

INDIVIOR PLC (THE 'COMPANY')

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR-ENDED DECEMBER 31, 2018 ('ANNUAL REPORT AND ACCOUNTS' OR 'ANNUAL REPORT') AND 2019 ANNUAL GENERAL MEETING ('AGM')

The Company has today posted or made available to shareholders the following documents:

- Annual Report and Accounts;
- Notice of AGM; and
- Form of Proxy for the AGM.

In accordance with LR 9.6.1R, these documents have been submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/NSM.

The Annual Report and Accounts and Notice of AGM can also be viewed on the Company's website at:

- www.indivior.com/annual-reports/; and
- www.indivior.com/shareholders/shareholder-communications/.

The AGM is scheduled to be held at 11.00am on Wednesday, May 8, 2019 at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG.

A condensed set of Indivior's financial statements and information on important events that have occurred during the financial year-ended December 31, 2018 and their impact on the financial statements were included in Indivior's preliminary results announcement released on February 14, 2019. That information, together with the information set out in the Appendix below, which is extracted from the Annual Report and Accounts, constitute the material required by Disclosure Guidance and Transparency Rule 6.3.5R which is required to be communicated to the media in full unedited text through a Regulatory Information Service. This announcement is not a substitute for reading the full Annual Report and Accounts. Page numbers and cross references in the extracted information refer to page numbers and cross references in the Annual Report and Accounts.

March 14, 2019

Investor Contact

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APPENDIX

Forward-Looking Statements

The purpose of this Annual Report and Accounts is to provide information to members of the Company. The Annual Report and Accounts have been prepared for, and only for, the members of the Company, as a body and no other persons. The Company, its Directors and employees, agents or advisors do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

The Annual Report and Accounts contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and Accounts and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report and Accounts should be construed as a profit forecast.

i. Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Parent Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Annual Report and Accounts, confirm that, to the best of their knowledge:

- the Parent Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to auditors

A Directors' statement in relation to disclosure of relevant audit information can be found in the Directors' Report on pages 78 to 82.

Going Concern

The Group's business model, strategy, and viability assessment are set out in the Strategic Report on pages 4 to 35, along with the principal risks that could threaten the Group's business model, future performance, solvency or liquidity and the Group's risk management strategy. The Group's financial position, cash flows, liquidity position and financial assets and liabilities are discussed in the notes to the Group financial statements, along with the Group's objectives, policies and processes for managing its financial risks, and the Group's exposure to liquidity risk and capital risk.

The Directors have given the going concern assessment due consideration and have concluded that it is appropriate to prepare the Group financial statements on a going concern basis. The Directors have considered the Group's strategic plan, in particular with reference to the period through June 2020. As disclosed in Note 22 of the Group Financial Statements, the Directors have considered the impact of the DOJ, FTC and antitrust litigations. The final settlement amount may be materially higher than the \$438m provision recorded at December 31, 2018, or require payment over a shorter period. This, together with higher than expected loss of revenue following the 'at-risk' launch of generic buprenorphine/naloxone sublingual film products, or failure for new products to meet expectations, could impact the Group and Parent Company's ability to operate. The Directors have taken significant steps to reduce the cost base of the business and manage its capital structure and believe the Group has sufficient liquidity to continue as a going concern for at least the next twelve months. However, a combination of the risks may require additional measures such as further cost savings or a change to the litigation strategy.

Although the above factors indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern, the Directors have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence through the period ending June 2020. Accordingly, the Directors continue to adopt the going concern basis for accounting in preparing these financial statements. The viability statement is on page 35.

This statement is made to fulfill the requirements of Provision C.1.3 of the UK Corporate Governance Code.

ii. Principal risks and risk management

The Board of Directors has carried out a robust assessment to ensure that the principal risks, including those that would threaten the Group's business model, future performance, solvency or liquidity, are effectively managed and/or mitigated to help ensure the Group remains viable. While the Group aims to identify and manage such risks, no risk management strategy can provide absolute assurance against loss.

The table overleaf provides insight into the principal risks, outlining why effective management of these risks is important, how we manage them, how the risks relate to the Group's strategic priorities, and which risks are rising, falling or have remained static during the past 12 months. Additional risks, not listed here, that the Group cannot presently predict or does not believe to be equally significant, may also materially and adversely affect the Group's revenues, financial condition and results of operations. The principal risks and uncertainties are not listed in order of significance.

Risk management

To maintain our position as the leading pharmaceutical company focused primarily on the treatment of addiction, we recognize that we must understand the risks we face; those inherent in our strategy and operations, and those presented by external conditions. We take a systematic and robust approach to identify and monitor those risks and continuously adjust our processes, controls and monitoring activities accordingly.

Our approach

Our systematic risk management approach is designed to identify risks that would threaten the Group's business model, future performance, solvency or liquidity. Effective risk management is fundamental to our ability to meet our operational and strategic objectives. The competitive market in which we operate has industry-specific risks, particularly those relating to new product development, intellectual property enforcement and legal proceedings, and compliance with laws and regulations. This requires that business risks are effectively assessed, appropriately measured and addressed through mitigation plans. Our overall risk management approach is to foster and embed a culture of risk management that is responsive, forward-looking, consistent and accountable.

The Executive Committee establishes the risk agenda for the reporting and ongoing management of risks and for the stewardship of the risk management approach. The Executive Committee assesses, on a quarterly basis, changes to the key risks impacting the Group, including new and emerging risks and impacts to Indivior's principal risks.

Risk control assurance

The Directors have overall responsibility for the Group's risk management framework. The Directors review the Group's principal risks and emerging risks with a focus on key risk areas. The Board's Committees regularly review risks relevant to their area of focus; this includes, but is not limited to, risks relating to legal, financial and compliance matters. Assurance on governance, risks and controls is provided by internal management information, internal audits, external audits and Board oversight. There is also an externally supported web-based and confidential employee reporting system in place (EthicsLine).

In addition to the principal risks discussed below, the Group is facing heightened viability risks that could have an impact on the Group's ability to achieve its near-term financial forecasts (refer to our

viability statement on page 35). Those risks are being closely and actively monitored by the Board and management.

Business operations

The Group’s operations rely on complex processes and systems, strategic partnerships, as well as specially-qualified and high-performing personnel to develop, manufacture and sell our products. Failure to continuously maintain operational processes and systems as well as to recruit and/or retain qualified personnel could adversely impact products’ availability and patient health, and ultimately the Group’s operational financial performance. Additionally, an ever-evolving regulatory, political and technological landscape requires that we have the right priorities, capabilities and structures in place to execute successfully on our business strategy and adapt to this changing environment. An example of this evolving landscape is Brexit (decision for the UK to leave the EU), which creates uncertainties and impacts various areas of the Group, including Operations, Regulatory, Supply Chain, and Quality.

Change from 2017	Increased operational challenges due to Brexit disruptions and staff reductions linked to the optimization of the base business
Link to strategic priorities	Building the resilience of our franchise and expanding global treatment
Examples of risks:	Management actions
<ul style="list-style-type: none"> - Failure to retain and recruit qualified workforce and key talent - Process disruptions due to staff reductions - Failure of information technology (IT) systems, including from cyber security incidents (e.g. Malware and Ransomware), and data privacy breach - Disruptions in our operations due to Brexit 	<ul style="list-style-type: none"> - Talent management programs are in place, including talent review and retention programs, with focus on identifying key roles and successors - Programs to reinforce the culture, centred around passion and commitment to support the patient journey, are in place - Knowledge transfer and transition plans are being developed - IT policies, processes, systems and disaster recovery plans supporting overall business continuity are in place - Strategy and processes to secure systems and protect data are in place - Business standards, product quality, patient safety related policies and training are in place - A Brexit steering committee monitors the evolving impact of Brexit and facilitates appropriate business planning

Product pipeline, regulatory and safety

The development and approval of the Group’s products is an inherently risky and lengthy process requiring significant financial, research and development resources, and strategic partnerships. Complex regulations with strict and high safety standards govern the development, manufacturing and distribution of our products. In addition, strong competition exists for strategic collaboration, licensing arrangements and acquisition targets. Patient safety depends on our ability to perform robust safety assessment and interpretation to ensure that appropriate decisions are made regarding the benefit/ risk profiles of our products. Deviations from these quality and safety practices can impact patient safety and market access, which can have a material effect on the Group’s performance and prospects.

Change from 2017	No change
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Link to strategic priorities	Developing our innovative pipeline, building the resilience of our franchise and expanding global treatment
Examples of risks:	Management actions
<ul style="list-style-type: none"> – Failure to advance the development, and/ or obtain regulatory approval, of pipeline products – Failure to achieve expected market acceptance – Performance failure of our Clinical Research Organization (CRO) partners – Potential liability and/ or additional expenses associated with ongoing regulatory obligations and oversight – Unexpected changes to the benefit/ risk profiles of our products 	<ul style="list-style-type: none"> – Product development, business development and international growth strategies are in place – Due diligence, market valuation, and economic and financial modeling are in place – Ongoing monitoring of CROs’ performance and clinical practices is in place – Ongoing Quality and Safety monitoring and auditing programs are in place – Strategies to defend against and pursue appropriate resolution of product liability claims are in place – Rigorous pharmacovigilance processes for ongoing evaluation of data collected from multiple sources related to patient safety are in place, including Risk Evaluation and Mitigation Strategy (REMS) programs in the US and Risk Management Plans (RMP) outside the US.

Commercialization

Successful commercialization of our products is a critical factor for the Group’s sustained growth and robust financial position. Launch of new product involves substantial investment in marketing, market access and sales activities, product stocks, and other investments. Generic and brand competition, pricing pressures, private and government reimbursement schemes and systems, negotiations with payors, erosion and/or infringement of intellectual property (IP) rights, political and socioeconomic factors and HCP/patient adoption and adherence, if different than anticipated, can significantly impact the Group’s performance and position.

Change from 2017	Increased generic competition/ threats and performance of SUBLOCADE™ in 2018 (Refer to the Chief Executive Officer’s statement on pages 12 to 15 or the Finance Review section on pages 22 to 25)
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Link to strategic priorities	Building the resilience of our franchise, expanding global treatment, and developing and fortifying the business
Examples of risks:	Management actions
<ul style="list-style-type: none"> – Unexpected changes to government and/ or commercial reimbursement levels and pricing pressures – Slower than expected ramp up and adoption of the new SUBLOCADE™ distribution platform and payor approval process impacting HCP and patient adoption – Launch or marketing of competing branded and generic products – HCP and patient adoption of the new treatment paradigm for SUBLOCADE™ and PERSERIS™ 	<ul style="list-style-type: none"> – Including health economic factors in the development of new products – Managing prices within acceptable ranges – Enhanced investments to educate and facilitate patients’ access and reimbursement working with key stakeholders – Emphasizing value of products and health economics tailored to commercial and government payors through market access activities – Patient platforms supporting provider location, reimbursement support, and co-pay assistance for non-government patients are in place – Ongoing training and development for field-based employees are in place

- Active monitoring of “at risk” generic launches and activation of related contingency plans
- International growth, pipeline development, and business development strategies are in place

Economic and financial

The nature of the pharmaceutical business is inherently risky and uncertain, and requires that we make significant financial investments to develop and support the success of our product portfolio. External financing is a key factor in sustaining our financial position and expanding our business growth. Our ability to realize value on those investments is often dependent on regulatory approvals, market acceptance, strategic partnerships, competition and legal developments. As a global business, we are also subject to political, economic and capital markets changes. External financing is a key factor in sustaining our financial position and expanding our business growth.

Change from 2017	Financial pressure due to increased generic competition and performance of SUBLOCADE™ (Refer to the Finance Review section on pages 22 to 25)
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Link to strategic priorities	Developing our innovative pipeline, building the resilience of our franchise, expanding global treatment, and developing and fortifying the business
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Examples of risks:	Management actions
<ul style="list-style-type: none"> - Concentration of revenues geographically and/ or by product - Inability to raise capital or execute product and business developments and alliance opportunities - Failure to meet financial obligations and performance - Inability to identify and realize potential business development opportunities 	<ul style="list-style-type: none"> - Strategies supporting expansion opportunities and diversification are in place - Regular appraisals of debt and capital market conditions with advisors and counterparties are in place - Realignment of cost and finance structures, and active expense management are in place - Ongoing monitoring of financial performance and compliance with financial covenants - Internal and external resources in place to identify potential targets and ensure rigorous due diligence of acquisitions and/ or new product initiatives

Supply chain

The manufacturing and supply of our products are highly complex and rely on a combination of internal manufacturing capabilities and third parties for the timely supply of our finished drug and combination drug products. The Group has a single source of supply for buprenorphine, an active product ingredient (API) in the Group’s products, and uses contract manufacturing organizations (CMOs) to manufacture, package and distribute our products. The manufacturing of non-sterile pharmaceutical and sterile filled pharma/combination drug products is subject to stringent global regulatory quality and safety standards, including Good Manufacturing Practice (GMP). Delays or interruptions our supply chain, and/or product quality failures could significantly disrupt patient access, adversely impact the Group’s financial performance; lead to product recalls, and/or potential regulatory actions against the Group, along with reputational damage.

Change from 2017	No change
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Link to strategic priorities	Building the resilience of our franchise, and expanding global treatment
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Examples of risks:	Management actions
<ul style="list-style-type: none"> – Inability to supply compliant finished products in a continuous and timely manner – Single source of API and reliance on critical CMOs 	<ul style="list-style-type: none"> – Business continuity, disaster recovery, and emergency response plans across the supply chain network are in place – Contingency plans and management of safety stocks are in place – Comprehensive product quality and control processes and manufacturing performance monitoring across the supply chain network are in place – Ongoing monitoring of stock levels and implementation of insurance coverage

Legal and intellectual property

Our pharmaceutical operations, which include controlled substances, are subject to a wide range of laws and regulations from various governmental and non-governmental bodies. Perceived noncompliance with these applicable laws and regulations may result in investigations or proceedings leading the Group to become subject to civil or criminal sanctions and/or pay fines and/or damages, as well as reputational damage.

Intellectual Property (IP) rights protecting our products may be challenged by external parties, including generic manufacturers. Although we have developed robust patent protection for our products, we are exposed to the risk that courts may decide that our IP rights are invalid and/or that third parties do not infringe our asserted IP rights.

Unfavorable outcome from government investigations and/or resolutions from legal proceedings, expiry and/or loss of IP rights could have a material adverse impact on the Group's prospects, results of operations and financial condition.

As previously disclosed in the Prospectus dated November 17, 2014, Indivior has indemnification obligations in favor of Reckitt Benckiser (RB) (page 43). Some of these indemnities are unlimited in terms of amount and duration and amounts potentially payable by the Indivior Group pursuant to such indemnity obligations could be significant and could have a material adverse effect on the Indivior Group's business, financial condition and/or operating results. Requests for indemnification may be subject to legal challenge.

Change from 2017	Material business impact of “at-risk” generic launches (Refer to the Legal proceedings section on pages 26 to 28 and Chair and Chief Executive Officer statements on pages 4 to 5 and 12 to 15 respectively)
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Link to strategic priorities	Building the resilience of our franchise
Examples of risks:	Management actions
<ul style="list-style-type: none"> – Legal proceedings related to product liability claims, antitrust, government enforcement and/ or private litigation associated with the manufacturing, marketing and distribution of our products – Government investigations of the Group's business activities 	<ul style="list-style-type: none"> – Quality, patient safety, monitoring and compliance are embedded in the Group's processes and culture – Cooperation with government authorities in connection with ongoing investigations, utilizing internal and external counsel – Insurance coverage and monitoring of legal proceedings are in place – Ongoing active review, management and enforcement of our product patents, marketing exclusivity and other IP rights are in place

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| <ul style="list-style-type: none"> - Infringement of IP rights of third-parties - Inability to obtain, maintain and protect patents and other proprietary rights | <ul style="list-style-type: none"> - Strategies to defend against infringement claims and pursue enforcement of product patents and other IP rights are in place - Geographic expansion and product diversification strategies are in place |
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Compliance

Our Group operates on a global basis and the pharmaceutical industry is both highly competitive and regulated. Complying with all applicable laws and regulations, including engaging in commercial activities that are consistent with legal and industry standards, and our Group’s Code of Conduct are core to the Group’s mission, culture and practices. Failure to comply with applicable laws and regulations may subject the Group to civil, criminal and administrative liability, including the imposition of substantial monetary penalties, fines, damages and restructuring the Group’s operations through the imposition of compliance or integrity obligations, and have a potential adverse impact on the Group’s prospects, reputation, results of operations and financial condition.

Change from 2017	No change
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Link to strategic priorities	Building the resilience of our franchise, and expanding global treatment
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Examples of risks:

Management actions

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| <ul style="list-style-type: none"> - Failure to act in an ethical manner aligned with our Code of Conduct - Non-compliance with anti-corruption, healthcare, data privacy, or local laws and regulations - Failure to comply with payment and reporting obligations under the US and foreign government programs - Inability to respond adequately to changes in laws and regulations - Government investigations of the Group’s business activities | <ul style="list-style-type: none"> - Ongoing evolution of our compliance program and compliance capabilities in place - All employees are required to perform annual training and certify compliance with our Code of Conduct - Compliance policies and processes, and related mandatory employee training programs are in place - Confidential independent reporting process for employees to report concerns is in place - Increased oversight and monitoring of controls and procedures in emerging markets are in place - Ongoing monitoring of controls over government pricing and reporting in place - Compliance risk assessment and monitoring of key risks are in place - Continuous review and assessment of developments in the law, applicable industry standards, and business practices - Cooperating with the authorities on ongoing investigations, using external counsel |
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iii. Related Party Transactions

Key management compensation is disclosed in Note 7a.

The subsidiaries included in the consolidated financial statements at December 31, 2018 are disclosed in Note 2 to the Parent Company financial statements.