, is ongoing and cardiovascular risk reduction results are expected during 2022.

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Details of the Agreement and Financial Terms

Under the terms of the licensing agreement, Esperion will grant Daiichi Sankyo Europe exclusive commercialization rights to bempedoic acid and the bempedoic acid / ezetimibe combination pill in the European Economic Area and Switzerland. Daiichi Sankyo Europe will be responsible for commercialization in the territories.

Esperion will receive an upfront cash payment of \$150 million as well as \$150 million upon first commercial sales in the territory. Esperion is also eligible to receive a substantial additional regulatory milestone payment upon the grant of the Marketing Authorization in the EU for the CV Risk Reduction Label, depending on the range of relative risk reduction in the CLEAR Outcomes study. In addition, Esperion is eligible to receive additional sales milestone payments. Finally, Esperion will receive substantial tiered royalties on net territory sales.

Conference Call and Webcast Information

Esperion's Lipid Management Team will host a conference call and webcast today, Friday, January 4, 2019 at 8:00 a.m. Eastern Time to discuss the details of the agreement with Daiichi Sankyo Europe. The call can be accessed by dialing (877) 312-7508 (domestic) or (253) 237-1184 (international) five minutes prior to the start of the call and providing access code 5399439. A live audio webcast can be accessed on the investors and media section of the Esperion website at investor.esperion.com. Access to the webcast replay will be available approximately two hours after completion of the call and will be archived on the Company's website for approximately 90 days.

Bempedoic Acid / Ezetimibe Combination Pill

Through the complementary mechanisms of action of inhibition of cholesterol synthesis (bempedoic acid) and inhibition of cholesterol absorption (ezetimibe), the bempedoic acid / ezetimibe combination pill is our lead, non-statin, orally available, once-daily, LDL-C lowering therapy. Inhibition of ATP Citrate Lyase by bempedoic acid reduces cholesterol biosynthesis and lowers LDL-C by up-regulating the LDL receptor. Inhibition of Niemann-Pick C1-Like 1 (NPC1L1) by ezetimibe results in reduced absorption of cholesterol from the gastrointestinal tract, thereby reducing delivery of cholesterol to the liver, which in turn up-regulates the LDL receptors. Phase 3 data demonstrated that this safe and well tolerated combination results in a 35 percent lowering of LDL-C when used with maximally tolerated statins, a 43 percent lowering of LDL-C when used as a monotherapy, and a 34 percent reduction in high sensitivity C-reactive protein (hsCRP).

Bempedoic Acid

With a targeted mechanism of action, bempedoic acid is a first-in-class, complementary, orally available, once-daily ATP Citrate Lyase inhibitor that, reduces cholesterol biosynthesis and lowers LDL-C by up-regulating the LDL receptor. Similar to statins, bempedoic acid also reduces hsCRP, a key marker of inflammation associated with cardiovascular disease. Completed Phase 2 and Phase 3 studies conducted in almost 4,800 patients, and approximately 3,100 patients treated with bempedoic acid, have produced an additional 20 percent LDL-C lowering when used with maximally tolerated statins, up to 30 percent LDL-C lowering as monotherapy, 35 percent LDL-C lowering in combination with ezetimibe when used with maximally tolerated statins and up to 48 percent LDL-C lowering in combination with ezetimibe as monotherapy.

[***] INDICATES MATERIAL THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED MATERIAL HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24b-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

The effect of bempedoic acid on cardiovascular morbidity and mortality has not yet been determined. The company initiated a global cardiovascular outcomes trial (CVOT) to assess the effects of bempedoic acid on the occurrence of major cardiovascular events in patients with, or at high risk for, cardiovascular disease (CVD) who are only able to tolerate less than the lowest approved daily starting dose of a statin and considered "statin intolerant." The CVOT — known as CLEAR Outcomes — is an event-driven, global, randomized, double-blind, placebo-controlled study expected to enroll approximately 12,600 patients with hypercholesterolemia and high CVD risk at over 1,000 sites in approximately 30 countries.

About Esperion

Esperion is the Lipid Management Company passionately committed to developing and commercializing convenient, complementary, cost-effective, once-daily, oral therapies for the treatment of patients with elevated LDL-C. Through scientific and clinical excellence, and a deep understanding of cholesterol biology, the experienced Lipid Management Team at Esperion is committed to developing new LDL-C lowering therapies that will make a substantial impact on reducing global cardiovascular disease; the leading cause of death around the world. Bempedoic acid and the company's lead product candidate, the bempedoic acid / ezetimibe combination pill, are targeted therapies that have been shown to significantly lower elevated LDL-C levels in patients with hypercholesterolemia, including patients inadequately treated with current lipid-modifying therapies. For more information, please visit www.esperion.com and follow us on Twitter at <https://twitter.com/EsperionInc>.

Forward Looking Statement: Esperion

This press release contains forward-looking statements that are made pursuant to the safe harbor provisions of the federal securities laws, including statements regarding the regulatory approval pathway for the bempedoic acid / ezetimibe combination pill and bempedoic acid and the therapeutic potential of, clinical development plan for, the bempedoic acid / ezetimibe combination pill and bempedoic acid, including Esperion's timing, designs, plans and announcement of results regarding its global pivotal Phase 3 clinical development program for bempedoic acid and the bempedoic acid / ezetimibe combination pill, Esperion's timing and plans for submission of NDAs to the FDA and MAAs to the EMA and Esperion's expectations for the market for therapies to lower LDL-C, including the market adoption of bempedoic acid and the bempedoic acid / ezetimibe combination pill, if approved, and the expected upcoming milestones described in this press release. Any express or implied statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause Esperion's actual results to differ significantly from those projected, including, without limitation, delays or failures in Esperion's studies, that positive results from a clinical study of bempedoic acid may not be

sufficient for FDA or EMA approval or necessarily be predictive of the results of future or ongoing clinical studies, that notwithstanding the completion of Esperion's Phase 3 clinical development program for LDL-C lowering, the FDA or EMA may require additional development in connection with seeking regulatory approval, that DSE is able to successfully commercialize the bempedoic acid / ezetimibe combination pill and bempedoic acid, if approved, that existing cash resources may be used more quickly than anticipated, and the risks detailed in Esperion's filings with the Securities and Exchange Commission. Esperion disclaims any obligation or undertaking to update or revise any forward-looking statements contained in this press release, other than to the extent required by law.

Investor Contact:
Alex Schwartz
Esperion

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734-249-3386
aschwartz@esperion.com

Media Contact:
Elliot Fox
W2O Group
212-257-6724
efox@w2ogroup.com

2. Daiichi Sankyo Europe press release

Daiichi Sankyo Europe Enters into European Licensing Agreement with Esperion for Bempedoic Acid and the Bempedoic Acid / Ezetimibe Combination Tablet

- Daiichi Sankyo Europe will market oral bempedoic acid and bempedoic acid / ezetimibe combination tablet in the European Economic Area, the U.K. and Switzerland
- Bempedoic acid is a first-in-class, oral, once-daily ATP Citrate Lyase (ACL) inhibitor that reduces cholesterol and fatty acid synthesis in the liver[1]
- Bempedoic acid and its fixed dose combination tablet with ezetimibe will offer additional treatment options for the large number of patients unable to reach their target LDL-C level
- This agreement expands Daiichi Sankyo Europe's commitment to cardiovascular care and the development of innovative, convenient and affordable treatments
- The marketing authorization application (MAA) is expected to be submitted to the European Medicines Agency (EMA) in the second quarter of 2019 with an expected approval in 2020

Munich, Germany (January 7, 2019) — Daiichi Sankyo Europe has entered into an exclusive licensing agreement with Esperion Therapeutics (NASDAQ: ESPR) for Daiichi Sankyo Europe to market bempedoic acid and bempedoic acid / ezetimibe combination tablet in the European Economic Area and Switzerland. Daiichi Sankyo Europe will be responsible for commercialization in these territories while Esperion will be responsible for the development and manufacturing. This agreement will strengthen Daiichi Sankyo's cardiovascular portfolio in Europe and will exploit synergies in the commercialization of the once daily anticoagulant LIXIANA® (edoxaban) and the once daily antiplatelet Efient®(prasugrel).

There is a significant need for additional treatment options for the large number of patients in Europe with hypercholesterolemia who are not at their target LDL-C level. Even in very high risk patients, only 32% are at their target LDL-C level.[2] This is particularly true for patients who are experiencing adverse drug reactions (ADRs) under statins and are therefore taking statins only at the maximum tolerated dose or no statin at all. [3]Bempedoic acid has a liver specific mode of action and therefore has the potential to avoid the muscle related ADRs associated with statin therapy. (1) Bempedoic acid can be used in combination with other lipid lowering drugs and will offer an affordable oral, once daily option for patients not at target.[4]

The robust LDL-C development program that established efficacy and safety of bempedoic acid was completed in October 2018. It included almost 4,800 patients, and approximately 3,100 patients were treated with bempedoic acid with an additional LDL-C lowering of up to 30 percent LDL-C and up to 48 percent LDL-C in combination with ezetimibe. The results demonstrate that bempedoic acid is well tolerated and confirm efficacy over an extended period of time. Rates of treatment-emergent adverse events, muscle-related adverse events and discontinuations were similar in the bempedoic acid and placebo treatment groups.[5]

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“We are very pleased to announce this license agreement for bempedoic acid which is a first-in-class treatment that will address a critical unmet need for patients who have limited options and who are not reaching their target LDL-cholesterol level,” said Rodney Smith, MD, Head of Medical Affairs at Daiichi Sankyo Europe. “The Esperion team has conducted a robust, 4,000 patient, high-quality development program to establish bempedoic acid as an efficacious and well tolerated therapeutic option and this supports our great confidence in this product that complements and strengthens our current cardiovascular portfolio, building on the success of LIXIANA[®],” adds Benoit Creveau, Head of Marketing Cardiovascular at Daiichi Sankyo Europe.

Under the terms of the licensing agreement, Daiichi Sankyo Europe will make an upfront payment of \$150 million to Esperion as well as additional milestone payments including \$150 million upon first commercial sales and sales royalties. The potential total milestone payment is up to \$900 million.

“We are very pleased to partner with Daiichi Sankyo Europe to establish bempedoic acid as the most preferred LDL-C lowering treatment option after statins for patients and physicians in Europe. Daiichi Sankyo Europe’s 1,000 person cardiovascular commercial organization has a strong history of successfully commercializing drugs, including their oral anticoagulant, LIXIANA[®], and there is significant overlap among physicians targeted for bempedoic acid.” said Tim Mayleben, president and chief executive officer of Esperion. “This agreement represents the first step in the evolution of Esperion from a pioneering development-stage company to a successful commercial-stage company.”

Esperion completed its Phase 3 LDL-C development program of bempedoic acid and bempedoic acid / ezetimibe combination tablet in October 2018. The company plans to submit New Drug Applications (NDAs) to the Food and Drug Administration (FDA) during the first quarter of 2019 and Marketing Authorization Applications (MAAs) to the European Medicines Agency (EMA) during the second quarter of 2019. FDA and EMA LDL-C approval decisions are expected during the first half of 2020. The global cardiovascular outcomes trial of bempedoic acid, CLEAR Outcomes, is ongoing and cardiovascular risk reduction data are expected during 2022.

Bempedoic Acid / Ezetimibe Combination Tablet

Through the complementary mechanisms of action of inhibition of cholesterol synthesis (bempedoic acid) and inhibition of cholesterol absorption (ezetimibe), the bempedoic acid / ezetimibe combination tablet is a non-statin, orally available, once-daily, LDL-C lowering therapy. Inhibition of ATP Citrate Lyase (ACL) by bempedoic acid reduces cholesterol biosynthesis and lowers LDL-C by up-regulating the LDL receptor. Inhibition of Niemann-Pick C1-Like 1 (NPC1L1) by ezetimibe results in reduced absorption of cholesterol from the gastrointestinal tract, thereby reducing delivery of cholesterol to the liver, which in turn upregulates the LDL receptors. Phase 3 data demonstrated that this well tolerated combination results in a 35 percent lowering of LDL-C when used with maximally tolerated statins, a 43 percent lowering of LDL-C when used as a monotherapy, and a 34 percent reduction in high sensitivity C-reactive protein (hsCRP). Rates of treatment-emergent adverse events, muscle-related adverse events and discontinuations were similar in the bempedoic acid and placebo treatment groups.[6]

Bempedoic Acid

With a targeted mechanism of action, bempedoic acid is a first-in-class, complementary, oral, once-daily ATP Citrate Lyase (ACL) inhibitor that, reduces cholesterol and fatty acid biosynthesis, and lowers LDL-C by up-regulating the LDL receptor. Similar to statins, bempedoic acid also reduces high sensitivity C-reactive protein (hs-CRP), a key marker of inflammation associated with cardiovascular disease.(5) Bempedoic acid is a prodrug that requires activation by the very long-chain acyl-Co synthetase-1 (ACSVL1). Furthermore, it was demonstrated that the absence of ACSVL1 in skeletal muscle provides a mechanistic basis for bempedoic acid to potentially avoid the myotoxicity associated with statin therapy.(1) Completed Phase 2 and Phase 3 studies conducted in almost 4,800 patients, and approximately 3,100 patients treated with bempedoic acid, have produced an additional 20 percent LDL-C lowering when used with maximally tolerated statins, up to 30 percent LDL-C lowering as monotherapy, 35 percent LDL-C lowering in combination with ezetimibe when used with maximally tolerated statins and up to 48 percent LDL-C lowering in combination with ezetimibe as monotherapy.(5)

The effect of bempedoic acid on cardiovascular morbidity and mortality has not yet been determined. The company initiated a global cardiovascular outcomes trial (CVOT) to assess the effects of bempedoic acid on the occurrence of major cardiovascular events in patients with, or at high risk for, cardiovascular disease (CVD) who are only able to tolerate less than the lowest approved daily starting dose of a statin and considered “statin intolerant.” The CVOT — known as CLEAR Outcomes — is an event-driven, randomized, double-blind, placebo-controlled study expected to enroll approximately 12,600 patients with hypercholesterolemia and high CVD risk at over 1,000 sites in approximately 30 countries.[7]

About Daiichi Sankyo

Daiichi Sankyo Group is dedicated to the creation and supply of innovative pharmaceutical products to address diversified, unmet medical needs of patients in both mature and emerging markets. With over 100 years of scientific expertise and a presence in more than 20 countries, Daiichi Sankyo and its 15,000 employees around the world draw upon a rich legacy of innovation and a robust pipeline of promising new medicines to help people. In addition to a strong portfolio of medicines for hypertension and thrombotic disorders, under the Group’s 2025 Vision to become a “Global Pharma Innovator with Competitive Advantage in Oncology”, Daiichi Sankyo research and development is primarily focused on bringing forth novel therapies in oncology, including immuno-oncology, with additional focus on new horizon areas, such as pain management, neurodegenerative diseases, heart and kidney diseases, and other rare diseases. For more information, please visit: www.daiichisankyo.com.

Product Communications Contact

Lydia Worms

Daiichi Sankyo Europe GmbH

+49 (89) 7808751

lydia.worms@daiichi-sankyo.eu

- [1] Pinkosky L. *et al.* Liver-specific ATP-citrate lyase inhibition by bempedoic acid decreases LDL-C and attenuates atherosclerosis. *Nature*. 2016; 10.1038.
- [2] De Backer G. *et al.* Lipid Management of Patients with Coronary Heart Disease in 27 Countries in Europe: Results of EUROASPIRE V Survey of the European Society of Cardiology. Presented at EAS 2018. Available at <https://www.eas-society.org/news/399857/EAS2018-Late-Breaking-Clinical-Trial-EUROASPIRE-V.htm>. Last accessed 20 December 2018.
- [3] Rosei EA *et al.* Management of Hypercholesterolemia, Appropriateness of Therapeutic Approaches and New Drugs in Patients with High Cardiovascular Risk. *High Blood Press Cardiovasc Prev*. 2016; 23(3): 217—230.
- [4] Thompson PD *et al.* Treatment with ETC-1002 alone and in combination with ezetimibe lowers LDL cholesterol in hypercholesterolemic patients with or without statin intolerance. *Journal of Clinical Lipidology*. 2016; 10:5560567.
- [5] Phase 3 Top-Line Results from Study 2 & Cumulative Phase 3 Program Results. Esperion Investor Presentation. Oct 29, 2018. Available at <https://investor.esperion.com/static-files/32936da0-96f9-40e5-a12b-bd00ece6698d>. Last accessed December 12, 2018.
- [6] Top-Line Results from the Bempedoic Acid / Ezetimibe Combination Pill Phase 3 Study. Esperion Investor Presentation. Aug 27, 2018. Available at <https://investor.esperion.com/static-files/1639de53-9494-4299-98a5-0b6f1317678a>. Last accessed December 12, 2018.
- [7] Evaluation of Major Cardiovascular Events in Patients With, or at High Risk for, Cardiovascular Disease Who Are Statin Intolerant Treated with Bempedoic Acid (ETC-1002) or Placebo (CLEAR Outcomes). Available at <https://clinicaltrials.gov/ct2/show/NCT02993406?term=bempedoic+acid&rank=4>. Last accessed December 12, 2018.
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Schedule 10.2

Disclosure Schedule

[***]

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Schedule 10.2.5

Esperion Patent Rights

I. Esperion Patent Filings

The Company is the sole owner and assignee of the following Patent Rights unless otherwise noted.

[***]

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- Registration Statement (Form S-8 No. 333-228994) pertaining to the Amended and Restated 2013 Stock Option and Incentive Plan of Esperion Therapeutics, Inc.
- Registration Statement (Form S-8 No. 333-223105) pertaining to the Amended and Restated 2013 Stock Option and Incentive Plan of Esperion Therapeutics, Inc.
- Registration Statement (Form S-8 No. 333-218084) pertaining to the 2017 Inducement Equity Plan of Esperion Therapeutics, Inc.
- Registration Statement (Form S-8 No. 333-216169) pertaining to the Amended and Restated 2013 Stock Option and Incentive Plan of Esperion Therapeutics, Inc.
- Registration Statement (Form S-3 No. 333-208701) of Esperion Therapeutics, Inc.
- Registration Statement (Form S-8 No. 333-208702) pertaining to the Amended and Restated 2013 Stock Option and Incentive Plan of Esperion Therapeutics, Inc.
- Registration Statement (Form S-8 No. 333-206180) pertaining to the Amended and Restated 2013 Stock Option and Incentive Plan of Esperion Therapeutics, Inc.
- Registration Statement (Form S-8 No. 333-201378) pertaining to the 2013 Stock Option and Incentive Plan of Esperion Therapeutics, Inc.
- Registration Statement (Form S-8 No. 333-194536) pertaining to the 2013 Stock Option and Incentive Plan of Esperion Therapeutics, Inc.
- Registration Statement (Form S-8 No. 333-189738) pertaining to the 2008 Incentive Stock Option and Restricted Stock Plan and the 2013 Stock Option and Incentive Plan of Esperion Therapeutics, Inc.

of our reports dated February 28, 2019, with respect to the financial statements of Esperion Therapeutics, Inc. and the effectiveness of internal control over financial reporting of Esperion Therapeutics, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2018.

/s/ Ernst & Young LLP

Detroit, Michigan
February 28, 2019

QuickLinks

[Exhibit 23.1](#)

[Consent of Independent Registered Public Accounting Firm](#)

CERTIFICATIONS UNDER SECTION 302

I, Tim M. Mayleben, certify that:

1. I have reviewed this annual report on Form 10-K of Esperion Therapeutics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2019

/s/ TIM M. MAYLEBEN

Tim M. Mayleben
President and Chief Executive Officer
(Principal Executive Officer)

QuickLinks

[Exhibit 31.1](#)

[CERTIFICATIONS UNDER SECTION 302](#)

CERTIFICATIONS UNDER SECTION 302

I, Richard B. Bartram, certify that:

1. I have reviewed this annual report on Form 10-K of Esperion Therapeutics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2019

/s/ RICHARD B. BARTRAM

Richard B. Bartram
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

QuickLinks

[Exhibit 31.2](#)

[CERTIFICATIONS UNDER SECTION 302](#)

CERTIFICATIONS UNDER SECTION 906

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Esperion Therapeutics, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report for the year ended December 31, 2018 (the "Form 10-K") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 28, 2019

/s/ TIM M. MAYLEBEN

Tim M. Mayleben
President and Chief Executive Officer
(Principal Executive Officer)

/s/ RICHARD B. BARTRAM

Richard B. Bartram
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

QuickLinks

[Exhibit 32.1](#)

[CERTIFICATIONS UNDER SECTION 906](#)