Alkermes plc and Subsidiaries

GAAP to Non-GAAP Adjustments (Unaudited)

An itemized reconciliation between net loss according to generally accepted accounting principles in the U.S. (GAAP) and net income on a non-GAAP basis is as follows:

(In millions, except margin %)	Year ended December 31, 2019	Year ended December 31, 2020	Year ending December 31, 2021 Projected *
Total Revenues	$ 1,170.9	$ 1,038.8	$ 1,135.0
Net Loss — GAAP	$ (196.6)	$ (110.9)	$ (105.0)
Net Loss Margin — GAAP	*-17%*	*-11%*	*-9%*
Adjustments:			
Share-based compensation expense	101.0	90.2	93.0
Depreciation expense	40.1	42.4	46.0
Amortization expense	40.4	39.5	40.0
Income tax effect related to reconciling items	5.8	10.1	5.0
Non-cash net interest expense	0.7	0.7	1.0
Change in the fair value of contingent consideration	22.8	(3.9)	-
Change in the fair value of warrants	(1.8)	-	-
Acquisition of IPR&D	86.6	0.7	-
Restructuring expense	13.4	-	-
Non-GAAP Net Income	$ 112.2	$ 68.6	$ 80.0
Non-GAAP Net Income Margin	*10%*	*7%*	*7%*

* Projected GAAP and non-GAAP measures for the year ending December 31, 2021 reflect the mid-point of the ranges of the financial expectations provided, along with the assumptions and risks underlying such expectations, in Alkermes plc's (the "Company") Current Report on Form 8-K filed with the SEC on February 11, 2021. The Company expressly disclaims any obligations to update or affirm these expectations.

The non-GAAP measures that the Company presents, including non-GAAP net income and non-GAAP net income margin (non-GAAP net income/total revenues), are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies. Non-GAAP net income adjusts for one-time and non-cash charges by excluding from GAAP results: share-based compensation expense; amortization; depreciation; non-cash net interest expense; certain other one-time or non-cash items; and the income tax effect of these reconciling items. The Company's management and board of directors utilize these non-GAAP financial measures to evaluate the company's performance. The Company provides these non-GAAP measures of the Company's performance to investors because management believes that these non-GAAP financial measures, when viewed with the Company's results under GAAP and the accompanying reconciliations, are useful in identifying underlying trends in ongoing operations. However, non-GAAP net income and non-GAAP net income margin are not measures of financial performance under GAAP and, accordingly, should not be considered as alternatives to GAAP measures as indicators of operating performance.

The Company has not provided financial expectations for time periods after the year ending December 31, 2021 and therefore is not providing reconciliations of, or comparable GAAP financial measures for, non-GAAP financial measures, including non-GAAP net income margin or EBITDA margin (EBITDA/total revenues), for time periods after the year ending December 31, 2021 (EBITDA: Earnings before interest, tax, depreciation, amortization). Reconciliations of such forward-looking non-GAAP financial measures to GAAP are not provided as they are not determinable without unreasonable efforts due to the inherent difficulty in forecasting and quantifying certain amounts that would be necessary for such reconciliations, which amounts could have a significant impact on the Company’s future financial results, including such non-GAAP financial measures and the comparable GAAP financial measures.