

March 13, 2020



Indivior PLC (the 'Company')
Annual Financial Report

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

- 2019 Annual Report and Accounts;
- Notice of 2020 Annual General Meeting ('AGM'); and
- Form of Proxy for the 2020 AGM.

In accordance with LR 9.6.1R, a copy of each of these documents has 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/.

A condensed set of Indivior's financial statements and information on important events that have occurred during the financial year-ended December 31, 2019 and their impact on the financial statements were included in Indivior's preliminary results announcement released on February 13, 2020. 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.

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APPENDIX

Forward-Looking Statements

The purpose of the 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 the 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. Principal risks and risk management

Effective management of existing and emerging risks is critical to the success of our Group and the achievement of our strategic objectives. Risk must be accepted to a reasonable degree in order to execute on our strategic objectives and pursue our business opportunities aligned with our mission to provide innovative treatments to our patients. Risk management is therefore an integral component of our culture and governance.

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

The tables set out on pages 41 to 44 provides insight into the Group's 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 increasing, decreasing or have remained static during the past twelve 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 business, results of operations and financial condition. The principal risks and uncertainties are not listed in order of significance.

Managing risks

Our Enterprise Risk Management (ERM) process is designed to identify, assess, manage, report and monitor risks and opportunities that may impact the achievement of the Group's strategy and objectives. This includes adjusting the risk profile in line with the Group's risk tolerances to respond to new threats and opportunities. An effective ERM process is fundamental to our ability to meet and align to our operational and strategic objectives. The competitive market in which we operate has industry-specific risks, particularly those relating to new product development and commercialization, intellectual property enforcement and legal proceedings, and compliance with laws and regulations. This requires that existing and emerging business risks are effectively assessed, appropriately measured, regularly monitored and addressed through mitigation plans. Our ERM process fosters and embeds a Group-wide culture of risk management that is responsive, forward-looking, consistent and accountable.

Governance and responsibilities

The Board has overall responsibility for the Group's risk management. The Audit Committee assists the Board in overseeing the Group's risk management activities, including reviewing the Group's principal risks and emerging risks with a focus on key risk areas. In addition, 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, commercial, and compliance matters.

The Executive Committee is required by the Board to oversee and monitor the effectiveness of the Group's risk management activities. Quarterly, the Executive Committee reviews enterprise risks as part of its regular quarterly business reviews, assesses any changes impacting the Group, including emerging risks and impacts to Indivior's principal risks, as well as the underlying mitigating plans.

Business Unit and Functional leadership executes day-to-day risk management activities, including risk identification, and manages risk mitigation actions within their respective areas in alignment with the ERM framework.

The Risk Management team facilitates the ERM program, including the implementation of processes and tools to identify, assess, measure, monitor and report risks.

Any one or combination of the risks listed below could impact the Group's viability (refer to our viability statement on page 45).

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 performance and financials. Additionally, an ever evolving regulatory, political and technological landscape requires that we have the right priorities, capabilities and structures in place to successfully execute on our business strategy and adapt to this changing environment. The finishing of our SUBOXONE and SUBUTEX tablets for all our European markets is manufactured by a third-party contract manufacturer located in the UK. The Group has been proactive in taking appropriate actions since the referendum should a hard Brexit/no deal occur, including changes to logistics, shipping, and quality testing and release processes, as well as transfer of regulatory licenses and additional inventory builds. Uncertainties of the impact of Brexit on our operations remain a risk closely monitored as it impacts various areas of the Group, including Operations, Regulatory, Supply Chain, and Quality.

Change from 2018:	↑	Increased complexity and operational challenges due to greater network of third-party partners, Brexit's impact on our operations, tightened labor market, and workforce management
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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"> < Failure to retain and recruit qualified workforce and key talent 	<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
<ul style="list-style-type: none"> < Loss of intellectual property, confidential data, and personally identifiable information or significant impact on operations from cybersecurity breaches 	<ul style="list-style-type: none"> < Programs to reinforce the Culture, centered around passion and commitment to support the patient journey, are in place < Strategy, processes, and tools to secure systems and protect data are deployed
<ul style="list-style-type: none"> < Failure or significant performance issues experienced with our Information Technology (IT) systems, key processes, and/or at our critical third-party partners 	<ul style="list-style-type: none"> < IT policies, processes, systems and disaster recovery plans supporting overall business continuity are in place < Business standards, monitoring processes, and contingency plans, are in place
<ul style="list-style-type: none"> < Disruptions in our operations due to Brexit 	<ul style="list-style-type: none"> < A Brexit steering committee regularly monitors the evolving impact of Brexit on our operations 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 to the benefit/risk profiles of our products. Deviations from these quality and safety practices can impact patient safety and market access, which could have a material effect on the Group's performance and prospects.

Change from 2018: ⇔ No change

Link to strategic priorities: Developing our innovative pipeline, building the resilience of our franchise, and expanding global treatment

Examples of risks:	Management actions
< Failure to advance the development and/or obtain regulatory approval of pipeline products	< Product development, business development and international growth strategies are in place
< Potential liability and/or additional expenses associated with ongoing regulatory obligations and oversight	< Due diligence, market valuation, and economic and financial modeling are in place
< Unexpected changes to the benefit/risk profiles of our products	< 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 & 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 a new product involves substantial investment in marketing, market access and sales activities, product stocks, and other investments. Certain factors, if different than anticipated, can significantly impact the Group's performance and position. These factors include: HCP/Patient adoption and adherence; 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; and political and socioeconomic factors.

Change from 2018: ↑ Increased generic and branded competition/threats and commercial challenges for SUBLOCADE and PERSERIS. (Refer to Chief Executive Officer's statement on pages 10 to 12 or the Finance Review section on pages 31 to 34)

Link to strategic priorities: Building the resilience of our franchise, expanding global treatment, and developing and fortifying the business

Examples of risks:	Management actions
< Launch of competing branded and/or generic products	< Enhanced investments to educate HCPs and patients, including direct-to-consumer advertising, as well as facilitation of patients' access and reimbursement working with key stakeholders
< Slower than expected HCP and Patient adoption of SUBLOCADE and PERSERIS	< Emphasizing value of products and health economics tailored to commercial and government payors through market access activities
< Unexpected changes to	

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"> < Single source of API and reliance on critical CMOs < Inability to supply compliant finished products in a continuous and timely manner 	<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 potential 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 (including the Western District of Virginia Indictment), expiry and/or loss of IP rights could have a potentially material adverse impact on the Group's prospects, results of operations and financial condition, including potential exclusion from participating in US Federal Health Care Programs.

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 Group pursuant to such indemnity obligations could be significant and could have a material adverse effect on the Group's business, financial condition and/or operating results. Requests for indemnification may be subject to legal challenge.

Change from 2018: ↑ Potential material business impact from legal proceedings exist (Refer to Legal proceedings section on pages 35 to 38 and Chair and Chief Executive Officer's statements on pages 3 to 4 and 10 to 16, respectively)

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 indictment, shareholders, product liability claims, antitrust, government enforcement and/or private litigation associated with the manufacturing, marketing and distribution of our products < Inability to obtain, maintain, and protect patents and other proprietary rights 	<ul style="list-style-type: none"> < Quality, patient safety, monitoring and compliance are embedded in the Group's processes and Culture < Cooperation with the government authorities in connection with ongoing investigations, utilizing internal and external counsel < Engagement with Government authorities and preparation related to defense of indictment, utilizing internal and external counsel < Insurance coverage and monitoring are in place < Ongoing active review, management and enforcement of our product patents, marketing exclusivity 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 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 2018: ⇔ No change

Link to strategic priorities: Building the resilience of our franchise, and expanding global treatment

Examples of risks:	Management actions
< Non-compliance with our Code of Conduct, anti-corruption, healthcare, data privacy, or local laws and regulations	< Ongoing evolution of our compliance program and compliance capabilities, including Code of Conduct, are in place < Compliance policies and processes, including risk assessment, and related mandatory employee training programs are in place
< Failure to comply with payment and reporting obligations under the US and foreign government programs	< 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
< Inability to adequately respond to changes in laws and regulations, including data privacy	< Ongoing monitoring of controls over government pricing and reporting is in place < Continuous review and assessment of developments in the law, applicable industry standards, and business practices

ii. Statement of directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual 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 as adopted by the European Union ('IFRSs'), 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.

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 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;

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;
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 it faces.

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 92 to 94.

Going concern

The Group's business model, strategy, and viability assessment are set out in the Strategic Report on pages 3 to 45, 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 2021.

As disclosed in the Notes 21 and 23 of the Group financial statements, the Group carries a provision of \$438m, substantially all relating to the Department of Justice (DoJ) litigation matter. While the Directors believe the Group

has strong defences to the government's charges and will vigorously defend itself, they will still endeavour to pursue a settlement. If a settlement cannot be reached, the final court outcome relating to the DoJ indictment is not expected to impact the Group during the going concern period over the next 12 months. However, an unfavourable outcome from legal proceedings (including the Western District of Virginia indictment and the Agreed Protective Order), or potential exclusion from participating in US federal healthcare programs would negatively impact the financial position and long-term viability of the Group including the ability to comply with debt covenants. The final resolution of the Group's legal proceedings as disclosed in Note 23 of the Group's financial statements may be materially higher than the amount provided, require payment over a shorter period or could adversely impact the ongoing business operation as noted above which together with the future of SUBLOCADE and PERSERIS to meet revenue growth expectations and/or lower than forecast revenue for SUBOXONE Film, could impact the Group's ability to operate.

The Directors have already taken significant steps to reduce the cost base of the business and manage its capital structure to ensure the Group will comply with the Term Loan covenant as specified in Note 19. A combination of the above risks may require additional measures to be taken such as further cost reductions. The above factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. However, the Directors believe the Group has sufficient liquidity and the ability to carry out any further measures that may be necessary for the Group to continue as a going concern for at least the next twelve months.

Accordingly, the Directors continue to adopt the going concern basis for accounting in preparing these financial statements. The viability statement is on page 45.

iii. Related party transactions

Key management compensation is disclosed in Note 7a. The subsidiaries included in the consolidated financial statements at December 31, 2019 are disclosed in Note 2 to the Parent Company financial statements.